



## MAGNA INTERNATIONAL CASE STUDY

# JUST-IN-TIME: FROM ONTARIO TO MICHIGAN TO MEXICO

CANDO RAIL SERVICES HASN'T MISSED A SHIPMENT IN  
ST. THOMAS SINCE 1998

If you drive a GM truck, chances are a Cando Rail Services crew helped bring it to market.

Cando runs the rail yard for Magna International's Formet Industries, a world leading metalforming plant in St. Thomas, Ontario. Formet is a leader in the auto industry with its full frame assembly, hydroforming, roll forming, and hot stamping capabilities. It employs more than 1,100 people who build more than 500,000 light and heavy duty truck frames every year for GM.

Cando picks up the frames off the assembly line, stacks them, takes inventory and loads them on to railcars. Once they're tied down, Cando moves the cars into position for CN to pull them away to the next stage of manufacturing in Michigan, Indiana or Mexico. It's an intricate and highly choreographed operation that runs five to six days a week - rain, snow or shine.



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“What we do at this plant is our showcase,” said Jim Higgins, who oversees Cando’s operations in southwestern Ontario, including the Formet plant. “We deliver on what we say we will and we do it in a timely fashion. We exceed expectations while doing everything in a safe work environment.”

And exceed expectations it does. Cando has run the yard for Magna in St. Thomas since 1998. During that time, the team hasn’t missed a single shipment regardless of weather or delays elsewhere in the supply chain. The team also has not had a single recordable safety incident. The operation is more than rail switching; the Cando team is embedded in the Magna supply chain and is an integral part of its business.

Higgins says it comes down to having very good people who are always learning and keeping their skills sharp. He has more than 30 people working under him and spends significant time developing various skill sets. Within that group, five people are qualified to train others, and are on the move educating the crews on track mobile units, forklifts, and other equipment.

“We ensure we’re developing ourselves,” said Higgins. “We don’t just say we’re going to deliver on something, we make sure we actually are delivering it.”

Cando has low turnover thanks in part to its employee share ownership program. The majority of Cando employees are also Cando owners. It changes the mindset when workers share in the outcome of the company. They tend to accept greater responsibility in their roles.

At St. Thomas, that means stripping the CN cars as they come in, keeping the yard organized, and leaving room for new frames to come off the line to be loaded and shipped out. The crews take pride in running a fine-tuned operation.



## DESIGNING A RAIL YARD FOR EFFICIENCY

The most important vote of confidence in Cando’s work for Magna came in 2004 when Cando was asked to design the rail yard at Magna’s new frame stamping plant in Bowling Green, Kentucky.

The layout of a rail yard is important and one that is well-designed can save manufacturers added expenses. When designing the Kentucky plant rail yard, Cando was able to solve problems in the design phase. The company’s team of rail experts looked at things like:



How do you ensure you have easy access to the frames coming off the line?.....



How do you minimize driving in the yard?.....



How do you design it to minimize or eliminate delays and errors?

Because of its work in St. Thomas, Cando was hired to run that yard as well. With just-in-time shipping, the auto industry can’t tolerate delays. Cando’s crews make sure the products are loaded onto trucks or CSX railcars so they can make it to the assembling plant on time. The Bowling Green plant ships 230, 000 frames to Ford every year.



TOLL-FREE 1-866-989-5310  
EMAIL [info@candorail.com](mailto:info@candorail.com)  
TWITTER [@CandoRailLtd](https://twitter.com/CandoRailLtd)  
LINKEDIN [@Cando Rail Services](https://www.linkedin.com/company/cando-rail-services)  
WEB [www.candorail.com](http://www.candorail.com)