

NEWS RELEASE

lean learning center

40028 Grand River, Suite 300
Novi, Michigan 48375
www.leanlearningcenter.com

FOR ADDITIONAL INFORMATION:
Contact Nancy Lesinski or Steve Penn
French & Rogers
248-641-0044 tel
248-641-1718 fax
n.lesinski@french-rogers.com

For immediate release

LEAN MANUFACTURING STRATEGIES PROVIDE TASTY RESULTS TO WISE FOODS

Atlanta, Georgia, February 4, 2003 – When Wise Foods, one of the nation’s largest manufacturers of salty snacks, was looking for ways to increase its competitiveness, management decided to embark on a strategy unheard of in the snack food industry . . . lean transformation.

“We had the misconception that lean thinking was just for the automobile industry,” reflects Wise President and CEO Terry McDaniel. “The food industry is simpler on the manufacturing side, yet more complicated on the distribution side. But, after meeting with lean transformation affiliates Achievement Dynamics (ADI) and the Lean Learning Center, we discovered that any company looking to increase efficiencies can benefit from lean principles.”

The ADI/Lean Learning Center philosophy is based on the premise that in order to transform an organization to lean, you must change the way people think and involve them in the process. It is not so much about the individual application of lean tools, but a company-wide implementation of lean rules.

Wise began its lean journey by sending its top officers and plant managers from its Berwick, Penn. and Spartanburg, South Carolina facilities to a week-long “Lean Experience”

class at the Lean Learning Center facility in Novi, Mich. The Wise team learned the rules, tools and philosophy of lean manufacturing systems. They experienced lean from basic concepts to hands-on applications, working with the traditional tools of lean manufacturing such as standardization, waste elimination and process redesign, as well as participating in “real-life” activities.

For example, one activity required the group to perform a factory simulation by assembling a model airplane. In the first go-around, McDaniel’s group completed only two planes in the allotted time. Then the group was exposed to the specifics of lean principles; discussing systematic waste elimination; and employing techniques to map process, material, and information flows. The second time around, by using work instructions, labeling pieces, and by having a process with a defined flow in place, the group was able to complete twelve planes.

The next step in Wise’s lean transformation was applying what the management team had learned in class to real manufacturing situations. Understandably, this can be a challenging step. Change is often difficult for people to accept.

“It’s only natural when change is proposed, that people would think there was something wrong with what they were doing,” says McDaniels. “But, we made it clear that our desire to change was not an indictment against our workforce, but a necessity to improve operations.”

Nor was change about job elimination. Wise management firmly believes that getting lean is not about *cutting* heads, but about working smarter to *preserve* heads and even grow the workforce. It’s about being more efficient -- driving costs down and improving customer service so that the company can grow.

Results thus far have exceeded all expectations. Within 3 months, the company documented over \$500,000 in real savings. Improvements include faster changeovers,

waste elimination, and greater manufacturing efficiencies. Also, lean thinking improved inventory control, eliminating the need for a secondary warehouse.

Other signs of success are illustrated by a strongly involved safety committee and a boost in employee morale as reported by union officials. The company is making a better product, more efficiently and cost effectively. For instance, as a result of thinking “lean,” a \$50.00 improvement led to solving a quality problem with corn lumps in tortilla chips on one of the lines. By studying the process through a kaizen, the problem was solved in a minimal amount of time and with minimal investment.

What began with 75 people involved in evaluating processes and conducting kaizens, has become an enterprise-wide initiative. The transformation is impacting how Wise plants operate, shifting away from individual plant thinking to a company-standard for all manufacturing facilities.

The overall target for initial-year cost-savings is set for \$1.5 million, which will not signal a final victory. The company is committed to lean and has its sights on getting even better, each and every day.

“Working with the Achievement Dynamics/Lean Learning Center team has given us a new perspective on our business and a competitive advantage”, says McDaniel.

“Previously, we had assumed that if there was an efficiency issue, the answer was to invest in more capital equipment. What we found, though, is that the answer often lies in ‘*human capital.*’ And, this investment is really paying off.”

END