

## CASE STUDY

# CONSUMER PACKAGED GOODS COMPANY ACCELERATE IMPROVEMENTS

Consumer packaged goods (CPG) companies face razor-thin margins and increasing competition. Performance Solutions by Milliken offers CPG executives a framework to rapidly improve operations, lower production costs, cut prices, and boost profitability.

## CLIENT

This Performance Solutions client is a multibillion-dollar, global CPG firm that has been meeting household needs for more than a century. Its recognizable brands cross a wide range of product types and grocery aisles, and numerous acquisitions in recent years have dramatically increased its operating footprint. The company maintains four divisions and two dozen production facilities.

## PERFORMANCE-IMPROVEMENT OPPORTUNITY

Performance Solutions was asked to help accelerate the pace of improvement in the client's plants. This nine-month pilot project is unlike typical Performance Solutions engagements, and illustrates the flexibility of Performance Solutions in working with unique client needs. (Performance Solutions typically performs detailed corporate- and plant-level assessments, identifying

performance gaps, transforming a "model" production area, and expanding improvements across a plant during a full, two-year implementation of the Milliken Performance System.)

Robert Allen, a Performance Solutions senior practitioner, says the client wanted to improve deployment of its existing production-improvement system, support improvement resources

in place at the sites, and in turn boost agreed-to operational metrics, especially run efficiency. Allen began work at two plants, one union and one non-union, in January 2017. Allen works at a state-of-the-art facility (co-located at company headquarters) for two days every other week, and three days every fourth week at the second facility.

## WORKING WITH PERFORMANCE SOLUTIONS PRACTITIONERS

Because both plants were the worst in the company for process reliability less planned downtime — run efficiency — Allen's primary focus is on improving policies and practices related to planned maintenance. The engagement, however, also includes other improvement initiatives that can emerge. For example, one project has enhanced vendor

management to improve the quality of incoming raw materials from suppliers (which can decrease production run times).

The client's improvement system is similar to the Milliken Performance System, differing primarily in nomenclature. Allen implemented a process to quickly establish and deploy

new improvement projects by engaging cross-functional teams within the client's system. Since employees at both plants have significant experience with improvement initiatives, Allen's cadence at the plants provides a framework within which to review individual project's status, redirect if necessary, and identify new project opportunities that arise.

## POWERFUL IMPROVEMENTS

Allen has helped management and client teams establish a project-management process, which has reduced daily firefighting and generated quick results that include:

### Reduced equipment failures:

One plant was losing approximately three hours of production time per month due to repeated failures of mixing equipment, which amounts to roughly \$130,000 in downtime labor and parts annually. A client team identified that

moisture/humidity clogged a valve, which then caused other components to fail. The team opted for a new valve design that could tolerate the production environment; valve and equipment failures dropped to zero.

### Faster changeovers:

Different products running on the same line require substantial cleaning of tanks, pipes, etc.; one line consumed \$220,000 per year in changeover time. The client team meticulously documented this

line's changeover routine using spaghetti diagrams and other tools, and then developed an improved process that cut changeovers from 150 minutes to 90 minutes.

"These two projects achieved significant results," says Allen, "but all of the projects have been successful on some level. We've been able to engage employees in the process so that they run projects in a systematic way."

## FUTURE SUCCESS

Allen expects that his work will expand based on the results delivered by Performance Solutions. For example, one plant's run efficiency had bottomed out at 60 percent in fiscal 2016. With

consistent incremental improvements by internal resources and then four months of Allen's work to accelerate improvement initiatives, run efficiency was at 73 percent in April 2017 and rising. "We'll

hit all the objectives they set for us," he says, "both in terms of better metrics and in accelerating the pace of productive change."

## KEY CONTACTS

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