

A Pan-European Improvement plan to deliver the targeted savings

Company: Rieber & Søn ASA

Country: Europe (Norway, Sweden, Denmark, Poland, Czech Republic, the Netherlands and Russia)

Sector: FMCG

Function: Production, Supply Chain, Purchasing

Business Challenges:

Implement a common best practice way of working ("Future Production") among the 14 plants concerned to drive improvements and decrease costs

Consulting Services: Change Management, Performance Improvement

Capabilities: Asset management, Integrated Supply Chain, Organizational Effectiveness

Client Quote:

"I have seen many projects but this is definitely one of the best ones. The rigour in project management is clearly one of the key success factors" Patrik Anderson, CEO

Situation

As financial performance of the Rieber & Søn organisation was consistently lower than its peer group companies, shareholder satisfaction had been decreasing for some time. To counter this negative share price development, a major restructuring program was launched halfway 2008. The company's ultimate vision is to transform itself from a business conglomerate into an integrated food company. This transformation program is called 'OUR FUTURE' and it focuses on Production, Supply Chain, Purchasing and Cultural improvements.

Approach & Delivery

What started as project covering 2 sites has grown into an international program covering 9 sites in 4 different countries. The main sites have now gone through the so-called 'Future Production Program' and the last remaining factories will follow in 2011.

All projects have followed the following 5 phases: Design, Install, Implement, Sustain and Continuous Improvement. During the design phase, the improvements were designed. Often, the best practices developed in the programme were used as a reference point. After having designed the improvements, they were consecutively installed ('mechanical usage'), implemented (develop understanding) and sustained. Sustainability of the improvements was monitored closely by various tools. During the last phase, new improvements were planned for the period after the project. After the Continuous Improvement phase had been running for some time, performance was followed up by regular audits.

Managing a program understandably requires a different approach than managing a single site project. Alignment, standardisation, communication and constant delivery of high quality are key

elements in making it successful. The Program MCRS[®] enables alignment and communication at all times.

Although the sites are different, a standard set of tools, processes and techniques have been developed. A standard training plan to facilitate the behavioural change has also been developed. These standards are continuously improved as the program advances. Delivering successful projects also means that the baseline is constantly raised. All involved have been successful in building upon previous performance, consequently 'raising the bar' for next projects to come.

Results

142 MNOK in 2010 against a plan of 120 MNOK in 2011. Many other operational improvements have been realised that have led to these impressive financial savings. OEE increased on average with close to 15%, Plan attainment, preventive maintenance and many other operational KPIs all realised their stretch target number.

Client Satisfaction

"Celerant has a special capability that other consultants companies not have – you're really good at going into the details from shop floor to senior management level and you are able to truly solve the issues" Frank Mohn, Supply Chain Director

"When we started the project, we all looked at each other and said; what is this insane thing we have just put our names behind? And now yesterday, (Project is closing), we all three looked at each other again and said; Guys, we did it, we actually did it!" Kasper Lenbroch, BU director Denmark