

SupplyChainPro2Know – Bob Forshay *Transformance* *Advisors, Inc.*

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Fresca Foods

Leveraging LEAN,
Shorter Changeovers for
Competitive Advantage



“Fresca Foods was looking for flexibility in our factory and capacity management that would allow us to better utilize resources and reduce operating costs by reducing waste in the process. We more than achieved our goal when we learned how to “see the waste”. With the help of Transformance Advisors and Bob Forshay, SupplyChainPro2Know, we are poised to far exceed our goal of 500% ROI. We are developing significant cost savings and in a very short time frame.”

Lorenzo, Gonzalez – HMM Manager and CLM

Client Profile

Fresca Foods is a full-service, natural food co-packer. Fresca provides end to end supply chain management services; including custom recipe product development, sourcing high quality natural and organic ingredients, customized manufacturing processes, unique packaging solutions, and global shipping & logistics expertise. Our business model enables our clients to focus their time and resources on sales and marketing while we take care of the rest. Fresca employs 225 employees and operates over 80,000 square feet of manufacturing, warehousing/distribution and office space near Boulder, Colorado.

The Challenge

In our food processing we demand quality. Changeovers and sanitation as well as shift changes, maintenance and inevitable schedule changes with large batch sizes really constrain us. The challenge was to find more flexibility and capacity allowing for scheduling orders more effectively instead of being limited to longer runs based on long setups. We want lead times short and high quality for good shelf life. In the past we shut down to change orders by moving in equipment for various product sizes which meant longer changeovers. Meeting peak demand meant having to queue and run more of the larger batches putting pressure on scheduling, suppliers for raw materials and working to the forecast instead of firm orders. We often over-kitted large batches each day which meant we usually had a daily restock of surplus raw materials. Additionally, the operators always knew they would run only one set up and batch each shift so they tended to work



Transformance Advisors—Fresca Foods

to match the batch instead of the demand. This underutilized our daily capacity which also stresses the supply chain and loading schedule.

The Engagement

Bob Forshay provided education and guidance to the teams to understand the lean tools and concepts. We decided to revisit the way we define batches and factory capacity. We formed a team to understand the current process issues and designed a new parallel material flow by doing Kaizen and value stream mapping. We learned to “see the waste” with the lost capacity each shift. We used value stream mapping of the existing process so we could measure the material flows, resources and inventory pulls, scheduling, utilization of capacity and productivity. Then we designed the future state process and implemented our plan. We discovered that we could make simple changes to the equipment setup allowing us to run many of our product sizes in parallel thereby increasing capacity by 40% or more. This took pressure off the scheduling as we could run batches of different product sizes optimized to demand which is the flexibility we wanted.



With Bob’s guidance, we learned to apply Lean best practices to reduce the set up and changeovers. We now kit to optimized schedules to better match customer orders and we need only pull material for one order at a time which improves quality. We also got key operators involved so they could learn about setup and change over reduction. They now track hourly output against the plan instead of whether they would complete a batch by the end of their shift.



The Result

By redesigning the production flow, we are gaining over 40% capacity with nearly no new costs and increased productivity. We reduced lead time to shipment, reduced restocking and rescheduling while dramatically improving flexibility, a key to competitive advantage. With highly flexible capacity and better productivity we can pursue more business at a lower operating cost.

“We are set to well exceed Fresca’s target ROI and objectives to improve capacity utilization and reduce costs while implementing a sustainable process improvement enjoying increased flexibility to meet increasing customer demands.”

Bob Forshay, [SupplychainPro2know](http://SupplychainPro2know.com) Transformance Advisors, Inc.

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