

FARO Technologies, Inc. Logo

FARO Technologies and Florida MEP Report an 89 Percent Increase in Plant Productivity Due to Lean Manufacturing

July 23, 2001

ORLANDO, Fla., July 23 /PRNewswire/ -- Florida MEP issued the following news on July 23, 2001:

The Florida Manufacturing Extension Partnership (Florida MEP) and FARO Technologies Inc. (Nasdaq: FARO) announced today that FARO experienced significant productivity improvements as a result of adopting lean manufacturing principles.

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"Lean manufacturing has significantly improved our manufacturing operations while simultaneously improving quality," said Ed Pelshaw, Vice President of Manufacturing at FARO. Over a three-month period during the second quarter of 2000, FARO experienced the following impacts:

- * 89% increase in monthly production capacity
- * 84% reduction in subassembly work in process inventory
- * 47% decrease in shop floor space
- * 45% decrease in unit labor costs
- * 25% reduction in final assembly of work-in-process

Lean manufacturing, which originated from the Toyota Production System, focuses on eliminating nonvalue-added activities and streamlining its value-added activities. Traditional manufacturing processes typically include seven "deadly" wastes: (1) overproduction; (2) wait time; (3) transportation; (4) inefficient process; (5) inventory; (6) motion; and (7) defects. Lean manufacturing, on the other hand, is based on the elimination of waste and the creation of a smooth flow in a manufacturing process. Lean manufacturing is one of the most promising productivity methods available to manufacturers today.

"Florida MEP consultants did an excellent job at a very reasonable cost, and the return on investment was realized within a matter of months," Pelshaw stated.

About FARO Technologies

FARO Technologies (Nasdaq: FARO) and its international subsidiaries design, develop and market CAM2 systems and services for manufacturers of automotive, aerospace, industrial and consumer products worldwide. Principal products include the FaroArm, a six-degree-of-freedom articulating arm, the Control Station and a CAM2 family of advanced CAD-based measurement and reporting software. FARO products provide manufacturers the freedom to measure production parts or complex assemblies on the shop floor. FARO's customers benefit through improved productivity and enhanced product quality because of reduced rework and scrap within the manufacturing process. A recognized leader of dimensional quality control products worldwide, FARO Technologies is ISO 9001 certified and Guide 25 approved.

About Florida MEP

The Florida MEP is an affiliate of the National Institute of Standards and Technology (NIST) under the U.S. Department of Commerce. The national MEP is a network of manufacturing extension centers that provide business and technical assistance to smaller manufacturers in all 50 states, the District of Columbia and Puerto Rico. Through MEP, manufacturers have access to more than 2000 manufacturing and business "coaches" whose job is to help firms make changes that lead to greater productivity, increased profits and enhanced global competitiveness.

About NIST

An agency of the U.S. Department of Commerce's Technology Administration, NIST (www.nist.gov) is committed to providing U. S. industry with the world's best technical infrastructure and return the best possible value to the economy and society. NIST's Manufacturing Extension Partnerships, such as Florida MEP, benefit from the latest technologies and business techniques developed by hundreds of NIST scientists, engineers and business specialists in support of the nation's \$1.43 trillion manufacturing industry.

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CONTACT: Sarah Duey of FARO, +1-800-736-0234; or Marlene Frith of Florida MEP, +1-407-949-4054

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