

Manufacturing Operations Improvements At Foodservice Meat Products Manufacturer: Creating Product/Process Specs And Implementing Performance Tracking System To Enhance Throughput And Operations Consistency

The Challenge: SlicedMeats is a leading supplier of raw and cooked meats to the fast food industry. Over the past several years, rapid growth in SlicedMeats' customer base has required capital expansion and an increase in the weekly shifts at the plants. Unfortunately, this growth has not been accomplished in an efficient way. Instead, problems, including high downtime, labor issues and high waste levels, had plagued the plant. SlicedMeats continued to receive larger orders from its customers, and now needed to address these inefficiencies. Our partnership was formed around the following objective: establish vital manufacturing process disciplines and management reporting mechanisms aimed at enabling greater throughput and more consistent operations.

The Partnership:

Analysis: Our analysis indicated the primary issue at SlicedMeats was inconsistency in performance: at times, production met operating goals, but large variability in output, waste, and product quality often prevented delivering against customer orders. Incomplete marination and tumbling, uncontrolled tempering, and widely varying settings used in cooking equipment prevented SlicedMeats from reliably meeting product specifications (e.g., moisture content and meat color). Each pound of incomplete marination (moisture content) was substituted with muscle—equivalent to a loss of dollars per pound.

Tracking/Reporting Team: Short-Term Objectives

Month 1	Month 2
Put in place 1st-cut (off-line) measurement and reporting system <ul style="list-style-type: none">• Agree on key metrics• Establish baselines and targets• Put in place data collection process• Establish communications and feedback processes• Generate and post trend reports on key metrics	Selectively expand measurement/reporting process to support priority initiatives

Strategy: Although plant management initially supported acquiring more equipment to meet increasing demand, we were able to convince them that an alternative strategy was more desirable: meet targets consistently with existing capital equipment through consistent line efficiency and lower, sustained waste levels. To this end, the team focused on creating product/processing specifications and installing a tracking and reporting system to monitor performance.

Execution: Separate functional teams were organized to address tracking and reporting, process/product specifications and process/product consistency. Each team was given a 4- to 5-week assessment period, an 8-week pilot testing period, and a roll-out/institutionalization period. Functional teams were supplemented by plant management and our professionals.

To monitor performance, track improvements, and elevate awareness on the shop floor, we created and rolled out a key performance indicator (KPI) reporting system. Coupled with the implementation of procedural guidelines for critical production levers, such as specifications for mold room operations, the KPIs facilitated a central measurement and feedback mechanism to link management objectives and shop-floor activities. Explicit process and product specifications were documented and posted on manufacturing lines in both English and Spanish.

The Results: A total of \$10.2MM in annual run-rate cost savings opportunities (\$4.2MM in material loss savings and \$6.0MM in labor cost savings) were targeted. Our 4-month study resulted in efficiency and waste improvements equal to \$5MM of savings in the first year.