



CASE STUDY

Flexible Operations Help Kodak Adapt to Changing Environment

SUMMARY

Company: Eastman Kodak

Annual Revenue: 13.5 Billion

Facility: Rochester, New York

Operation: Kodak Operates in ___ business segments: consumer photography, pro/photographer lab, cinematography, health & dental, graphic communications, business & government & corporate.

Challenge: In recent years Kodak has faced dramatic changes to its business based on rapid digital technology development. A key factor that has helped Kodak respond quickly and effectively in this tough environment and under pressure from strong competitors is maintaining both flexibility and scalability in its Picture CD operations. This has helped them meet today's demands while ensuring long term improvement in productivity.

Total Employees: 54,800

Microtech Systems, Inc. has worked closely with Kodak to achieve its CD duplication performance objectives and maintain focus on long-term business goals throughout the transition. Mr. Jeff Mapes, a manager in Kodak's Imaging Services-Optical Storage department was heavily involved in the selection and operation of Microtech Xpress™ automated duplication systems and described Kodak's buying criteria. "We started with a comprehensive set of capabilities that included throughput, capacity, scalability, maintenance and quality. We needed this initial evaluation to develop a short list of vendors for drill down into the intangibles that make a business relationship work." Microtech's account manager, Jon Hodges, recalls the selection process as a very thorough one. "I knew our automated systems had competitive advantages that met Kodak's selection criteria. Microtech has been in the business since the beginning and our product offering is the direct result of market responses."

Microtech's Mr. Hodges went on to say, "Once we were on the short list we knew it was a matter of demonstrating our ability to solve real business problems where Kodak could measure tangible results and help them evolve with changing needs. We started with Kodak in 1999 and there was a certain amount of early anxiety, but as the victories came we moved onto new challenges." Kodak's Mr. Mapes is confident they selected the right CD duplication partner and expanded on that feeling. "It became clear to us that Microtech designs its systems for serious production requirements like ours, not the casual desktop user. We have to deal with both small and large images, and the efficient robotics and 600-disc capacity give us the flexibility to load up an Xpress™ and leave it alone for hours and save labor costs. And the few times we have had interruptions to production, the error handling and response has been pretty robust so recovery was graceful and quick. Overall, performance has been so reliable that we even plan for a several hour gap between our 2 shifts to allow the machines to work unattended."

Over the last several years, Kodak has grown its CD duplication volume to over 1 million discs per month. Mr. Mapes is pleased about Kodak's ability to get a new Xpress™ system and have it on-line and productive the day it arrives. He went on to say, "Microtech's responsiveness makes it easy to react to changes in demand. Adding a system is quick and redundancy is maximized making downtime on any system a minor impact on our total CD output. This makes us very confident we can meet our commitments over any planning horizon."

Maintenance and repair procedures are always important to any high volume production operation. Mr. Mapes attributes a lot of credit for Kodak's uptime record to Microtech's approach. "Maintenance has been well thought out by allowing us to stock only the robotic arm and elevator tower assembly, both of which can be replaced using thumbscrews and avoiding lengthy returns for depot repair." commented Mr. Mapes. He also cites other helpful uptime factors to be mistake proof setup, robust and intuitive error handling, and selectable verification level that give them high confidence that the disc is written correctly without much impact on production lead-time.

Today's business environment is more and more driven by technology advancements and success depends on the ability to make sense of it and develop reliable processes quickly. Mr. Mapes is specific about his regard for Microtech Systems and its contribution to Kodak's progress over the last several years. "Microtech competed for our business, won it and met its commitments to us. Our confidence in them has allowed us to take CD duplication off our list of things to really worry about, and get on with managing the rest of the list."

