

# Ritchie & Associates

*The Performance Improvement Consultants, Since 1967*

## **Controlling Process Variation & Reducing Waste, Increases Throughput \$1.35M in Savings**

### **Client Profile:**

This seventy year old privately held company is a contract manufacturer of snack food products and serves many of today's largest Food Companies. The company has an excellent reputation for meeting, or exceeding, their customers' needs and operates a plant that is equipped with state of the art manufacturing and quality assurance technology.

### **The Need & Approach:**

Like the majority of our clients, this company was not actively searching for outside assistance to improve their operating or business performance. After three meetings with their Executive Team, they were intrigued with our experience in the food industry and our no non-sense approach to examining their operations at no cost to their organization. They were simply open to an experienced firm, with a solid reputation in the field of performance improvement, coming in to analyze their plant in an effort to identify and quantify opportunity for improvement.

After the conclusion of the two-week Analysis, we presented our Findings and Observations, Improvement Strategy and Proposal for working with them to address the following key issues:

- Variation, due to the lack of standardized instructions and individual Operator preference, was causing yield and ultimately throughput loss on each of the six cooking lines.
- The true operating performance (line efficiency) was being masked as the historical actual performance was being utilized as the standard. No true engineering standards, based on the limiting factor, existed. The average performance reported was 92- 108% depending on the line. True Line Efficiency was closer to 80%.
- Operating problems were seldom documented. We viewed this as a natural reaction to the performance being reported. A focused corrective action process based on root cause analysis was missing.

### **The Work & Results:**

Ritchie began the 22 calendar week project by first coming to grips with the two key process factors on the cook lines; fryer speed and oil temperature. Through observations, discussions with the appropriate personnel and testing, standards were developed, documented, and training sessions were conducted for all line employees. Through classroom sessions and implementation on the production floor with the Operators, Run Charts and eventually Statistical Process Control Charts (SPC) were utilized to control the process. Test samples on the weight of the products were made every 15 minutes.

# Ritchie & Associates

*The Performance Improvement Consultants, Since 1967*

From there the Run Standards for each cooking operation and the 30 packaging lines were developed.

Process Monitors were implemented to document performance, and operating problems throughout the shift, and to take corrective action.

Revised performance reporting metrics were developed and installed to allow all levels of employees to view the true operating performance and to manage more effectively.

Primarily, as a result of controlling the variables and reducing the waste, throughput increased and overtime was reduced. The gains in throughput were 11% and as a result the client realized a 3.21:1.0 Return on Investment from the project.

*“Ritchie conducted a very thorough investigation of every area of our plant and presented their findings and proposal. We jointly approved an improvement plan that was executed to perfection. The staff was at all times professional, maintained good communications with every level of our organization, and, most importantly, delivered measurable results exactly where they indicated they would. Within the first year, we will have in pocket savings of almost two times the initial investment in their services”.*

*“The Ritchie approach is a very sound and practical program that produces results and I would not hesitate to recommend them to anyone looking for an opportunity to improve their operating performance”.*

Executive Vice President