

# Client industry: dairy products

How the Integrated Work System (IWS) is milking maximum dairy performance

## ■ The better the question.

How can you improve on a continuous improvement program?

- ▶ After a six-year span of acquisitions, dairy cooperative Agropur had expanded its manufacturing footprint to 27 plants in Canada and the United States.
- ▶ The company needed to maximize its plants' capacity and efficiency, especially those making cheese and milk, to get the biggest return on its investment and meet rising demand.
- ▶ Executives knew they needed to act to increase cheese-making capacity and reduce their milk-processing costs – without acquiring or building any new plants.
- ▶ The continuous improvement program the company had deployed over several years wasn't generating the expected results quickly enough.

## ■ The better the answer.

Using IWS principles to set a new standard

- ▶ EY analysis found that while plant efficiency ranged from just 40 – 50%, a 10 – 12% efficiency boost could reduce operational costs while generating US\$40 – US\$45 million in revenue.
- ▶ Agropur could recoup the cost of the IWS license for all 27 plants after deploying it in just five.
- ▶ Full deployment in one plant delivered the 10 – 12% efficiency improvement with existing equipment, which became the role model for a rollout across all key plants in a three- to five-year horizon.
- ▶ The pilot plant's teams enthusiastically embraced the IWS daily direction-setting meetings, manufacturing best practices, standard processes and metrics, and training, as well as the EY Smart Deployment Console (SDC) digital coach.

## ■ The better the world works.

Powering efficiency and profitability with IWS

- ▶ The IWS implementation at the first five plants provided a dramatic jump in efficiency, reliability and capacity, leading to stronger top- and bottom-line results.
- ▶ Manufacturing results are strong: line changeover duration reduced by 75%, throughput per line increased by 25%, and Mean time between failure (MTBF) doubled.
- ▶ Other functions are also adopting IWS with similarly impressive results: S&OP achieved a 100% order fill rate, warehouse reduced expiration date waste by 65% and distribution had a 56% increase in on-time performance.
- ▶ The true power of IWS is empowering people to take 100% ownership – a key decision point for Agropur and the reason the company is more effectively meeting demand, increasing profitability and competing strongly.