

Barrel Manufacturer

Improving Production Volume



Our client owns a barrel making plant located in the US which supplies wooden barrels to one of the largest spirits and wine companies in the US and which is among the top 10 in the world. This company employs more than 4,600 people worldwide with about 1,300 located at their main headquarters. In all it has more than 25 brands in its portfolio of wines and spirits, many of which are internationally famous. Although this case study has been approved by our client, confidentiality restricts their name from being used.

“The Renoir team provided our facility with a comprehensive gaps analysis related to Management Control Systems. The Renoir team was quick to understand our processes and formulated a plan to close the gaps; providing hands-on support, creating documents as needed and coaching to a young but aggressive team. The short-term impact was increased throughput and efficiency; and, reduced cost of producing our product. We continue to see the benefits in the aforementioned areas along with better accountability and structure for barrier identification and closure.”

ANALYSIS

This barrel making plant was built in 2014 with a design capacity of 1,200 barrels per day. After two years of operation, the average daily output of 782 barrels was well below capacity. With rising market pressure to increase production the client requested Renoir Consulting to help the plant management identify key obstacles to meeting higher daily production volume while maintaining the exceptional product quality.

What we found were management control systems in place at the plant lacked standardization, with varying levels of maturity across the operational areas which was driving mechanical compliance rather than proactive usage. Team Leads lacked basic floor control elements to promote and enable active supervision and variance management at the point of execution. Large quantities of data are being recorded, however, analysis and usage of the data to identify and eliminate root cause issues needed improvement. The end-to-end production flow was suffering from several forms of visible and hidden waste – equipment downtime, defects, rework, unbalanced lines, varying productivity rates – all leading to sub-standard performance, notably poor first pass yield.

Operational problems were known, yet persisted – focus was on treating symptoms rather than root causes – e.g., processing re-work rather than preventing it.

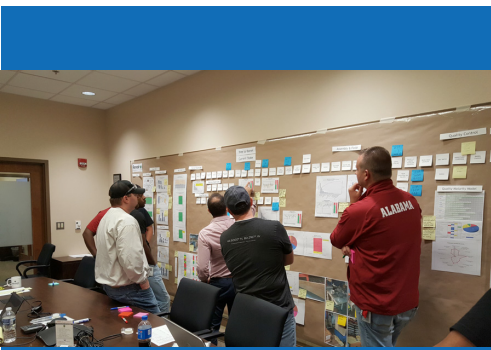
There was significant opportunity to upgrade and standardize management tools, creating an “operational playbook” to drive efficiency.

PROJECT APPROACH

The project was a very focused 8-week engagement to install critical production controls leveraging LEAN principles. The project focus targeted Top 5 Quick Wins, completing a Service Level Agreement between Maintenance and Operations, the development of an operations data structure, tools that could be leveraged to facilitate Short Interval Control and production analytics. Two management action teams, Operations and Maintenance, were established to facilitate the critical short-term project deliverables.

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Key Results

Developed Production Data Structure linking Daily Schedule Control to a Daily Weekly Operating Report and Individual Performance Assessment to enable performance goal alignment

Developed and implemented a Service Level Agreement between Maintenance and Operations to solidify performance expectations

Productivity and throughput improved while production team demonstrated stronger ownership of results

IMPLEMENTATION

Both teams were provided training on the key subjects related to the new goals: Management Control Systems, Effective Meetings and Service Level Agreements (SLA). The Maintenance Team then focused their efforts on developing the SLA with Operations while supporting the Top 5 Quick Win efforts. Key issues that needed attention in the SLA related to communication and breakdown during operations protocol between the two groups. In some instances, it was necessary to clearly establish who would be responsible, accountable, consulted and informed so that the correct people knew what was going so they could actively manage resources or to prevent duplicate efforts. Operations personnel actively participated in the development of the SLA which resulted in a clearer understanding and improved process management between the two functions.

The Operations team focused the Top 5 Quick Wins and building a data structure that would provide the necessary linkages between the Daily Schedule Control (DSC), the Daily/Weekly Operating Report (DWOR) and the Individual Performance Assessment (IPA). The Daily Schedule Control would be used daily by Team Leads to track production within core processes and identify team member training opportunities. It establishes a 2-hour core process walk through for short interval control (SIC) and links core process team members to production performance.

