

THE NEED FOR RAPID TRANSFORMATION

With the cost of raw materials on the increase and continuing pressure from supermarket chains to reduce costs and improve standards, food processing companies are constantly trying to squeeze more out of what they've got. Continuous improvement is the name of the game and rapid results are a must. By focusing in on individual process improvements, organisations can make substantial gains for a modest investment, and many are calling on the help of specialist consultancy firms to help them identify and drive improvement opportunities.



For many companies the solution to their problems lies in altering staff attitude and behaviour. A specialist consultancy helps these organisations to establish a culture whereby all employees take responsibility for taking care of assets, understanding value, and driving new standards. This requires a parallel top down and bottom up approach to improvement. "The people closest to where the work gets done, are the ones who best understand what's not working well - and given the right opportunity and encouragement, they are the ones who can provide solutions to problems," explains Andrew Fraser, managing director of Reliable Manufacturing.

"People tend to own what they create. High levels of staff involvement in the change process not only leads to cultural change, it also underpins sustainability. And it means less 'policing' is required. Internal audit teams come at a cost to the organisation, and even then they can't be there to enforce procedures all of the time. Operating standards need to be owned by the frontline staff using them."

RM has worked with a number of food processing companies, including Bakkavor and Premier Foods, and understands the importance of people and food safety for them. Customers are making increasingly stringent demands, particularly when it comes to quality and hygiene; top-notch facilities and compliance with a wide array of standards have become standard. "All this means attention to detail is vital," says Fraser. "A company could be struck off their customer's supplier list simply because one person becomes complacent or doesn't understand a procedure, resulting in an audit failure or wrong product reaching the customer."

Taking the strain...

A responsible management consultant helps organisations to overcome this by enabling their staff to remove sources of problems and potential problems in a process they refer to as 'defect elimination.' These defects can be seemingly minute things, but can make a considerable difference to an operation. At one food processing company the simple issue of cutting green beans down to size was highlighted as a 'defect': Staff were spending a considerable amount of time preparing beans for the process, which involved removing them from the bags they were supplied in and then assembling them in bunches ready for cutting. When a small action team was formed to address this issue, however, they discovered the supplier (who had been unaware of the issue) could not only

supply the beans in bunches ready for cutting, they could do better than that, supplying the beans pre-cut to the correct size at no extra cost.

In addition to eliminating a costly and time-consuming step in the production process - without spending any money - a source of great frustration was removed for their staff. "Needless to say this labour intensive job was not the most sought after," says Fraser. "In fact, the operators' willingness to get involved in the improvement team was not initially based on a desire to reduce costs, rather it was the opportunity to eliminate what to them was a long-winded and boring process they had been doing for many years, which provided motivation. Saving the company a considerable sum of money was merely a pleasant side-effect.

This is often how it happens, staff frustrations and company inefficiencies frequently go hand-in-hand, which is why in determining what to improve it's essential to create the right environment where people will talk openly about their frustrations at work."

Not only does this approach allow companies to locate the causes of problems, it also engages staff in the change process. "In an industry where standards and expectations are constantly changing, food processing companies have to respond quickly - especially given the fierce competition - and so staff need to be engaged now," says Fraser. "This is what we do at RM - we energise and engage them, restoring a sense of achievement and pride in their work, embedding the feel good factor even in the most mundane of tasks."

RM's aptly named rapid transformation process is a workshop-based programme, which uses simulation tools to help accelerate the rate of change within an organisation. The company says return on investment is quick and substantial, with little upfront investment (it's pretty much pay-as-you-go).

"Generally a few people at the top are well-tuned in to the market around them and the changes that need to be made, but you tend to get a lot of inertia in the rest of the organisation," explains Fraser. "It's often the case that managers in these organisations are at full capacity just coping with a constant stream of day to day issues, having little time to drive strategic improvements. In these situations the consultancy manages the improvement programme for the organisation, handing over the reins to management once the process is embedded, with the company's own people driving performance improvement and business value.

"But to truly succeed the senior executive has to be dissatisfied with the current state of the organisation and the pace of change. At the same time they need to recognise there's a better place it can be, and be determined to get there," he adds.

Stimulation by simulation...

To help managers visualise the 'better place' for their organisation, RM for example, uses simulation tools, such as The Manufacturing Game, developed more than 20 years ago by DuPont. The board game recreates the challenges facing the organisation in improving customer responsiveness, production output, reliability, quality, HSE performance and cost

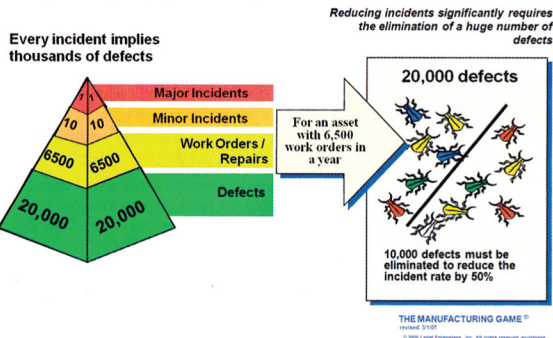


- compressing a three to five year journey to world class performance into just two days! The game has been continually updated to reflect changes in the industry and issues surrounding it. "In our simulation workshops people take on the challenge of turning an average production facility into a world class performer, whilst dealing with typical day to day demands and disruptions," says Fraser. "They then immediately apply what they've learned from the game to real life issues within their organisation."

Another reason food processing company's turn to a management consultancy is due to internal tensions which can mount from the many pressures being applied by suppliers and customers alike; and the subsequent finger-pointing between different departments when difficulties occur. "Internal disagreements only add to a company's problems," agrees Fraser. "So RM helps people to get aligned right across the organisation. The Manufacturing Game in particular is good at that. Part of the game involves finding new ways of communicating and engaging with each other. During the game different departments often discover they can learn from one another, rather than having to be competitive."

From RM's perspective the programme should be designed to achieve significant behaviour change and performance improvement in six to 12 months, along with it a return of up to 10 times the original investment cost. "Cash flow in most businesses is at a premium, so rather than have a big bow wave of expenditure, followed by a pay back of several years, RM's programme is designed as a series of mini bow waves, where savings are realised within weeks or months. Early success encourages further success. These rapid savings enable the self-funding nature of the programme," Fraser concludes.

Why is deep engagement required?



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