

Burn Stewart

Making the Christmas peak calmer

Burn Stewart Distillers Limited is a fully integrated Scotch whisky producer and brand owner with three Scotch malt whisky distilleries; Deanston near Stirling; Tobermory on the Isle of Mull and Bunnahabhain on the Isle of Islay and a strong portfolio of Scotch whisky brands. Burn Stewart produces and markets a well balanced range of Single Malt and Blended Scotch whisky brands to appeal to every type of Scotch consumer.

“This work, completed in such a short period of time, made our normally manic Christmas peak far calmer than normal, and we now see fewer production line changes due to shortages of dry goods.”

Fraser Thornton
Managing Director

ANALYSIS

The original Analysis was focused on Sales forecasting and planning processes as well as Operational activities, to identify opportunities for improvement at the East Kilbride location. The Analysis highlighted several areas of concern, including Sales forecasting which was over-elaborate, consumed large resources and drove inappropriate production in a number of instances.

However, the main areas of opportunities included production efficiencies, supervisory training, purchasing, raw material supply and SKU rationalization. The Directors of Burn Stewart commissioned a (Phase 1) five week work stream, with the specific objective of addressing Dry Goods (Packaging Material) supply constraints. A weekly Project Review Meeting was held to overview progress.



PROJECT APPROACH & IMPLEMENTATION

Phase 1

Work began with the Production Planner and Purchasing Analysts to gain an Understanding of the current the framework and constraints that drove decision making by the Warehouse Manager regarding Dry Goods (Packaging Material). Along with Burn Stewart Team Leaders, full day Studies identified that significant time was spent tracking “lost” items, especially those returned from the line after production. Production Team Leaders were requested to encourage Line operators to promptly and efficiently marshal returns of stock from production lines and the Quality Control Department asked to immediately report losses directly

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to the Dry Goods office. The actions significantly reduced the time Dry Goods Team Leaders spend in tracking “lost” items.

To enable the Dry Goods Team Leaders and Operators to process production requirements and returns more easily, a suite of new system reports were designed by the stakeholders, with IT support. Previously, all checking and allocation of stock had been done through the Works Order Bill of Materials. This required Team Leaders to manually cross reference system activity and issue handwritten guidance to operators, who then “picked” the materials and returned the documentation without any accountability or sign-off.

With the new system, stock levels and location(s) were automated, freeing up more Team Leader time. The new report is being enhanced to also include operator identification and accountability. The new system control will free up Team Leader time and substantially enhance the accuracy of information.

Perpetual Inventory Checking (PIC) had been seen as the key to resolving a number of issues in the Dry Goods area. In theory, this daily/weekly PIC procedure had been operational for a number of years but the lack of documentation, the physical state of some areas of the warehouse and the level of stock records inaccuracy, suggested that the PIC system had not been effectively implemented.

Reinforcement and monitoring of the PIC system led to a number of improvements. Physically the area was better organised and more functional, and the pallet labeling process greatly improved. Pallet Team Leaders and selected operators were trained in the PIC activities to ensure proper execution.

Financial Management interests were addressed; A Daily/Weekly compliance report was made available to ensure that scheduled checks were performed and a Quarterly review was developed. Financial loss or gain was also monitored in the “Dashboard”.

Phase 2

Allowing for other BSDL strategic priorities, a Project /Key Event Schedule for a seventeen week operational project was developed. This addressed forecasting, production efficiencies, supervisory training, purchasing, raw material supply and SKU rationalization.

In addition, a Supervisory Skills Training Needs Analysis for Bottling Hall Team Leaders & Leading Hands was carried out during Phase 1 and finally, a Savings Evaluation Method based on a six month comparative period was identified as the Base against which to measure improvements made during the Phase 2 project.

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