

Taking Delivered Quality to the next level

Background

Our client is one of the oldest players and market leader in the snack food industry. The organization was facing increasing threat from emerging players with deep pockets and manufacturing facilities set up with the latest technology. In contrast Company FMCG's facilities are decades old and there is also heavy reliance on contract manufacturers across the country. The company's strengths include a strong brand image and customer perception as well as the entire range of product variants catering to all tastes and segments. However, customer complaints had been rising in the recent years and perception of quality falling as customers have started comparison with newly introduced competing products.

To arrest this threat the company launched a formal initiative to take quality to the next level in the eyes of the customer. Key customer requirements were translated into product parameters / attributes and an internal scoring system was developed to assess quality. The customer complaints which were being recorded and followed up formed the basis of measurement for improvement. A target of 50% reduction in customer complaints was set in the first year of the initiative.

KIAP was involved right from the stage of formalizing the framework, scoring and measurement system.

Our Approach

The initiative was started with a year long pilot of 5 key factories across all the 4 regions of the country. The first year involved an intensive engagement of KIAP consultants with each unit resulting in the achievement of significant results during the period of intervention. In the next year, the units sustained the improvements made through internal teams with periodic audits done by KIAP experts.

The basis of the intervention model was established by KIAP experts following an assessment study which concluded that the technology and basic processes of the company is DESIGNED for giving the specified quality. The defects still found in some of the products is then mainly because of inability in maintaining input and process parameters due to prevalence of

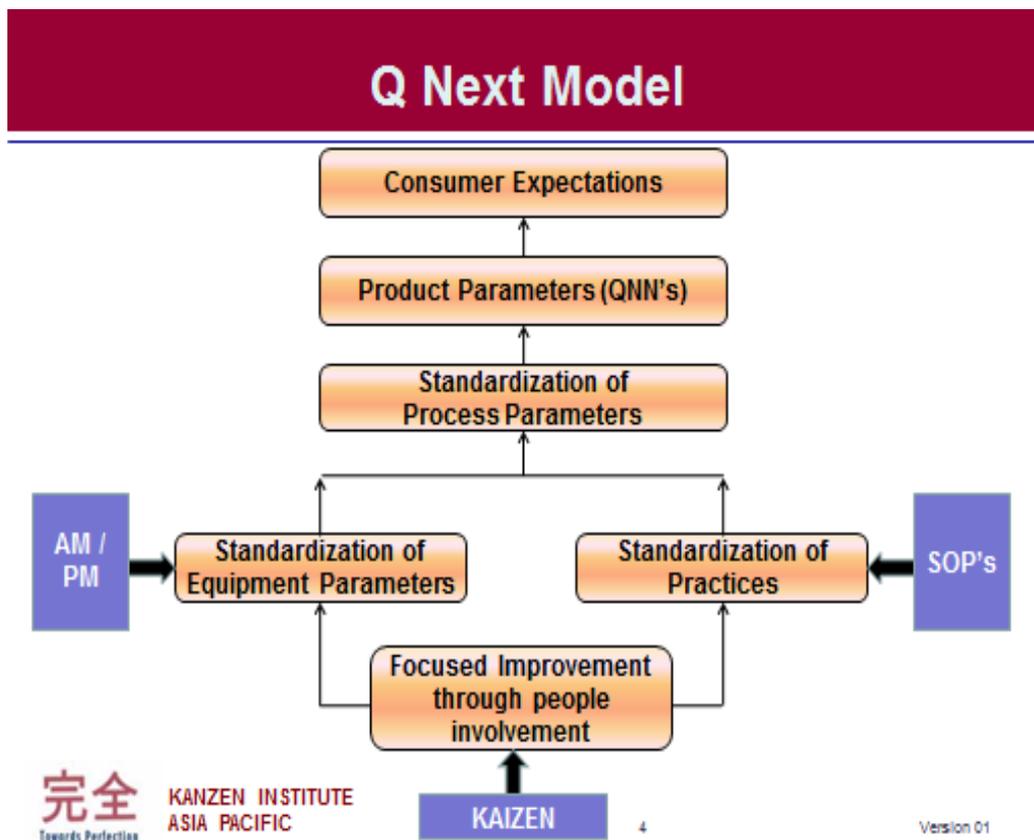
- Inconsistent methods
- Inconsistent equipment conditions
- Inconsistent process parameters

Considering the above KIAP formulated the roadmap for achieving excellence in Quality with the following key stages

1. Establish the DOABILITY AS PER DESIGN and bring the awareness across and down the line in the organization – through Kaizen Workshops :

2. Launch AUTONOMOUS MAINTENANCE, to involve the operating persons in ensuring the conditions of equipments and tools for delivering consistent output
3. Launch PLANNED MAINTENANCE to ensure the equipments and tools are process ready all the time.
4. Launch KOBETSU KAIZEN to involve the operating people in making small improvements in the equipments and methods to ensure the consistency and minimize waste.
5. Support the process of AM/PM /KK for 6 months with monthly reviews to develop Equipment-capable operators, process-capable maintenance personnel and consistently delivering lines.

KIAP approached this entire intervention as movement towards perfection based on the Kanzen Quality model. The current state being Level Zero – Defect Leaves Company (as evidenced by customer complaints), the target for the first year was to move the unit to LEVEL 3 - Defect does not leave the process. KIAP developed a customized framework for implementation based on the current state and goals and this is shown below



Our Methodology

An internal team was formed for each unit with designated Pillar Heads for each activity – Quality, Kaizen, AM and PM. The unit head's role was to support the pillar heads with adequate resources and chair the review sessions. Corporate team monitored the activities and results through a standard format on a monthly basis and organized conference calls to review the performance, issues and support needed.

KIAP experts conducted 3 day kaizen workshops in the first 4 months to improve the processes and bring them to required levels as per the SOP defined. The processes were then standardized through AM – KIAP expert conducted fortnightly visits to train operators on AM and audit their adherence to schedules, PM was launched in the last quarter to strengthen the long term sustenance.

Performance measurement system was put in place in terms of both process and results. Key process measures included:

- ✓ Number of kaizens generated per employee per month
- ✓ SOP compliance %
- ✓ Number of abnormalities identified and % closed in equipment
- ✓ Planned Maintenance adherence to schedules

A reward and recognition scheme was designed and implemented to boost morale and involvement. Every month, the best kaizen was judged and rewarded at unit level, while quarterly recognition was done at regional level.

The result was measured in terms of number of customer complaints, internal quality scores and internal defective levels.

Outcomes

By the end of the year, the units had reduced customer complaints by more than the target of 50%. The operating staffs at each unit were trained in kaizen while shop floor operators and maintenance team were trained in AM practices.