



## Sausage Manufacturer Experiences 100% Increase in Demand

The year 2020 created unprecedented challenges for businesses around the world and in every industry. Many organizations were forced to close their doors while others were often challenged to meet an over 100% increase in demand.

Oddly, a sausage manufacturer experienced both. Stadium sausage demand dried up overnight when venues shut down across the United States. Additionally, ready-to-eat sausage products demand multiplied with employees now working remote and restaurants forced to close their doors. Grocery store shelves were emptying



faster than the manufacturer could supply them, and the company feared customers would choose other brands as an alternative.

Despite having recently installed a new \$7 million processing line, they were not seeing the expected benefits from the increased capacity. The client was losing business across both product offerings and turned to DB&A for help.

During the 2-week analysis, DB&A observed poor execution of the new line.

- The line was under-filled from the start of the process,
- Operators processing rework were inconsistent across operators and shifts
- Micro-stops downtime events were shrugged off for root cause analysis and sanitation,
- Changeover paradigms were stuck in a half shift/full shift time limit.

These issues robbed the capacity of a critical line and jeopardized customer loyalty. At the end of the 6-month engagement, DB&A was able to help the client realize a ROA (Return on Asset) for the new line by involving floor level management in understanding the capacity barriers to production. Consistently filling the inputs of sausages to give the line a chance to produce at its

## The DB&A Difference

### Analysis Financial Proposal

- Proposed Project Cost: \$1,736,500
- Guaranteed Savings: \$3,750,000
- Guaranteed ROI: 2.2:1
- Planned Out of Pocket: \$1,212,577
- Project Payback: 48 weeks

### Actual Financial Results

- Annualized Savings: \$6,313,650
- ROI: 3.6:1
- Actual Out of Pocket: 524,185
- Actual Payback: 25 weeks

### Project Results

- 17% reduction in sanitation times
- 24.7% reduction in bottleneck downtime
- Average 66 minutes per day of production time regained

capacity. DB&A helped management standardize rework sorting on the floor with visual cues and consistent training and oversight. DB&A worked with the company engineering team to configure the back end of the line to function as it was designed to function.

In the end, the manufacturer transformed their culture and company mindset to create an accountability environment that drove the company to a continuously improving management team aligned with the culture set forth by the founders.

The 2-week analysis uncovered many opportunities around execution of the production lines, sanitation, changeover functions, maintenance, engineering coordination efforts and the culture that supported these issues and behaviors.

For most supervisors, accountability is a word that evokes negative emotions and places individuals in a state of defensiveness. But DB&A helps supervisors see accountability as a form of empowerment. The client lacked that element in their management model which has been a part of the company culture since its inception in the 1970's.

During the analysis, DB&A observed issues, normalized behaviors and processes that were impacting the capacity of performance of both production and support functions.

Nightly sanitation activities were scheduled to occur within a 7-hour time limit. Historical data showed that they consistently achieved sanitation activity within that 7-hour time limit. It also revealed that the activity of sanitation took an average 4.5 hours, with over 3 hours idle, waiting for the next shift to arrive to run the machines. A more detailed observation on the sanitation activities showed that a moderate degree of time was wasted during the sanitation of machines because of:

- Ineffective uncoordinated activities
- Idle sanitation employees
- Activities lasting longer than normal
- Lack of urgency from team leaders to drive barrier identification and resolution

Line and packaging changeovers were observed to mimic the issues found during the sanitation events:

- Tasks were not pre-assigned by employee
- Labels, packaging, totes, and raw materials were not consistently pre-staged
- Lack of urgency to complete tasks from the team leaders
- Best practices previously observed in execution and parameters were not propagated

Lastly, there were larger gaps than needed with the



flow of product and no formal, documented process of how and when to reintroduce rework back onto the packaging lines. The act of running the rework back into the process appeared normal in that the lines were running, and the people were moving and busy. What is not seen from afar is the capacity being lost because of the inconsistent and large gaps in throughput created at the oven for this level of rework.

