

BlueWater Partners helps businesses identify and navigate a range of strategic alternatives. We specialize in senior-level advice on mergers, acquisitions, capital sourcing, performance improvement, turnarounds and merchant banking.

Operational Performance & Business Process Improvement

A fourth generation Organic Juice Beverage Products Manufacturer serving institutional, specialty, and large grocery customers was experiencing erosion of its net income after restructuring the ownership and negotiating financing.

Situation

- Although very profitable, after consistent feedback from various consultants, leadership concluded that the company was underperforming
- Company was experiencing increased costs due to quality defects, mechanical failure, and a customer required pack change to transition from 12 units per case to 6 units per case
- 3-Phase, 2 million bottle repack effort was labor intensive, inefficient, and interfering with new production as it yielded 2 pallets per hour vs. 12
- Unplanned line stoppages cost the company 13 hours of production and 94,000 bottles monthly
- Fire Alarm approach to machine maintenance with high number of repeat failures

Solution

- Engaged to initiate Quick Response Teams (QRT) to embed business fundamentals and enhance company profitability through quality and uptime improvement
- Established cross-functional team to define effective and efficient customer return/repack layout, process and schedule along with Standard Work, Quality Alerts and Visual Aids to support temporary workforce training
- Developed Quality Alert System with standard complaint handling process, defect codes and visual alerts to capture and communicate defects reported by customers

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Operational Performance & Business Process Improvement

- Created Equipment Reliability Program with equipment improvement roadmaps, downtime recording, root-cause analysis, preventive maintenance and maintenance management system to return equipment to OEM condition and specification, address and prevent chronic failure, and improve overall reliability

Results

- Customer repack: increased throughput 300%, reducing total repack duration from +/- 2,000 hours to +/- 700 hours
- Maintenance: reduced unplanned downtime by 73%, increasing overall uptime by 12%
- Increased throughput by 816,000 bottles and \$3 million annually

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