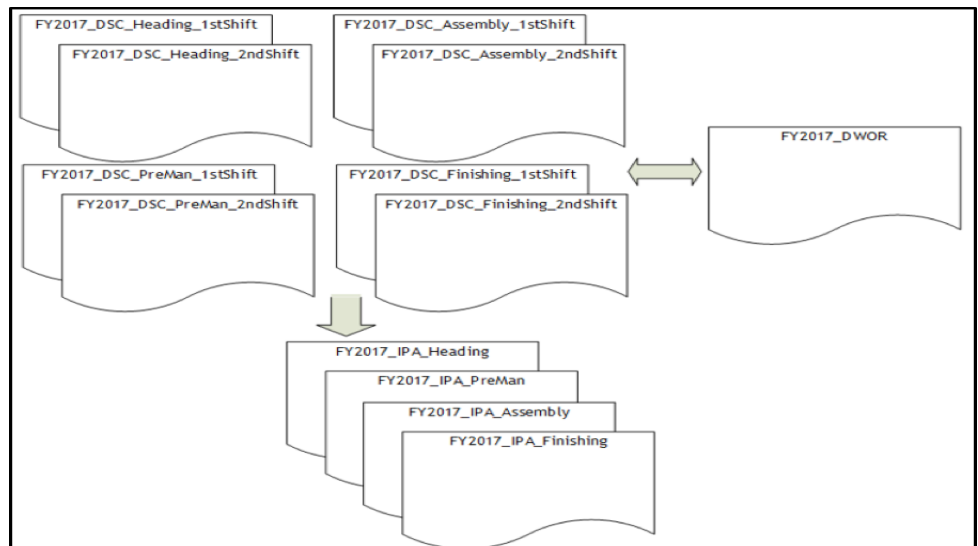
Daily Schedule Control					
Week of:		<h2 style="text-align: center;">Heading</h2>			
Team Lead	Chris Nippers				
Today's Date					
DSC's Should be Completed within +/- 15 minutes of Scheduled Time					
Area	Initial for Maintenance	7:00 AM	9:00 AM	11:00 AM	1:30 PM
Planer	Target	2741	5482	8223	10964
Station #1	Count				
Employee					
Variance from Target					
1st Shift Totals					
Quality Check Verification					
Rip Saw	Target	1298	2597	3895	5193
RS #1	Count				
Employee					
Variance from Target					
RS #2	Count				
Employee					
Variance from Target					
1st Shift Totals					
Matching	Target	75	150	225	299
Station #1	Count				
Employee					
Variance from Target					
Station #2	Count				
Employee					
Variance from Target					
Station #3	Count				
Employee					

The Daily Weekly Operating Report (DWOR) provides framework for reporting production performance throughout the fiscal year. Key Performance Indicators are tracked to baseline and plan with daily production volumes being pulled from the DSC.

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Enter # days worked this week		12/11/16		ENTER ACTUALS IN WHITE CELLS IN THE WEEKDAY COLUMNS ONLY													
Core Process		Shift		DAILY/WEEKLY OPS REPORT (D.W.O.R.)													
UoM	Base (May to Oct 2016)	950 Plan	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Weekly Avg	% Imp to Base	Var to Plan	Last Week	Two Weeks			
EA	9.9	12.0								0.0	100.0%	(12.0)	#REF!	#REF!			
EA	4036	5202								0	#DIV/0!	(5202)	#REF!	#REF!			
EA	3921	5202								0	#DIV/0!	(5202)	#REF!	#REF!			
EA	7958	10405	0	0	0	0	0	0	0	0	#DIV/0!	#####	#REF!	#REF!			
EA	361	306								0	#DIV/0!	(306)	#REF!	#REF!			
EA	327	306								0	#DIV/0!	(306)	#REF!	#REF!			
EA	137	306								0	#DIV/0!	(306)	#REF!	#REF!			
EA	174	306								0	#DIV/0!	(306)	#REF!	#REF!			
EA	1000	1224	0	0	0	0	0	0	0	0	#DIV/0!	(1224)	#REF!	#REF!			
EA	963	1224								0	#DIV/0!	(1224)	#REF!	#REF!			
EA	#DIV/0!	0								0	#DIV/0!	0	#REF!	#REF!			
EA	500	612	0	0	0	0	0	0	0	0	#DIV/0!	(612)	#REF!	#REF!			
EA	99	102	0	0	0	0	0	0	0	0	#DIV/0!	(102)	#REF!	#REF!			
EA	271	0								0	0	0	#REF!	#REF!			
EA	534	0								0	0	0	#REF!	#REF!			
EA	18	0								0	0	0	#REF!	#REF!			
EA	6	0								0	0	0	#REF!	#REF!			
EA	9	0								0	0	0	#REF!	#REF!			
EA	6	0								0	0	0	#REF!	#REF!			
EA	4.9	9.0								0.0	100.0%	(9.0)	#REF!	#REF!			
EA	2386	3468								0	#DIV/0!	(3468)	#REF!	#REF!			
EA	1853	3468								0	#DIV/0!	(3468)	#REF!	#REF!			
EA	4239	6937	0	0	0	0	0	0	0	0	#DIV/0!	(6937)	#REF!	#REF!			
EA	221	204								0	#DIV/0!	(204)	#REF!	#REF!			
EA	166	204								0	#DIV/0!	(204)	#REF!	#REF!			
EA	62	204								0	#DIV/0!	(204)	#REF!	#REF!			
EA	575	816	0	0	0	0	0	0	0	0	#DIV/0!	(816)	#REF!	#REF!			

The Individual Performance Assessment (IPA) identifies training and coaching opportunities within core process teams. To ensure linkage to actual production data for the IPA is pulled from the DSC.



THE RENOIR GROUP

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RESULTS

With an extremely focused and intense engagement timeframe, Renoir Consulting installed critical elements necessary to facilitate the plant to improve daily production volume. Floor controls with integrated data structure were installed to more effectively manage hourly production and quality resulting in improved visibility of production issues throughout the day. In conjunction with effective production management coaching, these critical elements resulted in a more proactive and engaged production management team. With the new Service Level Agreement between Operations and Maintenance effectively addressing long-standing issues that had limited the collaboration between the two groups, plant productivity and throughput improved while production team members demonstrated stronger ownership of overall results. With these basic, yet critical, elements now in place, the plant can build a better picture of their production issues and tackle those issues that were keeping them from meeting the production capacity the facility was designed to deliver.

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