

POWERS SPARKS \$4M TURNAROUND FOR COLD STORAGE DISTRIBUTION CENTER, TRANSFORMS MANAGEMENT OPERATING SYSTEMS



One of the world's largest independent poultry producers needed POWERS to help significantly upgrade front-line management skills, behaviors, processes, and controls to improve operational performance and the bottom line.

POWERS identified the business's true capabilities, changed expectations, and implemented a proactive, self-sustaining performance-based culture. The impact? A \$4 million turnaround stemming from cost control and productivity improvements.

This client is a family-owned, vertically integrated poultry producer with locations throughout the west coast. Founded in 1939, it has grown into one of the largest independent poultry producers in the world, with over 12,000 employees. The company sells a variety of antibiotic-free chicken products to retail and commercial establishments across 29 states and Puerto Rico.

In an effort to increase their market share and improve their competitive position, they had a need to drive for incremental improvements in service performance. 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 front-line managers' attention, 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 uncoordinated or acceptable
- Lack of Key performance metrics (KPI's)
- Lack of clearly defined warehouse management departments, functions, and processes. (i.e., receiving, stowing, picking, loading, inventory accuracy, etc.)
- 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. The client engaged POWERS to identify the true capabilities of the business and implement a proactive, self-sustaining performance-based culture.



STRATEGY

- Determined the right 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
- 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 vital operating problems
- Eliminated inefficient processes leading to waste and lost time

RESULTS

- **46%** improvement in on-time shipping
- **333%** ROI from project cost
- Over **\$4.5 MILLION** in annualized savings
- **57%+** improvement in productivity
- **76%+** reduction in overtime costs
- **41%** reduction in production/labor cost per case
- **93%** reduction in inventory accuracy errors
- **50%** decrease in attrition/employee turnover