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**Innovation and creativity are fuelling a turnaround for AGS Automotive Systems in the intensely competitive automotive market. Co-presidents Joseph Leon and Joseph Loparco of J2 Management Corp spoke to Bernie Sheehan**

Increasingly high production rates, maximum uptime, flexible production systems, and reduced lead times—this is the reality of the automotive industry today. At the same time, competition within the industry has led to a proliferation of brands, and consequently more part specifications and intensified delivery and logistics requirements. As a result, automotive suppliers are under growing pressure to maximize their flexibility and responsiveness while delivering substantial cost savings annually. To meet these challenges, Tier One automotive supplier AGS Automotive Systems (formerly known as AG Simpson) is undergoing a transformation based on three driving principles: quality, technology and teamwork. "Since the company was purchased by J2 Management Corp in December 2002, we've been working very hard to build stronger processes in all our operations," explains co-president Joe Leon. Headquartered at Scarborough, Ontario, Canada, AGS has 1,200 employees based at four sites in Canada and two in the US. Annual sales total approximately \$340 million. "We have two main areas of speciality—one is automotive metal stampings, the other is exposed steel impact systems. We supply front-end bumper systems for the truck market. We're a long-established supplier in the chrome-plated bumper market, where we have a very large presence," says Leon. "We play a Tier One role into our major customers, the North American OEMs — General Motors and DaimlerChrysler."

Quality and technology underpin a number of process-driven manufacturing techniques in the company. "We're focusing on continuous improvement and we've successfully implemented vision systems in our operations to improve quality," explains co-president Joe Loparco. "Vision systems take the human error out of checking for quality, and high quality is particularly important for General Motors and DaimlerChrysler when they're competing in their markets." Since the restructuring of the company, continued Leon, "we're 100 percent green for quality in the OEMs' eyes, we can be considered for new business and meet all their quality metrics. It's a major step forward in the last 10 months." To optimize resources, AGS has also implemented 5S throughout its operations.



Four Bumpers on the Chrome plating line emerge from the chroming tank

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As a graphic example, Loparco cites how AGS can now turn a three-week job around in a weekend. "OEMs often have a critical situation—maybe it's trouble with a stamping die or they need to move a part quickly. Our Scarborough stamping operation received a die on the Friday and shipped the parts out on the Monday. It took a lot of tooling capability and management expertise to achieve that, not to mention organization, process discipline, and teamwork" AGS is committed to the innovative use of technology in its bid for industry leadership. In April 2001 it upgraded the main press line at its Oshawa, Ontario, operation, which produces steel bumpers for Chevrolet-sized trucks. Key to the upgrade of the seven mechanical presses has been the introduction of unique, servo-driven six-axis robots and controls using advanced synch-ronized technology. Production speeds on the line have rocketed from six to ten strokes per minute. The overall result for AGS is increased flexibility and throughput with minimum down-time. "The change-over between jobs would previously take over 13 hours," continues Loparco; "Now that's down to a half-hour." It's a dramatic improvement. Robotics are being introduced throughout the company. "We've automated a world-class stamping operation for the bumper business," summarizes Leon. The company's Enterprise Information Work-flow project, which links systems and processes to create a seamless flow of information throughout the organization from production to HR, IS, finance, etc., will play a key role in the technological transformation. At AGS "soft tech-nology" is valued as much as state-of-the-art hardware, as Loparco explains, "We can access data more precisely and react more quickly to product challenges."

A new focus on teamwork is the third driving principle at AGS, emphasizing respect, communi-cation, and collaboration among employees. Recognizing that it is people that bring about any process and technology improvements, the aim is to get everyone pulling in the same direction. "There have been a lot of process changes, and we recognize that change is difficult for many people," continues Loparco. "We need to respect that and focus on teamwork. It's a great cultural strength of our company." The SmartSolutions Program, launched two months ago, is an important tool in this respect. "It's a very effective suggestion program, designed to invite creative ideas from the shop floor and involve people right through to their implementation. It's not just a black box for management to use, we want to get the people who are doing the work involved in the evaluation and decision-making processes," explains Maria Di Zio, director of communications and special projects. "The response has been very positive. To date we've had over 100 ideas from across the company." Significant cost savings have already been identified, as well as ideas to improve safety and quality, indicating a cultural shift is taking place. Looking ahead to future challenges, plastic fascias is a growth market. AGS is seeking to exploit this by developing a strong competency in impact beams to go behind the fascias, and diversifying its product set accordingly.

The recent opening of a new facility this October at Shreveport, LA, is another key development. AGS is looking at integrating plastics capabilities with its manufacturing and stamping capabilities and is currently deploying a co-location program (piloted at Oshawa) at Shreveport. "We're partnering in a very tight fashion with an outside supplier, using their expertise in plastics, to get a seamless transfer of product flow," explains Leon. Shreveport is also the site where General Motors will be launching and manufacturing its new GMT 355 mid-size trucks, the Canyon and the Colorado. "It's a major develop-ment for GM and it will be our entrée into the southern United States truck market, which is a growing and critical market for OEMs." Although there are a lot of challenges still facing AGS, the course is set and with their driving principles of Quality, Technology, and Teamwork firmly engaged.