



Dairy cooperative undergoes cultural transformation

A farmer-owned dairy cooperative that makes milk, cottage cheese, dip, ice cream mix, yogurt, and flavored milk-based beverages, wanted to drive improvements in productivity and throughput to lower overall operating costs. The cooperative operates milk processing and distribution centers, a cultured products plant, multiple distribution centers, and manages a fleet of vehicles bringing product in a variety of shapes and sizes to customers for over 40 years.



All products are made by a well-trained and dedicated workforce using fresh, wholesome ingredients. The quality process includes rigorous testing to ensure that all products continuously meet and exceed the very highest industry standards. The cooperative is committed to producing the highest quality food and beverage products. Its commitment to quality extends to every stage of production, from the farm to the consumer.

Key Metrics

- _____
- Pounds per line hour improved 34%
- _____
- Processing (vs. idle) time improved 24%
- _____
- First pass quality improved 4%
- _____
- Throughput increased 35%
- _____
- Labor hours reduced 17%

Three years ago it opened a new state-of-the-art plant for cultured dairy products including cottage cheese, yogurt, sour cream and dip. This plant has eight filling/packaging lines and currently produces over 100 million pounds of product annually. The products are doing well and demand has exceeded forecast by over 30%. The plant was busy trying to keep up with demand and needed help to improve productivity. OEE was only 40%, causing it to turn away business.

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The cooperative's COO decided that it needed outside help to increase productivity and throughput. He wanted to stem many of the traditional productivity losses such as frequent and lengthy changeovers, scheduling, workforce utilization, etc. After a competitive review, he decided to bring in USC Consulting Group (USCCG), an operations management consulting firm known for its ability to effectively address these issues.

Once on board, the consultants performed a detailed review of existing information flows and manufacturing processes across the facility. USCCG team members worked alongside the client's management team to obtain a more in-depth understanding of processes 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, a LINCS® (Lean Information Control System) implementation, and installation of a strategic partner's technology solution to provide real-time scanning/tracking of production results, including downtime events, to the production supervisors on all filling/packaging lines.

The consultants also configured LINCOS to provide direct access to the detailed information for each line, as well as operating reports and trend analyses. The resulting management operating system provided the cooperative the capability to manage at the most appropriate level i.e., minute-by-minute or for longer periods of time such as by shift, daily, or weekly.

This enhanced operators' awareness of the amount and causes of downtime. Once these causes were identified and prioritized using Pareto analysis, they were systematically eliminated through an action item management system and process. In addition, the consultants developed and trained managers and supervisors in detailed, Clean-in-Place procedures to minimize downtime.

Asked to summarize the engagement, the plant superintendent said, "One of the biggest benefits was the growth of my supervisors and managers. Before the USCCG engagement, I spent most of my time fighting fires. Now I'm able to manage people instead of day-to-day tasks."

The plant manager added, "It was a tremendous growth experience for myself and the management team that we will benefit from moving forward."

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*Dairy Cooperative,
Cultured Plant Manager*



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

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