



PROJECT BRIEFING

OPERATIONAL IMPROVEMENTS

"The team brought additional resources that are invaluable to us as we strive to compete with lower cost plants. As a result, we have been able to retain our facility's 806 jobs."

Plant Manager
Kraft Foods, Inc.

Project work completed in partnership with Ben Franklin Technology Partners of Northeastern Pennsylvania and the Enterprise Systems Center of Lehigh University.

PROJECT SUMMARY

The Kraft Foods' Lehigh Valley facility faced the possibility of a complete shut-down unless it decreased production costs and increased profitability. Kraft partnered with personnel from Enterprise Systems Partners, Inc. in a three-year strategic plan to streamline production, reduce inventory and increase labor utilization.

PROJECT DESCRIPTION

The first task involved reducing the downtime caused by cleanouts and production changeovers on the cook and fill lines for salad dressings. Through process improvements, change-over downtime was reduced by 50% with a corresponding cost savings of \$150,000.






The team then created a strategic model that correlated production amounts with finished goods inventory and tied the data into the current scheduling system. The model provided the necessary information to support 99% on time shipping for the customer and saved Kraft \$600,000 annually.

By redesigning the external warehousing layouts, the team increased practical storage space by 20%, helped to create an improved finished goods tracking system for stock locations, and yielded savings of \$500,000 per year by reducing the need for external storage space.

Manpower analysis showed that each production area could maintain production levels with fewer, flexible crews, thereby reducing the company's dependence on temporary workers. This resulted in an annual cost savings of \$100,000.

Perhaps the most important, the project team helped lay the groundwork for future improvements and provided the tools and impetus for Kraft facility to continue upgrading and improving operations on their own.

RESULTS

-  Reduced changeover downtime by 50%.
-  Achieved over \$2 million in annual cost savings.
-  Increased finished goods storage space by 20% and improved inventory tracking system.
-  Achieved 99% on-time shipping.
-  Retained 806 employees.

