

POWERS SPARKS TURNAROUND FOR POULTRY PRODUCER BY TRANSFORMING MANAGEMENT OPERATING SYSTEMS AND BEHAVIORS



One of the world's largest independent poultry producers, this client needed to significantly upgrade front-line management skills, behaviors, processes and controls to improve operational performance and the bottom line. POWERS identified the true capabilities of the business, changed expectations and implemented a proactive, self-sustaining performance-based culture. The impact? A \$30 million turnaround resulting from cost control and productivity improvements.

This client is a family-owned, vertically integrated poultry producer in northeast Georgia. Founded more than 50 years ago, it has grown to become one of the largest independent poultry producers in the world with over 4,500 employees. The company sells a variety of antibiotic-free chicken products to retail and commercial establishments in the United States and 50 countries worldwide.

Although successful for many years, the company had experienced successive years of financial losses. The business was managed on historical performance rather than true capacity, which masked waste and lost time. Staff levels were out of sync with requirements. "Firefighting" consumed the attention of front-line managers, coupled with expectations that were far below their actual capabilities. Management operating systems were absent or underutilized, so the company did not have critical information needed for decision-making, forecasting, execution or evaluation.

PROBLEMS

- Staff levels out of sync with requirements
- Front-line managers' expectations far below actual capabilities
- Business managed on historical performance rather than capacity, masking lost time
- Transportation, logistics and warehouse inventory functions not coordination or acceptable
- Unstructured procurement process with no measure of vendor performance and quality
- Sales and operations planning founded on the misalignment of plant capacities and sales requirements
- No management processes, discipline or skills to implement a proactive, performance-based culture

OBJECTIVES

The company needed to significantly upgrade front-line management skills, processes and controls to improve operational performance and the bottom line. POWERS was engaged to identify true capabilities of the business and implement a proactive, self-sustaining performance-based culture.

STRATEGY

- Determined the true capacities of the business so that it could be managed against that level.
- Determined the number of workers needed to support the volume of product handled, aligning labor costs and job requirements.

STRATEGY (continued)

- Upgraded planning, scheduling, and coordinating processes across the organization
- Worked with front-line supervisors to implement behaviors needed to execute the vision.
- Taught front-line supervisors how to identify and eliminate key operating problems.
- Eliminated ineffective processes leading to waste and lost time.

RESULTS

- **\$30 MILLION** turnaround
- **\$3 MILLION** in savings of centralized ordering of Parts & Materials annually
- **\$4-5 MILLION** in savings at one plant alone from fewer workers processing more product in fewer hours