

# FMCG Manufacturer - Maximising productivity through focused improvement activity

## case study

### Problem

A global competitor to our customer was poised to enter the European market with a novel product and was expected to begin a major marketing campaign within the next 6 months. The customer wanted to meet this challenge by launching a similar new product ahead of the competition, but needed to free up significant capacity to achieve this.

The Overall Equipment Effectiveness (OEE) measure had been in place for a while, and the operation had lots of ideas for improvement, but no way of prioritizing these to ensure the biggest return on investment. Senior management was not confident that manufacturing was pursuing the optimum improvement plan.

### Solution

Over an intensive 4-month period, **oeo** worked as part of a customer team with representatives from departments ranging from marketing, sales, purchasing through to shop floor teams to identify the optimal improvement programme. They began by quantifying the size of the opportunity (establishing what a 1% increase in OEE was worth in terms of cost, sales, profit and service). They then identified the cost of various improvement interventions. The risk to both opportunity and cost was modelled, and an overall OEE Value Model developed.

This informed the focus of the improvement programme and subsequent interventions included:

- Vendor rework on critical equipment;
- Application of process control tools;
- Rapid change out on high wear components (SMED);
- Introduction of planned and routine maintenance regime;
- Developed best practice standard operations procedures;
- Identification of technician training needs;
- Introduction of single point lesson.

### Results

The project resulted in the following improvements:

- Average OEE increased from <20% to 40%;
- Marketing campaign initiated ahead of competition;
- Successfully delivered product to market before competition;
- The gross profit from increased sales was in excess of £5M per annum;
- Flexibility of production increased to meet variable market demand;
- Skills were transferred into operations;
- Return on investment greater than 10:1.



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