

Lipari Foods reduces material waste, boosts production



Call for change

North American food wholesaler and distributor Lipari Foods has deli, bakery, packaging, and distribution operations. The company faced a number of performance and production challenges. Unreliable equipment, undefined workforce expectations, and a lack of standard operating procedures had led to high production waste. Inaccurate production planning and scheduling made it difficult to optimize performance, while existing performance management systems failed to focus leaders on out-of-tolerance variances. In addition, changes in key leadership and staffing deficiencies contributed to low attendance, high turnover, and incomplete training.

When tech meets human ingenuity

Accenture company Myrtle Consulting, an industrial operations optimization specialist, developed and implemented an integrated management operating system (MOS) with KPIs and effective corrective measures to address variances. The solution reaches across Lipari's management systems, maintenance lifecycles, processes, production planning, and labor management, as well as KPI identification, reporting and performance management. Myrtle designed and installed maintenance work identification, planning, scheduling, execution, and reporting to improve equipment reliability. It also facilitated glidepath sessions to prioritize maintenance assignments and reduce downtime. Visual management tools indicate compliance to planned execution, documenting corrective actions. New labor policies and practices will help maximize labor output.

A valuable difference

Lipari's new integrated MOS has led to 62 percent material waste reduction at two plant locations and a 23 percent increase in productivity—that's \$1.7 million in annualized financial benefits!

Employee engagement has increased as a result of staff participation in performance boards, the introduction of shift start-up sessions, and coaching that provides the workforce with various problem-solving techniques. A healthy maintenance backlog has been quantified, and a robust preventive maintenance program put in place to minimize critical equipment downtime. The shift in terms of maintenance is substantial—from nearly 100 percent reactive maintenance work to 25 percent preventive maintenance work, and 50 percent planned work.