OPERATIONAL MANAGEMENT
LINE CAPACITY IMPROVEMENTS

BUSINESS SITUATION

The Sales forecast for one country was guaranteed by production in 2 factories, making respectively 70% and 30% of the production volume. The smaller factory was much older and stood in a residential area. It was thus decided to close this factory, concentrating all production in the main factory. Plans were made to increase production capacity not by adding capacity, but by modifying and optimising existing facilities.

PROJECT SCOPE

Installed a new R&D developed technology based on thin film evaporation, increasing the line capacity by 30%. Scaled the project up from 50 kg/h as tested in the R&D environment to 3000 kg/h. This technology required evaporation at ultra-high Dry Matter concentrations (72%) and spray drying at similar concentrations (60%). Laid out a strategic plan to upgrade all processes to cope with the capacity increase during the same project.

Phase 1: Decided on new technology to be installed and on the scope of line modifications to be executed.

- Visited R&D and set-up a combined project effort allowing the newly developed technology to be installed easily.
- Worked with the factory to analyse all required processes and made detail plans for each process to handle the increase in capacity.
- Set-up project teams and clearly divided the responsibility for each player in the team. Focussed on financial awareness and timely execution

Phase 2: Continuously upgraded each process to cope with the increase in capacity. Performed capacity tests throughout the project and adapted plans there where required, assuring that the critical path was carefully watched. Executed all required modifications during normal cleaning hours, guaranteeing that the factory could still run at maximum output for market demands.

Phase 3: Installed and commissioning new thin film evaporation technology at target output. Tested all fail safe scenarios and increased production to the requested future output of 3000 kg/h without major issues. Managed full commissioning and fine-tuning while production continued to produce normally.

Phase 4: Assured within a few months that the total output could be sustainable, allowing plans for closure of the second plan to go into effect.

RETURN ON INVESTMENT

- One complete out-dated plant could be closed, savings on operational costs and overheads
- Property on which the factory stood could be sold back to the city for a huge profit.
- As part of the project, operational losses were reduced to close to zero at the same time.

LOCATION

- Far East

INDUSTRY

- Soluble Coffee Manufacturing

COST SAVINGS

- Yearly operational savings amounted to €15 million.
- Additional operational savings were obtained by reducing line losses by 1-2%

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