

Construction Products Manufacturer Improves Yield

With residential and commercial construction on the decline, a leading manufacturer of building products grappled with multiple operational challenges. The company, which manufactures building products, tissue, packaging, paper, cellulose and related chemicals, closed multiple plants and mills as a result of the slowing market. They turned to Myrtle Consulting Group to provide transformational change that would improve yield, throughput, asset care/maintenance, production scheduling and changeovers and to create a sustainable continuous improvement (CI) culture.

Client Challenge

Driving Productivity and Passion

The company's management team was challenged to increase productivity and capacity in remaining mills before giving consideration to reopening closed sites. Existing mills were operating at various utilization levels and CI capabilities varied. Sites were supported by the central operational excellence group, but lacked many of the resources needed to accelerate performance improvement.

Workplace culture was also complex. Managers were resistant to change and most sites were unionized, which presented additional obstacles to change management strategies.

Myrtle Approach

Accelerating Operational and Cultural Improvement

Myrtle Consulting Group began the engagement by conducting a five week analysis of the operations. It detailed the mills' current state and quantified performance improvement opportunities.

Deliverables included:

- Business case, results plan, project cost and return on investment (ROI).
- Implementation plan with clear deliverables and project milestones.
- Project design and execution schedule.

The analysis exposed multiple opportunities for improvement:

- The existing measurement system did not factor yield and downfall, only rate and availability.
- Production supervisors spent approximately 31% of their time on manual work, when more time should have been dedicated to team performance.
- Supervisors lacked a routine to constantly measure performance versus goals, only half-time and after-shift performance were examined.
- A gap between work process design and the allocation of maintenance resources to support root cause analysis (RCA); RCAs were incomplete and with limited countermeasures.
- Better categorization for the increase in urgent work orders.
- An Operator Performed Maintenance (OPM) task needed to be developed.
- Reliability trending, mean time between failure (MTBF), failure mode and effect analysis (FMEA) and equipment criticality could be more cost-effective and utilized to direct the correct level and type of maintenance activities.
- Maximize efficiency by increasing active supervision, improving job estimate accuracy, tracking maintenance performance metrics and driving business process improvements in meetings

The Results

Maximizing Performance, Reveals an Opportunity Worth Millions

Results from the Myrtle engagement allowed the plant to surpass previous production benchmarks. The plant and its employees, are now positioned to continue on the path to volume integration and operational excellence.

The Myrtle analysis enabled operational improvement throughout the plant. Consultants revealed downtime could be reduced by **87%**, which would allow maximum throughput. The top-down and bottoms-up analysis indicated an opportunity to improve run rates by three to **12%**. The detailed analysis revealed a **\$5.1M** to **\$7.5M** opportunity that was subsequently realized by the implementation team.

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Maximized Performance

12%

Analysis' indicated an opportunity to improve run rates by 3 to 12%.

\$7.5M

Detailed analysis revealed a \$5.1million to \$7.5million opportunity that was realized by the implementation team.