



The producer increase the shelf life 18 days, improve efficiency by 20%, and increase their bottom line by \$2 million.



Packaged Perishable Foods Producer Improves Efficiency by 20% and Shelf Life by 18 Days Resulting in \$2 Million Bottom Line Increase

Situation

A Downers Grove, Ill. producer of packaged meats had an opportunity to increase its sliced meats sales to a Bentonville, Ark. retailer if it could increase the product's shelf life. This Fortune 500 food manufacturer engaged a MetaExpert™ to lead a discovery team that would identify the best practices for increasing the shelf life and ultimately increase both companies' profitability. The producer's retail customer knew that their ROI on the product would improve if they could sell it over a longer period of time in their grocery departments. The MetaExpert™-lead team helped the producer increase the shelf life 18 days, improve efficiency by 20%, and increase their bottom line by \$2 million. The retailer, as promised, increased their orders and sales of the product.

Actions

The MetaExpert™ lead a transformation of both the people and technologies used in its preparation and packaging. They:

- Met with R&D and obtained their 'buy in' and provided R&D with the QA/QC information from both in-house and various customers.
- Gathered specific data on shelf life, loss product costs, and lost vendor agreements.
- Worked with Lean/Continuous Improvement Objectives and led the analysis and development of findings and action plans to drive improvement.
- Developed self-directed work teams among the hourly operator staff to evaluate the value of an atmospheric packing room, from costs to operational parameters.

Results

The results of this operational transformation gave both the producer and their client retailer the desired outcomes, including:

1. Within four months the packing lines were running 20% more efficiently than the other packaging areas.
2. The shelf life on almost all of the products increased an average of 18 days.
3. The increase in throughput and the increased shelf life contributed over \$2 million dollars to the producer's bottom line annually.
4. The retailer kept ordering more product, creating growth at the top line.

ROI

1. \$2,000,000 in annual cost reductions
2. Increased product life-cycle resulting in reduced spoilage/returns
3. Increased top-line sales

Client Skills Required: Data gathering and interpretation, Operational Innovation, SOP (standard operating procedures) improvement, continuous process improvement, leadership and training in the practice of High-Performing Teams

Contract Length: 12 months

Support by MetaOps, Inc.
MetaExperts™: Lean Six Sigma, Operational Excellence, Business Process re-engineering, data interpretation and deployment of data-driven design, continuous improvement, leadership and team training