



## STRONGER SYSTEMS AND SMARTER LEADERSHIP DRIVE 65% SCRAP REDUCTION FOR RENOWNED ANIMAL NUTRITION PRODUCER

### **OVERVIEW**

A leading manufacturer in the animal nutrition industry partnered with POWERS to improve quality, reduce labor inefficiencies, and establish consistent operating procedures across two facilities on a shared campus.

Facing elevated scrap rates, high Cost of Poor Quality (COPQ), and inconsistent labor utilization, the organization sought to regain control over its operations by implementing a robust Management Operating System (MOS) and strengthening cross-site collaboration.

In just 16 weeks, the company saw a 65% reduction in scrap, a 15% drop in temporary labor usage, and a 45% decrease in COPQ, each result statistically significant and sustainable through newly embedded management practices.

## **CHALLENGES IDENTIFIED**

The organization's challenges were rooted in both operational inefficiencies and structural gaps across leadership and communication systems:

- Excessive Scrap and Rework: Inconsistent process adherence and a lack of real-time monitoring led to significant waste in raw materials and finished goods.
- Siloed Operations Between Facilities: The two sites on the same campus lacked coordination, resulting in duplicated efforts, underutilized resources, and labor imbalances.
- Rising Labor Costs: Over-reliance on temporary labor and inconsistent line management practices drove up costs and limited production stability.
- Quality Control Gaps: Standard Operating Procedures (SOPs) were inconsistently followed or poorly communicated, driving up the COPQ and increasing customer complaints and internal rework cycles.

To move forward, the organization needed a unifying structure that would promote accountability, enhance data visibility, and enable leadership to lead with intention and foresight.

## **PERFORMANCE RESULTS**







## SOLUTIONS IMPLEMENTED

The POWERS team deployed a hands-on team to work shoulder-to-shoulder with frontline leaders and site supervisors. The project centered on three core strategies:

#### 1. Installing a Robust Management Operating System (MOS)

The new MOS was designed to create real-time visibility into production line performance and reduce process variation. Key components included:

- Daily and weekly tiered meetings aligned across leadership levels
- Introduction of Plan-Actual-Variance-Action (PAVA) tracking tools
- Hour-by-hour monitoring of key process indicators

These tools enabled teams to proactively address deviations and shift from reactive problem-solving to continuous improvement.

#### 2. Cross-Facility Communication Enhancement

By integrating daily communication protocols across both facilities, leaders established clear expectations around shared resource planning, labor allocation, and production prioritization. This improved:

- Labor control and shift coverage
- Utilization of specialty equipment between sites
- Coordination of preventive maintenance schedules to reduce downtime

This coordination contributed directly to a 15% reduction in temporary labor through more efficient deployment of existing staff.

# **3. Recalibrating Standard Operating Procedures (SOPs) and Driving Line Ownership**

In-depth process mapping revealed that existing SOPs lacked clarity and consistency. Our team worked directly with production frontline leaders to:

- Redefine and simplify key SOPs
- Conduct training sessions with shift leaders to reinforce expectations
- Introduce accountability mechanisms tied to line-level performance

This effort helped frontline teams take ownership of quality and productivity outcomes, contributing to a 45% reduction in COPQ compared to the previous year.

## **RESULTS ACHIEVED**

Within the 16-week engagement, the organization achieved measurable improvements across multiple performance dimensions:

- **65% Reduction in Scrap** A direct result of improved SOP adherence, real-time guality tracking, and empowered line leadership.
- **15% Decrease in Temporary Labor Utilization** Enhanced cross-site planning allowed the organization to rely more heavily on trained, full-time staff and avoid costly temp hours.
- **45% Reduction in Cost of Poor Quality (COPQ)** By tightening quality processes and eliminating rework cycles, the team reclaimed value and protected margin.
- Improved Line Stability and Throughput Through standardized management tools and PAVA routines, supervisors gained clarity on performance issues in real-time, leading to faster recovery and higher overall line efficiency.
- Better Product Quality and First-Pass Yield Improved adherence to SOPs and better line ownership meant fewer errors, less rework, and better output, especially critical in pet food production where consistency and compliance are non-negotiable.

## CONCLUSION

This engagement demonstrated the power of structured management systems and leadership enablement in driving measurable results. By partnering with POWERS, our client transformed siloed operations into a cohesive, data-driven production network. The outcome: higher-quality products, reduced costs, and a frontline team equipped with the tools and confidence to sustain the gains.

As operational efficiency improved, so did team morale, communication, and ownership, laying a foundation for long-term performance excellence in a competitive market. Contact POWERS today and take the first step toward smarter, more sustainable manufacturing.