



HOW POWERS HELPED A PACKAGING MANUFACTURER DELIVER MORE THAN \$1M IN ANNUALIZED SAVINGS WHILE REDUCING DIRECT LABOR COSTS BY 18%

PROJECT OVERVIEW

In manufacturing, complexity rarely arrives all at once. It builds over time through acquisitions, expanding product lines, workarounds, and disconnected reporting systems until the operation becomes difficult to manage consistently.

That was the reality facing a long-established manufacturer operating a highly variable production environment. After years of acquisitions and product expansion, the operation had become increasingly difficult to manage consistently. Production areas had gradually evolved into disconnected operating nodes with inconsistent standards, fragmented reporting, and limited visibility into true performance.

Leadership recognized the operation had drifted into reactive management driven more by opinion and tribal knowledge than by measurable standards. For the first time in company history, outside operational support was brought in to help stabilize performance and rebuild operating discipline.

THE CHALLENGE WASN'T A LACK OF EFFORT. IT WAS A LACK OF VISIBILITY, ACCOUNTABILITY, AND CONTROL

The operation was filled with experienced people, many of whom had spent decades inside the business. But over time, production areas developed independent operating habits, reporting structures lacked consistency, and existing production data was viewed as unreliable because actual performance was rarely measured against true production standards.

In many areas, leaders simply did not know what “good” looked like.

The organization lacked even the foundational elements of a functioning Management Operating System. During discovery, only 6% of traditional MOS elements were deemed to effectively exist, and only 1% were found to be consistently utilized.

Captains, the organization’s equivalent of supervisors, spent only 6% of their time demonstrating active supervisory behaviors. Focus was heavily concentrated on the plastic extrusion area while other production areas operated with minimal leadership visibility.

Production standards themselves lacked credibility.

PERFORMANCE RESULTS

\$1M

In Annualized Savings

18%

Decrease in Direct Labor Costs

27%

Improvement in Units per Labor Hour

30%

Reduction in Quality NCMRs

11%

Reduction in Production Line Changeover Time

22%

Reduction in Machine Setups

THE CHALLENGE (CONT)

In one core production area, a generic production standard of 500 pieces per hour was applied across all products despite wide variation between SKUs and despite actual hourly standards already existing on printed job cards. Amongst the production team there was uncertainty where the 500-piece standard originated.

Machine uptime suffered as well. Sunday night startups were largely unmanaged, and delayed line startups had become normalized.

At the same time, staffing decisions were disconnected from actual production demand. Labor allocation was based primarily on sales dollars or production counts despite wide variation in production rates between products.

The result was an operation with significant variability, inconsistent accountability, and limited ability to identify where losses were truly occurring.



ESTABLISHING VISIBILITY BEFORE DRIVING IMPROVEMENT

POWERS approached the engagement as both an operational stabilization effort and a visibility transformation.

The first priority was aligning leadership around measurable goals, clear responsibilities, and a common operating rhythm.

Over the course of a 28-week engagement focused primarily on production operations, POWERS worked alongside plant leadership to establish the structure required to manage performance consistently.

Leadership roles and responsibilities were clarified. Systematic short-interval follow-up routines were implemented for Leads and Captains. Sunday night startup plans were introduced to improve machine uptime, and downtime tracking became structured and visible so recurring barriers could be addressed systematically.

At the same time, KPI dashboards, standardized communication routines, action item management, and leadership development workshops were implemented to reinforce accountability throughout the operation.

But one of the most significant shifts came through the implementation of the Digital Production System (DPS).

With more than 12,000 SKUs and highly variable production rates across products and departments, the operation lacked a standardized way to understand actual performance across the facility. Reporting was fragmented, inconsistent, and often disconnected from the realities on the floor.

Through DPS, POWERS centralized operational data and established individual performance indicators tied directly to production roles and activities.

For the first time, leadership and Captains had real-time, standardized visibility into performance across the operation. Performance discussions shifted from opinion to measurable standards. Supervisors could identify variance earlier, staffing decisions became more aligned to actual workload requirements, and accountability became clearer across shifts and departments.

Most importantly, leaders gained a common definition of what good performance looked like.

THE RESULT

Operational And Financial Performance

As visibility, accountability, and operating discipline improved, the facility delivered measurable operational gains across multiple areas.

- Units per labor hour in a core production area improved by 27%.
- Production line changeover time was reduced by 11%.
- The number of machine setups declined by 22%.
- Quality NCMRs were reduced by 30%.

Collectively, these improvements contributed to an 18% reduction in direct labor costs versus the baseline period.

Based on the client's operating scale, this reduction translated into more than \$1M in annualized savings.

Building Operational Discipline At Scale

The results extended beyond the headline metrics.

By implementing structured leadership routines, standardized KPI visibility, and DPS-enabled accountability, the organization gained greater control over how work was planned, staffed, monitored, and executed.

Captains and plant leadership were no longer operating through disconnected reporting methods and isolated production silos. The operation began functioning through a common system with shared visibility, clearer escalation pathways, and more disciplined follow-up.

The engagement also helped shift the culture away from reactive management and toward a more data-driven operating model capable of sustaining performance over time.



RESULT AT A GLANCE

Financial Impact

- More than \$1M in annualized savings driven by an 18% reduction in direct labor costs

Operational Improvements

- 27% improvement in units per labor hour in a core production area
- 30% reduction in Quality NCMRs
- 11% reduction in production line changeover time
- 22% reduction in machine setups

Operating System And Visibility Improvements

Standardized KPI dashboards implemented across production

Real-time performance visibility established through DPS

Systematic short-interval follow-up routines embedded for Leads and Captains

Structured downtime tracking and communication routines implemented

THE TAKEAWAY

Manufacturing complexity becomes dangerous when organizations lose the ability to see performance clearly and manage it consistently.

This engagement demonstrated how disciplined operating routines, leadership accountability, and real-time production visibility can stabilize an operation that had gradually drifted into fragmentation and reactive management.

By combining Management Operating System discipline with DPS-enabled performance visibility, POWERS helped this manufacturer reduce labor costs, improve operational efficiency, and establish a scalable foundation for sustained performance across a highly variable production environment.