

CASE STUDY:

Generational Food Processor Goes From Good to Great in a Challenging Market

The Client

A large, multi-billion-dollar food processing company. They are privately held, in its fifth generation of ownership. That was a significant detail for us and for the client. Not many businesses, let alone ones this large, make it to the fifth generation of family ownership. There was a huge responsibility for the current family members at the helm (and for us) to shore up and position the company for the next generation.



The Challenge

Several challenges stood out.

- The company was coming off a good year and wanted to continue that upward momentum.
- Their production facility was 125+ years old and was showing its age. Typical of facilities in that industry, it had been added onto time and time again as the company grew over five generations. People would have to walk through a maze to get from one part of the facility to the other, and that wasn't conducive to efficient operations when every minute of production time means money. The result was not being able to keep up with production, bottlenecks and a lack of storage.
- The company had projected a big growth curve in one of their product lines, and were worried it wouldn't materialize. In fact, they were losing nearly \$60,000 a month, and needed that sieve to be plugged.
- The company opened a brand new facility and added a second shift at a third location, creating challenges of time, effort and focus from many of the key managers from the beginning to the end of the project.

Taking a company from good to great? That's squarely in our wheelhouse. Getting better results with an aging facility? We can help with that, too. But, as much as we'd like to, we can't do anything about market conditions. We can only help companies respond to them.

We believed the answer was in core principles of focusing on efficiency, yield, throughput and maintenance in the production facility, making operations as lean as possible.

But, as we dug in and came up with our game plan to address those challenges, the game changed. Multiple times.

Namely, the market for the products they were ramped up to sell bottomed out. Rather than restricting the organizational size to meet the volume, the company decided to be ready when the market turned and opened a new facility ... without adding more managerial support.

It was an epic plot twist, meeting the client's needs for maximizing throughput to enhancing productivity while controlling COGS.

It required an agile approach, combined with our expertise in process improvements, to help this company achieve its goals.

The Solution

After a focus session with the management team and creating a project plan, we began working with these goals:

- Engage team members to implement the **Management Operating System** elements to identify, quantify and eliminate waste
- Increase process uptime, capacity and throughput
- Attack any yield opportunities
- Improve process stability and reliability through team member engagement and empowerment
- Enhance supervisor management skills through "on the shop floor" coaching
- Enhance and develop key performance indicators and means of tracking
- Identify, document and share best practices by area

USC's Lean Six Sigma Master BlackBelt instructor led the process, tackling and eliminating waste while, at the same time, preserving and enhancing quality and efficiency. We also applied the following tools and techniques:

- **Team member Involvement Prototype Process** (involving employees is a major key to success)
- **System Review** (Value Stream Analysis) of the current process, built on analysis flows for operations and maintenance
- **Enhancement and implementation of systems** utilized to manage the day-to-day operations (Production Floor Control / Labor / Yield / Support function coordination)
- **Improve shift start-up / shut-down** and time to first good product
- Utilization of **visibility management tools**
- **Skills development and training** to support the initiatives and ongoing management of the operations
- Implementation of a **comprehensive auditing process** to ensure perpetuation of the new operating systems and methodologies

The Results

By focusing on creating a solid Management Operating System, implementing Lean Six Sigma to problem-solve, increase efficiency, and identify and eliminate waste, involving the employees from day one and tackling issues with the old and new plants, USC was able to help the client go from good to great in a very challenging market.

Our client realized more than a 4:1 return on investment and is solidly positioned for future generations.



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Contact Us:

1-800-888-8872

Email: info@usccg.com