
Labor Optimization

An independent fruit and vegetable producer, shipping more than 75 million pounds of product to retail stores and industrial food manufacturing plants in the United States, was experiencing challenges in their production processes, resulting in higher labor costs and increased overtime spend. In addition, overall financial performance was deteriorating at an accelerated rate, error incidence rate was increasing, customer returns were creating labor rework, and customer expectations were not being met.

Key Findings:

- Orders received from customer service were being transferred into manual sheets
- Labor planning tools were not being utilized, resulting in overstaffing and inefficiencies
- No Standard Operating Procedures existed
- Lack of Metrics and Key Performance Indicators
- Existing IT platform did not fulfill business needs
- Inventory system was not being utilized due to lack of training

Victrix Recommendations:

- Upgrade current IT platform to a more robust ERP system
- Conduct extensive training of IT system across the entire organization
- Re-engineer production lines
- Develop Standard Operating Procedures and Job Descriptions
- Institute Continuous Improvement
- Develop manager dashboard and scorecard to drive and measure productivity

Results:

- Improved management of material flow, utilizing inventory system for receiving and advanced put away and production staging strategies
- Lower product costs and increased productivity via process re-engineering
- Implementation of Standard Operating Procedures for entire organization
- Reduced labor costs by 20%, or \$1.6 million, by managing overtime and utilizing labor optimization model