CASE STUDY
PACKAGING-PRODUCT PLANTS IMPLEMENT THE MILLIKEN PERFORMANCE SYSTEM

Plants in the paperboard and packaging industry face challenging customer requirements — from companies that use these products directly and those that convert paper stocks into other goods — as well as regulatory and financial pressures. The commodity nature of the business makes continuous improvement a must.

PERFORMANCE-IMPROVEMENT OPPORTUNITY

This client faces a changing customer environment common in many industries: smaller orders, smaller run sizes, and increased complexity due to customization. For many of this company’s customers, packaging must change by season, product type, and marketing strategy.

The client was operationally excellent before Performance Solutions arrived, but executives there sought to raise the bar with continuous improvement to sustain profitable growth. “We’re building off what they already have in place,” says Doug Skaggs, a Performance Solutions practitioner who works with a dozen of the client’s plants, “taking them to a world-class level.”

Of particular concern were issues with common production problems, including poor machine uptime, product rework, slow equipment changeovers, high employee turnover, and legacy safety processes driven by managers rather than associates. “There were a lot of gaps in the way they viewed downtime situations,” says Skaggs. “They were just managing downtime instead of working to eliminate it. They lacked standardization around both the work itself and how they trained associates.”

WORKING WITH PERFORMANCE SOLUTIONS PRACTITIONERS

Client leaders became acquainted with Performance Solutions via our “Accommodate, Educate, and Demonstrate” program. These executives traveled to Milliken headquarters, where they learned about the Milliken Performance System and toured Milliken’s high-performance facilities. “We present our Milliken journey and explain what they can expect out of the same process,” says Skaggs. “We take them to our own plants, where they see what a successful performance system looks like, and how it could change their plants’ futures.”

After the visit, the client contracted for an organizational assessment, which led to a corporate master planning session and then plant implementations.

The focus of our work with this client is consistent with most of our engagements. We started with a zero-loss analysis: i.e., if it were possible to remove all waste from operations — including time, money, and resources — what cost savings would that return to the organization? In other words, what is possible if the client eliminates all downtime, rework, etc.

“At almost every company, there's money
The client has earned an overall 15 to 1 return on investment (ROI) with Performance Solutions. A manufacturer’s current condition prior to an engagement is reflected in the ROI. Some client engagements with Performance Solutions have earned returns as large as 37 to 1; no engagement has returned less than 7 to 1.

Examples of performance improvements at the packaging-products manufacturer, based on a summary of plants that have reached Phase 3, include:

- Breakdown performance improvements of 60 to 70 percent
- Minor stops reduced by 50 to 60 percent
- Rework reduced by 50 percent
- Waste reduced by 80 percent
- Equipment changeover times reduced by 50 to 60 percent

“Changeover times have been reduced so much, they didn’t have to add another day to their plant schedule. They’re down to a five-day week,” adds Skaggs.
FUTURE SUCCESS

The client plants are continuing their implementations, and eventually all the facilities engaged with Performance Solutions will demonstrate that MPS is now their operating system and the way they manage. Progress is tracked through a detailed scorecard that measures MPS sustainability along with metrics specific to the organization. The aggregated tally of a scorecard triggers movement for a plant from Phase 2 to Phase 3, and decreases the frequency of Performance Solution practitioner visits — a process well under way at this client.

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