

Case Study

Results of an Argent engagement with a Food Manufacturing customer.

Argent Global Services provided Industrial Engineering and Lean Manufacturing services to help a national food manufacturer reduce cost and improve operations.

Background

A high-end Food Manufacturer, that provides top-of-the-line products to both restaurants and retail, asked Argent Global Services (Argent) to assist in reducing operating costs throughout its U.S. operations. The client is a vertically integrated organization that includes producing feed and raw materials, raising livestock, a manufacturing plant, warehousing raw materials and finished goods and shipping. Argent utilized Lean principles, along with traditional Industrial Engineering tools, to assess, develop and provide feedback for opportunities in all departments.

Company Fact Sheet

- High-End, National Food Manufacturer
- 1,500 Employees
- \$380M Annual Sales
- 2 Production Plants & Warehouse occupying 580,000 ft²
- Grain Operations – Grow, Harvest & Process
- Multiple Barns & Fields

Objective

The initial objective of the engagement was to reduce operating costs, but Argent was asked to expand the scope of the project to identify opportunities to improve customer service, reduce waste, improve yield throughout and increase throughput.

Methodology

Argent conducted direct observations throughout all operations, utilizing Lean principles and other engineering tools to map processes, identify redundancies and obstacles, reduce waste and provide feedback for improving employee utilization and productivity. The engagement also included Lean Training and Kaizen Events, in the following areas:

- Feed Processing
- Livestock Management
- Grow Facilities
- Manufacturing/Production
- Finished Goods Warehouse

Results

“The Argent team was great to work with and had the experience needed to identify opportunities and provide obtainable solutions for our operation. They delivered what they promised on time and on budget”.

- Production Manager

Argent identified significant opportunities throughout the organization for improved employee utilization, increased production capacity and streamlined processes. Opportunities were reviewed with management and action plans were developed for deployment of process changes based on customer service impact, ease of implementation and expected cost reduction. Several IT enhancements were identified that were placed on the Phase 2 list, due to estimated development time. Critical support was also provided for the implementation of recommended changes.

Argent streamlined production which led to improved yield and increased throughput by 12 percent. Opportunities to reduce production floor waste by \$1.4 million were identified and quality was improved. Staffing was reduced through improved line-balancing and consolidation of indirect functions, which resulted in a labor cost reduction of \$3.4 million or 18 percent. Argent also redesigned the packaging operation which improved throughput and capacity and identified unnecessary and costly automation, which subsequently was removed.

Production Summary

12% Improvement in Yield/Throughput

\$3.8 Million Annual Labor Savings

18% Labor Cost Reduction

Argent improved the warehouse layout and workflow with streamlined processes, improved travel, reduced damage and ensured better FIFO and inventory management. These workflow improvements led to annual reduction in labor of 32 percent or \$2.2 million.

Warehouse Summary

\$2.2 Million Annual Labor Savings

32% Labor Cost Reduction

Additional opportunities were identified throughout the entire value-stream and with Argent’s approach to process improvement, implementation and training, the client has experienced sustained benefits and savings.

Argent Global Services

Argent Global Services, founded in 1988, is an industrial engineering and management consulting firm with corporate offices in Oklahoma City, OK. Argent is a recognized leader in the implementation of solutions that increase productivity, enhance service, improve quality and reduce costs. Argent contributes best practice experience from logistical expertise gained by working in various industries where service, safety and quality are paramount.