

CASE STUDY ON PRODUCTIVITY IMPROVEMENT

Improvement story of cost reduction by improving equipment productivity

BACKGROUND

- ☐ The organization was involved food processing and had round the clock operation
- ☐ A large number of manpower were involved
- ☐ Productivity trends had a large variation
- ☐ The average productivity were way below the target
- ☐ The Top Management wanted to work on productivity and improve the profitability



CUSTOMER PROFILE

- ☐ A leading company in India engaged in processed food products and agro commodities including frozen meat, processed fruit etc.
- ☐ The company has 12 locations and exports to over 85 countries across globe

CHALLENGE

- ☐ The production had a piece rate agreement with contract worker agency
- ☐ Workers were used to work in a particular fashion and management did not have much interference
- ☐ Management did not interfere much in working hour as the only objective was to meet the production target
- ☐ For management the opportunity to improve productivity was minimal and with increase in production cost was bound to increase.
- ☐ Contract agency demanded price increase year on year citing increase in wages of workers

SOLUTION

- ☐ A complete study on loss hour was conducted such as startup loss, stop loss, minor stoppage etc. The 16 major loss concept from TPM was used for the purpose
- ☐ Key equipment breakdowns were addressed by replacement of critical spare parts, over-haul etc. Also the equipment maintenance systems were improved with CLIT, WI, SOP, training plan
- ☐ Line balancing was studied using Takt-time and bottleneck operation identified.
- ☐ Work method was studied and all opportunities to reduce cycle time was listed
- ☐ A projected productivity and the man hour required was calculated
- ☐ The contract agency was renegotiated for the cost
- ☐ The company shifted from piece rate functioning to daily man-power requirement
- ☐ Initially there was a drop in productivity but gradually it started moving up with the section in-charge asking them to follow the working SOP

BENEFIT

- ☐ The productivity improved by 12% to 29% in different sections were achieved
- ☐ This gave the company benefit on one location as Rs. 45 Mn
- ☐ Equipment breakdown reduced with systems in place
- ☐ SOP, WI and CLIT implemented
- ☐ Staff became more aware of concept of productivity and major losses, and 8 wastes of lean and they continued the improvement journey even after the project submission to company.