



INSIDE THE VAULT

WITH MAGNA'S COST SAVING GURUS

Visitors to "The Vault" at Magna's Troy, Michigan headquarters may think they've stepped into a massive hardware store, not the home of a dedicated six-member team that is always on the hunt for potential opportunities for cost savings.

The room is filled with aisles of rolling racks that hold many of the products used every day in Magna plants and facilities, from cardboard for shipping motors to taillamps and transmission parts.

The dramatic displays enable the team to analyze similar parts on a cost-per-pound basis, almost at a glance.

"By bringing multiple parts together like this, things pop out at you," explained Dan Beckley, Magna Director of Continuous Improvement on the cost-savings team. "You can see discrepancies right off the bat. What we do is a critical part of world-class manufacturing because you must produce at an affordable price."

As a result, the team has been able to assist and train people at the group level and at the divisions on these cost save methods. This has saved the company millions of dollars in terms of products and processes since its inception five years ago.

Another part of The Vault includes large tables that are used by Magna guest teams to tear down products, another element of what is formally called the Magna Cost Reduction Process or MCRP.

The frugal approach is not limited to this under-the-radar room, which is open to all employees. The team also has an [interactive portal](#) on MagNET, the company intranet, that lets employees access its cost-per-pound database, along with other tools and training.

Team members like Tim O'Brien, a cost-savings analyst and one of the employees who came up with the original vision for The Vault, often hit the road to teach their methods to 30 to 40 Magna divisions a year.

"It can be as simple as seeing things with fresh eyes," Tim said. "I tell people to walk the plant in the opposite direction and see things from a different perspective. You must have the imagination to visualize something different."

The team is always on the lookout for eliminating waste, too, such as the over-handling of parts.

"You have to make the connection between packaging and logistics," Tim said. "At one plant, we noticed they were putting parts in two different boxes on the way to the assembly line, and handling



Mike Hier, a senior development engineer

Posted on large display boards inside The Vault are pictures and details of these achievements.

They include:

\$3.2 MILLION USD A YEAR

saved on a better way to produce an LED headlight

\$50,000 USD A YEAR

saved on landfill costs after the team found a recycler that would haul away material at a division for free

\$888,000 USD

saved by revising a plant layout at a Michigan facility with an eye toward Lean Manufacturing techniques

\$32,000 USD A YEAR

saved by comparing available parts for the power slider window of a popular pickup truck, and choosing the less expensive version

something two or three times. That needed to be fixed. And that's basically how we think."



Tim O'Brien (left), a cost savings analyst, and **Dan Beckley**, director of continuous improvement

A PASSION FOR REPURPOSING

When the team inside The Vault is done with parts, they don't toss them in the trash. Instead, these ultimate repurposers transform them into office equipment.

Mike Hier, a senior development engineer on the cost-savings team, is the creative genius behind this effort.

He takes car seats that have been torn down and puts them back together to become office chairs that recline and feature seatbelts. Running boards get a second life as bookshelves, and a Corvette roof panel does double duty as a window shade.

The team members come by this frugal mindset naturally.

Tim O'Brien, a cost-savings analyst, was repurposing stuff as a kid growing up in Sylvania, Ohio, including fixing his three-speed bike with a rod from a toilet float.

Dan Beckley, the team's director of continuous improvement, was doing a similar thing as a teen in Otisville, Michigan. He built motorcycles out of scrap parts.