



A farmer-owned milk marketing cooperative

Improving performance and adding value

Case Study
CPG

Partnering at every level of the organization to ensure a successful program.

Company: A leading farmer-owned milk marketing cooperative

Location: USA

Sector: CPG

Business Challenges:

Outdated management techniques, lack of clear leadership priorities, low prices and high costs

Consulting Services:

Organizational Effectiveness, Asset Management, Supply Chain Management, Leadership Development, Production Optimization

Client Quotes:

"People think they can do this by themselves, but Celerant brings the intensity and focus that makes you think about improvements every day."

Team Member

"This project has forced us to re-think our strategy. We don't need to take every load of milk offered."

Plant Manager

Situation

Today's cost conscious consumers search for food bargains during every trip to the grocery store. Similar to most suppliers, a leading milk marketing cooperative must manufacture cheese and butter to meet demand. However, their raw materials are commodities, so the client needed to add value at a profitable rate.

Celerant was chosen to help improve the co-op's overall performance. Our Closework® approach contributed to major changes in behaviors of key plant leadership.

Approach & Delivery

Together with the client, we worked to identify and prioritize issues, determine root cause and implement solutions using Celerant tools and methodologies. Heavy emphasis was placed on Celerant's proprietary MCRS® (management control and reporting system) and Root Cause problem escalation processes.

Celerant provided side-by-side coaching and reinforcement, creating great working relationships with people on the floor. These teams developed Single Point Lessons that took best practices and shared them from operator to operator and from shift to shift.

At the same time, the program built the capability of the organization to enable future waves of improvements. A solid program office was formed and employees were trained to run future projects for continuous performance improvement.

Results

At the conclusion of the project, results achieved at a U.S. plant included:

- Three million pound increase on shred capacity which was equivalent to 7% of production.
- Lost capacity was reduced by 34%.
- On Single Wrap Slices, made with Hot Wrap technology, lost capacity was reduced by 16%.
- Material usage improved by almost 3 million pounds and is forecast to improve by another one million.
- Money saved on overall headcount was improved by four percent and overtime expenses were reduced by 12%.

Client Satisfaction

The cooperative's plants are operating at record production rates with greatly reduced overtime. Front line supervisors are now actively managing their teams and focusing on problem solving rather than fire fighting.