Medium-sized candy maker wanted to sweeten its margins.

This unionized, family-owned confectioner with 450 employees competes against major international brands with its specialty products. A key requirement for success is retaining shelf space in the big volume outlets, which requires that it offer the same margins and promotional consideration as its larger, deep-pocket competitors.

"Without the capacity to pass on cost increases, our whole operation must be geared toward containing or even reducing costs," said the VP of operations.

Key Metrics

- Productivity improved 8 - 12% in molded products
- Molded products overfill was reduced 50%
- Productivity improved 8 - 10% in marshmallow
- Marshmallow overfill was reduced 40%
- Annualized benefit was projected at > $2.2 million with an additional $1.5 - 2.0 million to come from the continuous improvement process

The company's ongoing goal of continuous improvement, with an emphasis on product quality and more effective use of its labor force, led it to look for an outside resource to help streamline its operations. After a thorough review, the company decided to retain the services of USC Consulting Group (USCCG), a management consulting firm highly regarded for its supply chain expertise.

The scope of the project included manufacturing, maintenance, sanitation, and a portion of the distribution and logistics network. The consultants began by monitoring the reasons for machine downtime in the plant. Supervisors knew that improving machine efficiencies would help them achieve the corporate strategic objective of reducing supply chain costs, because the more efficiently a machine runs, the less costly the product is to make.

USCCG next began to establish meaningful data collection and analysis capabilities for the production lines and shipping processes supported by LINCS™, a technology application the consultants custom-configured for the candy maker. LINCS (for Lean Information Control System) accumulates, interprets, and analyzes raw data gathered on the production floor, including downtime, line and labor efficiency, production, and scrap figures, and then converts it into actionable, real-time reports.

USCCG

Trends and patterns for packaging run issues, machine breakdowns, overweight conditions, etc. are made available for analysis so that timely responses can occur in a cost-effective manner. The summaries produced by the system are used daily throughout the manufacturing group to stay focused on the most critical problems they face to improve performance. By determining the reasons for breakdowns and working as a team to address the root causes of the problems, efficiencies were improved.

Armed with the historical data, the consultants also suggested machine adjustments and modifications, changed run rules, increased the frequency of sampling, and implemented tighter statistical process controls (SPC) to achieve the objective of getting closer to the label weight without overfilling, i.e., reducing "giveaway." Client staff were trained or re-trained in the discipline of SPC to maintain consistency.

"We have always filled product to levels above the declared package weight, which resulted in substantial candy losses," said the company's quality assurance manager. "That is when the team decided that SPC was our big opportunity to reclaim some of the losses."

"The team decided that SPC was our big opportunity to reclaim some of the losses."

– Quality Assurance Manager, Candy Company

As a result of implementing the new management operating system with greater statistical process controls and total workforce commitment to the process, overfill was reduced 50% in molded products and 40% in marshmallow products, while productivity increased between 8 and 12% across both production lines.

USC Consulting Group

First we make it work. Then we make it last.®

For more information contact us at **800-888-8872** or www.usccg.com

USCCG