

Bakery division rises to the occasion, undergoes Lean transformation enabled by LINCS®

Global manufacturer and marketer of high-quality, brand name products for consumers throughout the world wanted its North American bakery division to become a world-class operation. The division, which produces a variety of branded and private label fresh baked goods at 41 plants throughout the U.S., has nearly 5,000 bakery routes.

The plants operate with very small staffs and their ability to evaluate their performance, recognize areas for improvement, and prioritize resource allocation against those opportunities was widely recognized by the bakery division's senior leaders as a critical component of continuing success.

Management realized the division needed to undergo a Lean transformation if it was to attain its lofty goal. Also, that it needed a business intelligence solution to help it monitor the large number of SKUs, lines, and variability in the product mix to exacting standards. "We were looking for a practical approach to Lean thinking and an operational intelligence solution to drive value across the bakery division," noted the VP, Manufacturing Operations.

After considering alternatives, the company's executive team turned to a resource it had used on several previous occasions to make process improvements at various plants and engaged USC Consulting Group (USCCG), an operations management firm known for implementing world-class practices.

USCCG's assignment was to lead the bakery division through a multi-year Lean transformation which was to be piloted and then rolled out in waves consisting of 4-6 plants at a time supported and sustained by enabling technology. Once on board, the consultants performed a detailed review of existing information flows and manufacturing processes across a pilot facility working alongside plant personnel to obtain a more in-depth understanding of current processes



Key Metrics

LINCS® successfully installed in 41 plants; considered *mission critical* with 1,300 users trained in its use

>3,600 M-Abler® Lean modules taken by nearly 400 students

10 ppt. increase in bread line OEE

9 ppt. increase in bun line OEE

16 ppt. increase in bagel line OEE

9 ppt. reduction in material overuse division-wide

and methodologies. Their objective was to identify opportunities to drive improvements in productivity and throughput that would result in lower overall operating costs and greater output.

The project combined traditional USCCG process improvement efforts with a LINCS® (Lean Information Control System) implementation to drive SKU-level analysis, facilitating the Sales and Operational Planning Process to include ongoing product rationalization, “days of sale” availability, and standard cost validation efforts across the entire division.

Extracts of LINC data would also be used to assess manufacturing complexity. Where many Lean manufacturing approaches operate at an event level, the plants drive real-time results at an hourly/daily level by a practical application of Lean tools sparked by LINC intelligence. LINC data also supports numerous business planning activities including product sourcing and pricing, capital planning, and maintenance management. It is used in day-to-day operations for problem solving and continuous improvement efforts.

During the transformation, nonvalue-added (NVA) activities were quickly identified and eliminated. Set-up and changeover times were reduced. Equipment downtime was reduced through proactive maintenance management facilitated by condition-based data residing in LINC. Processes were streamlined throughout the pilot facility -- improvements that would be replicated many times throughout the division.

Over the course of the engagement, LINC was expanded to accommodate enterprise-wide product quality scoring which became a vital part of the division’s customer-driven focus. LINC is used to score bakery-produced products, co-packer-produced product, competitors’ products, and is being expanded to cover raw materials from suppliers. Since its roll out, over 420,000 quality scoring events have been entered into LINC and the supporting reports used to drive down quality losses. LINC now boasts 1,300 users and is considered to be *mission critical* to the bakery division.

As a result of the engagement, bakery division plants have experienced performance improvement in production, maintenance, and distribution operations. Overall Equipment Effectiveness (OEE) is up significantly while material overuse is down. Looking back on all that had been accomplished, the VP, Manufacturing Operations said, “My organization has never been stronger.”



“My organization has never been stronger.”
VP, Manufacturing Operations,
Bakery Division



First we make it work. Then we make it last.®

For more information, contact us at 800-888-8872 or www.usccg.com.