

FOOD & BEVERAGE

38% Overall Equipment Effectiveness increase delivers \$4.3 million in savings



The company is one of the world's leading dairy co-operatives with a 130 year heritage and a reputation for service excellence for both customers and consumers alike. Our client, the CEO of a dairy plant, with an annual production volume of 67 million gallons of milk and 33,000 tons of industrial products, was steadfastly resisting a CAPEX spend of \$14.5 million on a new fifth production line. Instead, he called upon Alexander Proudfoot to help improve the performance across his existing lines such that they delivered to their full potential.

WHAT WE FOUND

During the business review process, Proudfoot found:

- Lack of effective management operating system leading to poor planning, scheduling and managing of both labor and raw materials
- Lack of management presence on the production floor leading to unplanned

changeovers, overly lengthy changeovers and machine settings and parameters being changed by inadequately skilled operators

- Absence of structured approach in maintenance to fix recurring problems
- Low levels of morale and engagement amongst workers and middle management

WHAT WE DID

Working in partnership with the client's people, a management operating system (MOS) was developed and installed. The system included tools, controls and resource scheduling. These, combined with the introduction of daily and weekly reporting, provided management with the information necessary to control and manage the uplift in production and throughput.

A master schedule was developed to better plan and control capacity, with key performance indicators established for each department. A series of control rooms were set up where the use of white boards for short interval control provided a visual reference point for workers on items such as key measurements, check lists and actions plans. Regular communication with the workforce via posters, TV screen messages and articles in the company magazine helped reinforce the improvements they needed to make.

Management were coached how to be pro-active and encouraged to walk the floor in order to better anticipate and prevent problems arising.

The maintenance function was centralized and realigned. On the floor management helped the team be more proactive than reactive. An MOS provided downtime pareto charts per line and more regular reporting was installed.

THE RESULTS

Within seven months, overall equipment effectiveness (OEE) had increased by over 30% across the four production lines, realizing over \$2.3 million in benefits and avoiding the need for any capital spend on a new line.

Not only was the client better able to plan, control and manage performance but more importantly its culture had changed to become more results driven, with a greater sense of urgency.

30%

**Increase in OEE
 across four lines**