

Helping a baby food manufacturer grow its global operations.

Client:

A top North American baby food manufacturer

Challenge:

Although the client had a long history of producing quality products, it had recently been acquired by a European-based corporation seeking expansion. As a result, the company needed to globalize their supply chain. By the time USC Consulting was asked to help, they had already shut down two older plants and were building one newer, more modern facility. Two years into construction, the transition to the new facility was over budget and behind schedule. The new plant was capable of producing just 30% of deliverables. Rather than increase production capacity as planned, the new facility had in fact resulted in a production decline.

Process:

Our first step was to prepare a detailed business plan, taking into account all details of the transition from inventory and production requirements to sales and marketing campaigns. Our goal was to ensure the transition took place by the newly established deadline, while avoiding customer service interruptions.

Next, we completely overhauled the company's inventory management operations to account for our client's broader reach. Under the existing model, the older facilities would process one kind of product only when certain raw materials were in season, storing what they couldn't sell immediately for use throughout the year.

Our new plan called for purchasing raw seasonal materials from different locations in North and South America. These could then be processed, packaged, and sent directly to a third-party distributor. This not only eliminated the need for storage, but by using fresh produce throughout the year, quality would vastly improve.

The strategy required the new plant to operate at its maximum capability, so our team scheduled the transition of equipment and labor to ensure that no production shortages occurred during the downtime. We implemented an action item database for the new facility's needs and taught plant management how to conduct more effective meetings.

Several months later, our client's management team determined production wasn't reaching the expected capacity. We went back to analyze each area of the facility. Our consultants discovered that first shift employees were spending too much time on pre-

flight checklists and equipment startup. This misallocation of time caused a delay in production and a less saleable product. We addressed the problem by improving first-hour startup protocols.

Performance Results:

- 30 job descriptions were consolidated into four tightly defined roles, increasing workforce flexibility
- The new facility achieved 100% product capacity 45 days ahead of schedule with:
 - No disruptions in customer service
 - No shortages in product availability
 - First hour productivity increased 35%
- The recommended changes netted an additional \$1 million in saleable product

Conclusion:

Forty-five days before the startup deadline, the older factories were completely shut down and the new facility produced 100 percent of the product line with no disruptions in customer service or shortages in product availability. When, several months later, the new plant still wasn't operating at the hoped for levels, we went back in to analyze the situation. By reassigning some startup tasks to the third shift, first hour productivity increased with a carryover effect throughout the day. After our second engagement, the new plant was producing more products of a higher quality than ever before.