Manufacturer of Non-Dairy Food Products
City of Industry, CA

Background

This company was a $150 million privately held manufacturer of Non-dairy food products supplied to the retail grocery industry. The company was well known for several branded products including: International Delight coffee creamers, Mocha Mix, individual creamers (UHT) and RealWhip, whip topping.

Management wanted to improve order processing and manufacturing lead times by reducing the number of touch points from 30 to less than 10 and cycle time from 36 hours to less than 24. The company was unable to retrieve timely or accurate information to support the business. They had managed planning and manufacturing on a yellow pad while sales forecasts were on spreadsheets, creating consistent shortages and production overruns.

Situation

The company had been running an antiquated Accounting System for over 20 years. The application was designed as an accounting and order entry system but had been heavily modified to fit the business. Unfortunately, their efforts fell short of supporting the planning, manufacturing, sales, marketing and warehouse functions. In addition, the information contained within each functional area did not flow through properly to other areas, making it difficult to retrieve useful information to manage the business.

Solution

We conducted a "current state" evaluation to determine baseline metrics for order processing and manufacturing. Held several departmental meetings to gain an understanding of the desired business and process requirements resulting in a Request For Proposal (RFP). Managed the selection process of new hardware (UNIX) and an Enterprise Requirements Planning system from QAD. Subsequently, resulting in a six months implementation of all modules for four locations.

Results

The implementation was completed in six months for four locations at a cost of $1.1 million resulting in $940 thousand in annual labor costs. Cycle time was reduced to 20 hours; touch points reduced to 8 and productivity increased by 30%.