

Tipco Foods PCL

Giving healthy food manufacturing a healthier bottom line

Tipco Foods (Thailand) PCL, based in Bangkok has been in business for more than 33 years and their product offerings range from canned pineapples (their number one seller) to juices and bottled mineral water. Their products are manufactured for both export and domestic sale at three separate locations throughout Thailand. The CEO was faced with a number of key issues at the Prachuap Khiri Khan operation: fruit availability & quality, equipment downtime and labor shortages – issues that were not being adequately addressed by their existing Management Control System.

“I have seen significant improvement in the behavior and attitude of both management and staff as they become more empowered to address their issues. I would also like to comment that, in addition to the Management System installed, being fully sustainable, I now have a management team that has been fully trained by Renoir to continue to go after improvement opportunities.”

Vivat Limsakdakul
CEO, Tipco Foods

ANALYSIS

The Analysis findings and initial client interviews, meeting audits, Management Control System brown papers and process flows revealed that Tipco had much of the system elements per ISO but very little skill in effecting continuous improvement or managing their issues. Findings from these studies identified that labor shortages, maintenance downtime and the quantity and quality of fruit procurement were issues considered beyond the control of senior management.

PROJECT

Following the short Analysis, Renoir Consulting was engaged to design and implement a Management Control System (MCS) in four key areas in the Prachuap Khiri Khan plant: Canned Pineapple, Pineapple Juice, Tropical Fruit Salad, Empty Can and Machine Maintenance. The project was set up for twelve weeks but later extended to sixteen weeks to take full advantage of Renoir’s expertise.

A Taskforce of three fully dedicated Tipco staff were selected and trained. In addition, a Management Action Team (MAT) comprised of six senior management members was formed and met once a week to direct the progress of the project. Once per month the entire team met with the CEO and reviewed the efforts.

As the project evolved, four “sub-MAT” groups were created to focus on Forecast / Planning, Control, Report and Juice Maintenance. These groups met twice a week. With the MAT providing direction and the Taskforce and sub-MATs delivering the results, the project moved quickly and throughout the organization we were able to go beyond our original scope and achieve greater buy-in to the changes being made.

The additional areas touched were HR, Finance, Fruit Procurement and Warehouse. In addition an entire Maintenance Program was designed and implemented. This was then expanded and enhanced to include a 5S program throughout all thirteen maintenance areas. Finally, the project went on to implement specific solutions to problem areas such as increased fruit recovery for both pineapples and papaya, improved line balancing and reducing empty can defects.

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Key Results

Overall reduction in cost resulted in significant operational savings

Improved Forecast Accuracy & Methodology

Systematic review of Elements implemented

Meeting time reductions resulted in real savings

Reduction in Reports & Forms within/beyond original scope of work

100% RCM implementation

Standards development

5S program initiated

Staff reduction by improved line balancing

Increase in fruit yields

Reduction in downtime

Reduction in can spoilage

Focusing on these areas, Renoir developed and implemented the elements of an MCS that included an enhanced Forecasting and Planning process, Whiteboards, relevant KPIs, improved meeting management, daily huddles and reduction in reporting.

OUTCOMES

Renoir played a critical role in streamlining and enhancing the existing Management Control System that was overburdened with Forms and Reports and was non-responsive to needed changes within the plant. By focusing Management on the key issues, improvement initiatives could then be undertaken to make changes and solve problems that were previously "outside" their control.

The MCS centered around specific operational metrics that were reviewed daily and weekly in newly designed Review Meetings that clearly defined the issues and allowed the department to take Continuous Improvement Actions.

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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