Throughout the analysis, it became clear that despite the lack of processes, lack of adherence to existing process and execution failures, the common denominator was that all the issues manifested from the inability to problem solve, drive proper execution, and manage the business to achieve set goals. This responsibility was owned at the lowest level, team members. At this level, ownership for managerial issues and execution becomes muddy and improvements come to a standstill when daily execution, with all its barriers and issues, become the accepted norm. Tackling these issues in the project would become crucial to ingraining a sustainable system to manage and drive the right behaviors on the floor. It would take the recognition that responsibilities were not at the right levels, adding to the lack of ownership ever-present in the business.



## Implementation Actions

One of the first action items DB&A Consultants brought forth was to establish a meeting cadence to instill a “teamwork” mentality where every department worked together weekly to ensure alignment with plant goals and production schedules. Departments meet daily to discuss the successes and failures of the day and the action plans put in place to address the root causes of issues instead of implementing band-aid fixes. Team leaders got the opportunity to present their successes to senior leadership in formal monthly meetings to communicate their initiatives and improvements.

A production team leader was quoted, “Overall, it has been a valuable experience for the plant. It helped on many levels, and the largest benefit was the realignment of the leadership team. Some changes were hard but needed. Overall, a positive experience and a common purpose across the site.”

The sanitation process was addressed quickly as this was low hanging fruit in terms of where improvements would come from. Every step was identified, and value streamed out to identify the necessary tasks and times to properly execute the sanitation by line. Roles and responsibilities around the process's ownership, the corrective actions and timely follow-up were established where the ownership fell to the lowest operator levels before the engagement.

Sanitation times came down over 20%; from 7 hours to near the goal of 4.5 hours.

A sanitation team leader was quoted, “My experience with DB&A has been Excellent! At the beginning of the project, I struggled with the direction and expectation of my position. I struggled to understand what it was that I needed to do and how I would create a better atmosphere. Throughout the journey, my DB&A coaches helped provide feedback on my coaching and the expectations that I set for my teams. They helped me become more successful in strategy and planning, which has helped me give clearer expectations and identify developmental gaps in my team.”

Through data analysis, consultants identified that the first three hours of daily production are critical to maintaining performance through the remainder of the day. The team designed and implemented a leadership follow-up with hourly checks of critical

production factors which fosters timely decisions and barrier removal. This allowed the teams to be more proactive in identifying and resolving issues before they escalated into bigger problems and negatively impacting production goals.

Processes were set for rework on the floor, including pre-determined equipment surge rates, product integration rates, and downtime duration standards. Floor tours were conducted by Team Leads to manage performance and identify/eliminate barriers to production.

## Project Results

In the end, DB&A helped sanitation achieve an over 20% reduction in sanitation times, improved throughput on the packaging lines by establishing processes around tote management, and rework reintroduction and lessening gaps in the line from the ovens by 31%.

Overall, the site regained an average of 66 minutes per day of production time.

While the tangible results are important and impressive, the real improvements that the company benefited the most from was the change in their culture and the reestablishment of the cultural vision of the original founder around ownership at the right levels, empowerment of every employee down to the operators and alignment of the roles and responsibilities for every level to drive the previous characteristics. Knowing what good looks like and being shown how to work within that mindset is over half the battle.

Plant engineer commented, “I see evidence that changes they have been making through this process are becoming a part of everyday operations. It is refreshing to see leaders and members problem solving differently. Problem resolution has been different, and team has become more instinctively proactive than in the past.”

Since 1987 DB&A has provided cross-industry management consulting delivering 15-20% in operational and financial improvements to our clients with a financial guarantee. We deliver customized solutions that maximize existing resources to increase efficiency, capacity, and productivity. Our approach is to work with all levels of management to transform management culture in order to drive accountability where it matters most: the front-lines. For more information visit [www.dbareresults.com](http://www.dbareresults.com) or email [contact@dbareresults.com](mailto:contact@dbareresults.com)