



How this top poultry processor was able to recoup its investment in technology and process automation.

Crippled by rising costs and relentless competition, this top poultry processor had suffered declining earnings-per-share for over two years.

“The days of making easy money in poultry were gone, so we attempted to buy our way to greater profitability by investing large amounts of capital in newer technology and process automation,” said the company’s president. “However, what little we gained by doing this was eaten up by higher overhead costs.”



Key Metrics

Fresh Plant	
Yield Improvement	1.4 Ppts.
Labor Cost/Pound Reduction	15%
Cook Plant	
Yield Improvement	6.1 Ppts.
Labor Cost/Pound Reduction	34%

This USCCG-led engagement produced significant results throughout the company.

To help recoup its investment, the company decided to seek outside assistance. After some investigation, they retained the services of USC Consulting Group, a management consulting firm specializing in process improvement, based on their successful track record in the poultry industry.

The consulting firm’s mission was to optimize performance and reduce overall operating costs throughout the plant’s fresh and further processing operations.

USCCG began by forming cross-functional teams to help evaluate all aspects of the operation at a client-designated pilot site. Each team conducted a value stream analysis that identified how the overall formal and informal operating systems functioned and highlighted non-value added activities and related costs. Additional analysis was done using process mapping tools and techniques at each step of the operation.

Based on the findings, they quickly began addressing identified waste and process variation that was contributing to lower yields, throughput and productivity. Various corrective actions were tested and enhanced to improve workstation layouts

and material flow. Additionally, training was conducted with critical positions most impacting yield performance.

Within the first six weeks, overall yields on the fresh side improved by 3/4 of a point and labor costs-per-pound were down 8%. Further improvements were realized when workers began to prioritize and correct over 300 loss points identified within the plant.

In the further process cook department, many of the same techniques were employed in analyzing processes and identifying opportunities to improve yield and reduce operating costs. Process control parameters were established for each step of the process, from raw material receipt through shipment, for both whole muscle and ground formed product. Equipment sanitation practices were enhanced to ensure proper start-up and operational effectiveness. Total efforts resulted in a departmental yield improvement of 6.1 percentage points, while total operating costs were reduced by almost 2 cents per pound.

More gains were realized when the team began working with the maintenance group to improve equipment performance and uptime. A management reporting system which allowed for better planning of resources, skills and PM work was installed. This led to significant improvements in equipment uptime and line efficiencies, while total overall maintenance operating costs dropped by 12%.

Throughout the project, USCCG personnel conducted supervisory skills development sessions covering such topics as waste identification and elimination, process mapping, problem solving, SPC, value added analysis and use of management control systems.

By the end of the six-month engagement at this complex, total improvements across the plant represented a financial gain of \$8.1 million – all realized without additional capital investment.

After completing work at the pilot site, USCCG was asked to expand its efforts to all remaining complexes within the company. Similar improvements were realized, resulting in a total favorable financial impact of nearly \$100 million.

“Sometimes there’s a little too much pride in this (poultry) industry. Everyone feels they’re an expert and struggles with the idea of bringing someone in to help,” said the company’s president. “We got past that attitude and what would have taken us ten years to do on our own, USCCG was able to help make happen in two.”

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President
Poultry Processor



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

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