

ADA Enterprises Increases Sales by \$615K Using Theory of Constraints

ADA Enterprises, Inc., a manufacturer of plastic-coated steel outdoor furniture and agricultural supplies, is first and foremost a family business. Tom Stensrud, president since 2001, credits his grandparents and their entrepreneurial spirit for laying the groundwork.

It started in the 1950s with a hardware store the elder Stensruds owned in Minnesota. When a local farmer coming off a bad year offered to trade them his farm for the store, they accepted. The farmer didn't succeed, and the Stensruds soon owned both.

By the mid '60s, Tom's dad, Al, had joined the family business, and they expanded their venture to selling and building grain bins and other farm structures.

When his parents retired, Al Stensrud formed a partnership and bought the business. Shortly thereafter, Al became aware of a plastic-coated steel product being used in a hog barn they were remodeling. He split with the partners and in 1974 Al and his wife founded ADA Enterprises in Northwood, Iowa, to market the plastic-coated steel products. They soon expanded to include the steel manufacturing and plastic coating.

Today the company focuses on its line of 100% plastisol-coated outdoor furniture and amenities including benches, picnic tables, trash receptacles, bike racks, patio umbrellas, and grills. These products comprise more than half of the business, with livestock products making up the rest.

"We've had a lot of changes," Stensrud says, "and that's why CIRAS is important to us. We were trying to do things as fast as we could, but we weren't being efficient. We were just trying to stay in business."

Mike Willett, CIRAS project manager, guided ADA through a Theory of Constraints (TOC) Business Improvement Generation (BIG) project. The goal is to provide a variety of



tools, education, and facilitation to help a company design and implement a process for generating ongoing business improvement and ultimately greater profitability.

Willett met with ADA's leadership team weekly to guide them through the BIG project. "One of the big lessons we learned from Mike was understanding where to focus our attention," Stensrud says. "CIRAS helped us look at things differently, to see the big picture and tackle problems that were sensitive without hurting feelings. As a result, we have become better manufacturers and have developed a plan for doing things more efficiently."

Implementation of the plan is ongoing, according to Stensrud. The team continues to meet weekly. "As a family business, the weekly meetings help everyone—both family and nonfamily members—realize their value. Everyone is part of the team," he says.

While it has been slightly more than a year since the BIG project was completed, Stensrud reports very positive results. These include \$615,000 in increased sales, \$200,000 in retained sales, cost savings of \$122,500, plus retention of all 30 employees and the hiring of one additional employee.

The company also had The Dura Bilt® Calf Stall selected by a panel of farmers, ranchers, and industry professionals as one of the World Ag Expo's Top 10 New Products in 2013.

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