

Gilroy Foods – A Conagra Company

When being proved wrong is good news

Conagra Corporation, one of America's largest food producers, recognized that their industry, already struggling with shrinking margins, was in for another tough year. They asked their operating units to reduce their costs and Gilroy Foods in California was no exception. Gilroy Foods, however, had just carried out a pro-active cost reduction exercise in 1998 and they didn't see how they could "go back to the well" to find \$500,000 more. Renoir Consulting was asked to carry out an analysis at the Gilroy plant to see if they could find the level of reduction that Conagra was looking for. Four months later, the Gilroy- Renoir team was racking up an amazing \$1,200,000 in financial benefits.

Gilroy Foods processes onions for McDonalds. The plant was open for seven months of the year after the growing season, making momentum and continuity difficult. After significantly reducing costs the previous year, they didn't believe there was any more. Happily, they were about to be proven wrong.

"Renoir laid out a well organized plan of action with specific goals and objectives. They then achieved those goals on time."

Steve Cregg
Vice President, Conagra

Key Results

\$1,200,000 improvement

New TPM system

Dramatically improved OEE's

14% reduction in required
plant operation

Better shop floor ownership
and understanding

ANALYSIS

Renoir carried out a three week analysis at Gilroy looking at all aspects of the operation. They identified a number of issues:

- Overstaffing
- Process issues
- Maintenance issues
- Highly entrenched behaviors

Renoir set the target at \$900,000 in savings but to get it, behaviors would have to change.

PROJECT

There are two critical aspects to the success of any change initiative: getting the technical aspects right and the complete involvement of all the main players. The most effective balance is achieved through our Focus Process™ and our clients tell us that it is this approach that sets us apart.

A task force from Gilroy was selected and a number of Business Improvement Teams formed. Renoir consultants, working with these teams, re-visited the opportunities catalogued during the initial assessment including:

Throughput

Moisture levels were Gilroy's chief means of quality control and variances in either direction increased costs. A best practice model was developed which challenged all prior beliefs. Throughput increased and previous production levels dramatically exceeded.

Productivity

Staff numbers were allowed to drop through natural attrition, as a result of the process enhancements and better planning.

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"I would not have believed we were doing that on my shift until I stopped and watched it!" exclaimed a production supervisor.

Maintenance

Using an accepted "World Class Total Productive Maintenance" (TPM) checklist, a new TPM schedule was developed. Monthly rotations were introduced to expand skills and reduce boredom and machine availability and OEE's rose dramatically. This created confidence, enthusiasm and a new pro-active culture.

This project was more behavioral than technical. As a seasonal business, the staff was an unusual mix of new and very knowledgeable, but entrenched veterans with an extreme suspicion of consultants, however the Renoir staff rolled up their sleeves, worked along with the people and built trust at all levels of the business.

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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