Operational Efficiency Improved by 47%

Consumer Products

CLIENT

Griffin's is one of New Zealand's largest branded food companies, with annual sales over NZ$300 million. Founded in 1864, the biscuits and savory snacks maker employs 800 people nationwide.

CHALLENGE

After a major capital investment at its biscuit factory at Papakura, Griffin's needed to address several variables impacting overall conversion cost. The site was struggling with high waste, high downtime and planning deficiencies; and overall workflow was not conducive to producing at the lowest possible conversion cost.

SOLUTION

Griffin's turned to Kepner-Tregoe (KT) for help making rapid and sustainable step change improvements. KT has worked with manufacturing facilities world-wide to achieve dramatic improvements in operational efficiency by resolving issues affecting plant uptime, cycle time and quality. The step change model used at Griffin's Foods, is a three-phase process:

- Phase 1: Detailed Diagnostic and Project Selection. Through a combination of operational data analysis, personnel interviews, plant studies and observations, the potential improvement projects were identified and quantified for financial return. The projects were prioritized to determine the critical few with the biggest return on investment (ROI). KT and the Executive Team selected projects and set an ROI goal of 5:1.

- Phase 2: Capability Development and Project Planning. Key project managers and other personnel from Griffin's completed a KT Problem Solving & Decision Making (PSDM) work session with a heavy emphasis on project application. Using a "Learn and Do" approach to the KT Project Management methodology, Griffin's Project Managers were able to develop robust project plans.

- Phase 3: Project Implementation and Monitoring. The Griffin's Project Managers and the KT team worked together to strictly follow the tasks of the project plans, successfully completing the necessary systems, process improvements and knowledge transfers needed to achieve the targeted objectives.

Scorecard

- 47% Improvement in Operational Efficiency
- 30% Improvement in Production Rate
- 50% Reduction in Change Over Time
- 12:1 ROI over a 12 month period — surpassing ROI goals by 140%

"KT left us with the skills and practical experience to sustain improvements and effectively implement step change projects ourselves. We now have a highly performing Continuous Improvement Team."

Andy Fuge, Griffin Foods, Operations Manager

KL786.b 700-10-P453112

RESULTS

For overall results, Operational Efficiency (OE)—the measure of line performance relative to a theoretical maximum achievable throughput rate—was used to measure success. To achieve an OE of 100%, the line must run at its maximum theoretical throughput rate with zero plant downtime and product waste. At the conclusion of the KT engagement the plant achieved:

- 47% improvement in OE, driven by the desire to beat shift targets and disappointment if targets were not met.
- 50% reduction in changeover time, achieved by active participation in risk assessments by crew members.
- A new focus on eliminating waste and achieving stated performance goals through the establishment of a daily management discipline that has crews updating KPI (key performance indicators) boards
- Increased engagement and involvement of crew members in the decisions impacting line performance.