

AIME Success Story: Haley Industries, Haley, ON Aug 2009

Haley Industries Limited, owned by Magellan Aerospace

Company Profile

Manufacturer of aluminum and magnesium sand castings for the international aerospace industry

- **Country of Ownership:** Canada
- **Year Established:** 1952 (Owned by Magellan Aerospace since 2002)
- **Exporting:** Yes
- **Quality Certification:** ISO 9001
- **Primary Industry (NAICS):** 331529 - Non-Ferrous Foundries (except Die-Casting)
- **Primary Business Activity:** Manufacturer / Processor / Producer
- **Total Sales (\$CDN):** \$50,000,000 +
- **Export Sales (\$CDN):** \$10,000,000 to \$24,999,999
- **Number of Employees:** 526
- **Clients:** Pratt & Whitney Canada, Fiat Avio, Rolls-Royce, General Electric, Sikorsky Aircraft, Pratt & Whitney, TRW Lucas, GKN Westland, Agusta, Hamilton Sundstrand
- **Geographic Markets:**
 - Export Experience: Algeria, France, Germany, India, Italy, Japan, United Kingdom, United States
 - Actively Pursuing: China, Russian Federation

Background

Haley Industries is in the highly competitive business of manufacturing complex components for the aerospace industry. The company's products serve a global niche market and their sand castings are some of the most difficult in the world to manufacture. Staying competitive in this business requires ongoing training of uniquely skilled engineers and technicians.

Haley's customers have come to depend on them for the supply of components for the 747, 767 and 777 aircraft, F15 and F16 fighter jets, and for airbuses and helicopters.

Haley Industries was founded in 1952 and was a prime contributor to the Avro Arrow aircraft program. Today Haley is one of the few manufacturers left in the Ottawa Valley.

The company has been in the midst of a significant period of growth, with sales increasing rapidly from 2004 to 2008. However, with this growth Haley began experiencing quality and cost issues that management attributed to the increasing amounts of scrap being generated as a result of the technical complexity of their manufacturing process combined with the learning curve of new hires. If these issues were not resolved they would have a serious impact on the future of the business. The company tried a variety of approaches in trying to fix the problems, with varied levels of success.

The New Science of Fixing Things

In 2008, at a seminar in Germany, Peter Clark, Vice President of Casting Technology, discovered something that would turn things around for his company.

David Hartshorne and John Allen are the brains behind a training process called *The New Science of Fixing Things* (TNSFT), a unique approach to solving tough technical problems in the areas of manufacturing,



product performance and reliability. They have worked with companies around the world, with a concentration on companies that manufacture planes, trains and automobiles. Peter came away from David and John's seminar in Germany convinced that the unique TNSFT training process could help the Haley engineers fix their quality and cost problems.

Yves Landry Foundation Introduces AIME

Manufacturers across Ontario faced serious challenges in 2008. The aerospace industry was hit especially hard by the economic downturn that swept around the world. Orders were put on hold, budgets were trimmed and every expense was tightly scrutinized. The money to implement a TNSFT training program at Haley Industries was simply not available, even if that training could provide the solution to a significant problem.

In response to the dramatically deteriorating conditions for manufacturers in Ontario, the Yves Landry Foundation (YLF) launched the AIME initiative (Achieving Innovation and Manufacturing Excellence) in the fall of 2008. AIME was developed by YLF and funded by the Ontario Ministry of Economic Development to support all manufacturers in Ontario who were facing the kinds of challenges for employee training that Haley Industries was facing.

Information on the AIME program came across Peter Clark's desk at Haley exactly when the company most needed it. Haley immediately contacted YLF to see if the TNSFT training program would qualify. After a quick review of the company's preliminary request for funding it was determined that Haley would indeed qualify for a \$50,000 AIME grant to carry out the training.

Joanne McIntyre, Training Coordinator, credits YLF's clear and concise application guidelines and fast approval process for allowing the company to move forward with the training quickly. Nineteen engineers were trained over three, three-day sessions. Following the training a total of five projects were initiated, each one dealing with a different technical issue and with a dedicated team assigned to it. These individual projects are ongoing today and results are beginning to show.

The most significant outcome of the program to date has come from one team that identified a way to reduce scrap by five per cent across all manufacturing projects in the company. This reduction represents close to \$1 million a year in savings for Haley and those savings are expected to increase over the years to come. In addition, quality of final product delivered to their customers has become more stable and as a result the company was able to save one program that was in jeopardy and with it five or six jobs that would have otherwise been lost.

Positioned for the Future

Peter Clark describes the results of the AIME initiative in exciting terms that look beyond the immediate savings of dollars and jobs. In his words, "We are now positioned to be more competitive, and in our business we have to stay on the leading edge – it is absolutely critical for our business. Bringing our various groups of engineers together for this key training has had a huge impact on the potential of the company in the future. Due to receiving the AIME initiative funding, our engineers have a new advanced skill set and are highly successful at working in problem-solving teams. As a direct result we have already decided to expand our R&D focus. Who knows where that will lead our company in terms of innovation?"

For more information about the YLF or AIME, contact:

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