

Recipe for success

Giving people the tools to analyse and improve their own working areas made all the difference to a manufacturer of ready meals

When Alec Paterson joined Oscar Mayer in January 2002 as operations director, he wanted to explore ways of reducing costs and increasing throughput with the same headcount. A privately owned company, Oscar Mayer specialises in own-label ready meals for a major supermarket chain – including lasagne, cottage and cumberland pies, healthy eating ready meals and various traditional English dishes. Its site in Chard, Somerset consists of three co-located factories, known as OM1, 2 and 3, each with its own factory manager.

While many factories are constrained by their machine capacity, at Chard the company's growth potential is limited by the availability of people and space. The site employs around 1,200 people out of a local population of 12,000, and many married couples share

employment there. This proportion – 10 per cent – is considered to be capacity for the area. So plans for improvement had to take into account the scarcity of additional local labour.

Paterson found that performance improvement was not rooted into the culture at Chard. The system of performance measurement was based only on output, not on the world-class measures of quality, cost and delivery. Factory management had grown up with the business and had not had the opportunity to be exposed to modern manufacturing disciplines and techniques. As a result, scheduling was too broad and unrealistic, and when problems inevitably arose, the tendency was to throw labour at them, rather than trying to understand the underlying causes. Team leaders were too busy working on the lines rather than carrying out a supervisory role or

working on problem solving. Overall, labour productivity and utilisation levels on filling lines needed to be improved.

Paterson had worked with Forward Vision on a number of improvement projects during his last job running the recipe dish business at Geest in Spalding, Lincolnshire, so he called the consultancy in to assist at Oscar Mayer.

“Unlike the automotive industry, which has evolved over 80 or more years, the whole prepared food industry has really taken off over the past ten or 15 years. So it's not surprising that best practice has not firmly bedded down throughout the industry,” comments Dave Wade, a Forward Vision partner.

Forward Vision's work at Geest had involved numerous training sessions for the management team at first-line and senior levels, and a similar multi-level approach was needed at Oscar Mayer as well. Two of the factories were initially chosen for the project, which focused on reducing changeover times for filling lines and cooking processes.

“People here were nervous about external consultants, as past experience with them had not been good,” says Paterson. “Techniques had been imposed rather than taught, so while paperwork was still being filled in, no-one owned it or paid much attention to it.” How did Forward Vision obtain the necessary buy-in from the shopfloor? “Their techniques are very much coaching and training based,” he explains. “People learn a basic technique, they apply it in the factory, and that shows them the scope for improvement. It's very obvious for them to see, and they have confidence in it because they've measured it themselves.”

Overall equipment effectiveness (OEE) was chosen as the key performance measure for all filling lines.



Forward Vision's Dave Wade (right) at component manufacturer Grorud Engineering



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This was therefore an important part of the training given to all management, as well as key staff, from the two factories, although other subjects covered included world-class manufacturing and workshop management disciplines, work measurement, the role of the first-line manager, and performance improvement through reducing major losses. Forward Vision also trained key support staff responsible for the management reporting system to ensure that OEE measurements were taken in a consistent manner.

In addition, numerous changeover studies and improvement projects were conducted. As a result, the time for a typical product line change was reduced from an average 18–20 minutes down to about six minutes.

To drive continuous improvement during each shift, it was decided to establish daily meetings at the start and end of every shift. The factory managers and key management and support staff were trained in the disciplines of running shift meetings.

The programme has improved the factories' performance in a number of ways. In numerical terms, the output of both factories has risen by 10 to 15 per cent, with a consequent boost to labour productivity, thanks to the reduced changeover times. But work organisation has improved as well. Because the performance of each filling line is now better understood, each can now run to a clear schedule that is known to be achievable. This in turn means that line leaders have been able to come off the line and focus on their proper role – getting ready for the next changeover, and achieving the plan with the right labour levels.

Perhaps most importantly of all, a culture of improvement has been introduced at Oscar Mayer. Management teams can now recognise weak points in the production process for themselves, and are comfortable developing the improvement opportunities that they find.

Paterson comments that in the factories where the improvement work has been carried out, the differences are plain to see at all levels. "Morale is better all round. Less time is spent in total crisis mode on the factory floor.

More senior managers have more time to think about the next improvement, as supervisors are more focused on running the lines."

The factories are more responsive too, he says: "We receive orders on Day 1 for Day 2 delivery – so the order that we start shipping at 8pm tonight came in today at 9am. In the past, if an order had come in at 15 to 20 per cent higher than the forecast level, it would have given us severe problems. But now we can take it in our stride."

At the time of writing, the programme has spread to the third factory. But perhaps the most ringing endorsement of Forward Vision's work with Oscar Mayer comes from the fact that the board of directors have decided to extend the programme across the whole company. Forward Vision's Dave Wade explains: "Over the next few months, the focus will move to incorporating other departments in the programme, not just the shopfloor." The issues covered will be similar, he says: "We'll be looking at what wastes are evident, from the point of taking orders from the customer, through creating work orders and delivering product based on those orders. We'll then be selecting the appropriate tools to get rid of those wastes."

So the functions affected will include

production planning and control, materials handling, engineering and maintenance, technical functions including hygiene, and even new product development (NPD). "NPD is important because, in many ways, that's where the process starts off," explains Wade. "Customers look for new ideas from suppliers, but if the NPD function doesn't know if what's being asked for is feasible, it could bring problems."

A key tool in the wider project will be value stream mapping, says Wade: "Once we've mapped the value chain, that will set the direction for the other departments. In a 'classic' improvement project you might end up improving the wrong areas. But value stream mapping ensures you see the factory as a set of processes from the customer's viewpoint – and you can maybe eliminate a process altogether." ■



Forward Vision's coaching-based approach helps employees to find their own solutions