



## Jacksonville, Florida Plant

### ACHIEVEMENTS

#### Profitability

- 12.1 % sales increase annually, FY04 - Present
- 80% increase in RONA, FY04 – Present
- 15.2% increase in EBIT annually, FY04 – FY08

#### Productivity

- 35% increase in sales per employee, FY04 - FY08
- 48% increase in revenue/sqft, FY04 – FY08

#### Delivery

- Over 97% same day delivery on disposable surgical products
- 44.4% reduction in manufacturing lead time, 2004 – Present
- 55% reduction in service time, FY04 - present

#### Quality

- 38% reduction in customer complaints per revenue \$, FY04 – FY08
- 51% reduction in scrap per revenue \$, FY04 – FY08
- 68% reduction in warranty cost per revenue \$, FY04 – FY08
- 41% reduction in obsolescence cost, FY04 – FY08

#### Other

- Reduced new product lead time by 35%, FY05 – FY07
- 19% decrease in energy used per revenue \$, FY04 - FY08

### AWARDS & RECOGNITION

- 2004 Cardinal Health Supplier of the Year
- 2004 Jacksonville Lean Consortium Golden Bridge Award

- 2005 & 2006 Medtronic CEO Inclusion Award
- 2005 Industrial Design Excellence Award – Silver
- 2005 Excellence in Design – Best Overall, Medical Appliances Award
- 2006 Medical Design Excellence Award – Silver

### PEOPLE

The people who work in Jacksonville are our greatest asset. Through the efforts of over 300 employees, the plant is able to continually improve operational performance in all areas of the company to enable Medtronic Surgical Technologies to exceed its business objectives.

Guided by the Quality Policy and the use of Policy Deployment, the goal of Medtronic's Jacksonville facility is to provide the highest value to our customers by focusing on continuously improving the quality, cost, and delivery of products and services, while maintaining a rewarding work environment for our employees and an effective and compliant quality system.

In order to achieve these goals, employees are taught through the “Learn by Doing” methodology – the best way to learn is in the actual application of 6S, DMAIC/A3, Visual Management, Standard Work and Kanban during Kaizen and Rapid Improvement Events.

### PROCESS

The Jacksonville plant began its Lean Journey in 1999 after initial exposure to the Shingo model. While maintaining a close relationship with the Lean Enterprise Institute, initial results came from a consistent focus on value stream mapping and management through value streams. In order to maintain disciplined thought, the



# Medtronic

## Jacksonville, Florida Plant

use of DMAIC/A3 and Visual Management was added through a structured approach of Kaizen and Rapid Improvement Events (RIE). Today, activity throughout the plant is guided through the use of Policy Deployment – where improvements and goals are tied back to the Medtronic mission in five key areas – Customer Satisfaction, Growth, Quality & Continuous Improvement, Finance, and Employee Satisfaction and Corporate Citizenship.

### PLANT

The Jacksonville facility was originally opened in 1982 as a division of Bristol-Myers-Squib. Over the years, the company transferred ownership several times and, in August 1999, Medtronic, Inc. acquired Xomed Surgical Products.

Since that time, the Jacksonville facility has served as the primary manufacturing plant of Ear, Nose and Throat products and is the headquarters of Medtronic's Surgical Technologies business, made up of the Ears, Nose and Throat (ENT), Neurologic Technologies (NT) and the Navigation businesses.

### PRODUCT

Medtronic's ENT division is the global leader in providing innovative products and services that offer lifelong solutions for the diagnosis and treatment of chronic diseases and disorders of the ears, nose and throat. The Jacksonville facility produces a range of products, including Nerve Integrity Monitoring (NIM™) equipment and electrodes, electrical powered surgery equipment and blades for use in sinus and neuro-otologic surgery, machined and molded ventilation tubes, middle ear prostheses, and numerous other products for use in ENT applications.

The Jacksonville plant exports over 35% of its products, primarily through the Medtronic distribution network. This includes centers in Japan, Hong Kong, Canada, Australia and the Netherlands.

### CORPORATION

Medtronic is the global leader in medical technology - alleviating pain, restoring health, and extending life for millions of people around the world. With deep roots in the treatment of heart disease, Medtronic now provides a wide range of products and therapies. Every five seconds, somewhere in the world, a person's life is saved or improved by a Medtronic product or therapy. Medtronic is organized into six main business segments: Cardiac Rhythm Disease Management, Cardiovascular, Diabetes, Neuromodulation, Spinal and Biologics, and Surgical Technologies, the business under which the Jacksonville Plant is aligned.

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