



Food Processing Experiences:

8 Inherent Challenges

Always Something To Fret Over...

It's a privilege and a challenge working with teams who bring the world's favorite foods to our tables, campsites, tailgates, and bars. Most organizations must overcome their own market-specific complexities as variegated as flavor profiles to be successful; nonetheless, there are a few recurring operational themes consistently popping up across collaborations. Which one tops your team's list?

8 Inherent Challenges:

1 | Food Safety Standards — this first one is, rightfully, top of mind for all Food Processing teams. Motivated by a deep care for customers and outsized concern for prevention, traceability and containment, food safety precautions must be present all day, every day — whether it's ensuring raw product is protected from condensation or the floor temperature is within safe parameters to keep the salads safely chilled, Food safety dictates all.

2 | Employee Health Safety Standards — Let's face it, most food production facilities can be inhospitable environments. Whether it's extreme heat from the kitchen, scalding tanks and dangerous fryers, employees wielding knives, or operating forklifts in slippery cold storage environments, there's much to fret over while in the fields, on the processing floor, and rolling around on trucks.

3 | Tying Production Rates to Customer Demand — With razor-thin margins and multitudinous opportunities for waste, it's imperative to understand the rate at which customers will accept orders to ensure overproduction or underproduction does not strangle profitability. We're talking Sales & Operations Planning (S&OP) and takt time for all you lean aficionados.

4 | Voice of the Customer Programs — Customers have vast food alternatives; so, consistent quality and demand-sensing capabilities are of paramount importance to survive. Teams must lock in on present customer experience while anticipating evolving tastes. Also, management, supervisors, and employees need to know how their work is perceived and enjoyed by customers. Defined communication channels—conveying customer delights and disappointments—help power analytics-based insights, new product development, brand differentiation, personalized marketing campaigns, extended customer influence, and retail shelf space wins.

5 | Supply Chain Urgency — Food Processing teams must contend with handling perishable ingredients, along with fluctuating prices, in a world where consumers' tastes and health trends can stop even the most storied products from selling. To be flexible, teams must have the right relationships in place to ensure raw



FOOD PROCESSING

Composite Case Synopsis:

- Tackling 8 Inherent Challenges by building up a heightened sense of urgency, increased operational agility, and new internal capabilities needed to positively impact food safety, customer relationships, employee satisfaction, and operating margins

Past Environment Experiences:

- \$3+ billion french fry producer
- \$1+ billion deli products provider
- \$500+ million beef processor
- \$300+ million b2b caterer
- \$100+ million healthy snacks producer

Financial Results Examples:

- 17% improvement in operating margin
- 23% reduction in supply chain costs
- 21% improvement in sales to labor costs ratios

Operational Results Examples:

- 25% increase in throughput
- 30% increase in employee engagement survey ratings
- 29% increase in total inventory turns
- 19% improvement in yield
- 20% more research & development speed

Organizational Benefits:

- Customized, tech-enabled production management systems
- Robust food safety programs
- Performance visibility with leading and lagging indicators tied to financials
- Site-specific multimedia training and support tools
- Side-by-side supervisor coaching programs
- New communication and engagement channels across supply chain, production floor, and executive offices
- Continuous improvement capabilities tied to customer experience
- Brand reinforcement and extensions



ingredients are ready-at-hand and kitted at the right time without incurring higher ordering costs or increased spoilage rates.

6 | Technical Challenges: Tapping Computer Screens in 20 Degree Temperatures — most Food Processing employees are proud to be creating life-giving sustenance and enjoyment-packed products loved across the world. Specific foods may follow trends but it's a pretty safe bet most generations will enjoy eating as much as we do. Having said this, teams have to contend with challenges beyond most of the usual mass production concerns. With food safety being non-negotiable, Food Processing teams don't always have the benefit of introducing new productivity improvement technologies onto the production floor because the environment is too inhospitable for the technology to function properly or its mere presence introduces safety risks. Teams face constraints like limited computer terminal access, fragmented communication channels, tech tools unable to withstand harsh production and sanitation requirements, or even employees challenged with using equipment with 3 layers of gloves, 2 hats, 2 hairnets, and 1 Artic Circle-worthy overcoat getting in their way.

7 | Tough Training Environments — Some teams run 24/7 to meet growing demand or ramp up for the busy holiday season. Multiple shifts across work weeks can be difficult to get a consistent training program implemented. For some Food Processing teams, it can be difficult to get the schedules aligned and reinforced with any consistency. Furthermore, teams must develop relevant content, customize it to the needs of their employee audience, deliver it with impact, and keep up with all the make-up sessions / new employee orientations as well. Because Food Processing tends to have high employee turnover, providing training to a revolving cast is the norm. Some teams may even have multiple languages to incorporate into their training programs. We've experienced one location with 20+ different languages—not companywide, mind you—one location!

8 | Workflow and Floor Layouts — Chasing finicky consumer tastes, Food Processing firms spend an immense amount of time and resources with test kitchens and focus groups looking for the next product extension. Production workflow and floor layouts can get lost in the midst of the frenzy to inspire consumer tastes and win market share with new products. Production teams may be forced to generate complex products with new recipes on the same old equipment and floor layout. We have seen examples where the equipment, line layouts, and workstations are used out of habit rather than in the name of efficiency, ergonomics, and spec achievements. Food Processing teams really benefit from highly-configurable floor layouts, easy-to-understand visual floor cues, disciplined material flow, coordination with new product development, and sanitation aligned with production's plans.

Today's Special: Customized Solutions

We've run into this list of 8 Inherent Challenges so often, they now have nicknames. The performance improvement solutions



Key Statistics:

40+
Past Food Processing Engagements Across Collective Team Experiences

4,500+
People Trained in Change Management and Tech-Enabled Operating Systems

70%
Past Food Processing Projects Involving Enterprise Resourcing Planning (ERP) Integration or Optimization

355
Employee Base Engaged in Transformation
(Historical Avg.)

4.3 to 1
Food Processing Return On Investment
(Historical Avg.)



we've implemented with teams to overcome these challenges vary with the necessary scope; however, we tend to build Food Processing solutions along the following lines:

Consider All 8 Inherent Challenges — this is a good start because it incorporates foundational areas of opportunity and risk in Food Processing...but not where most engagements adjourn.

Impact Financial Statements — could be cash flow, operating costs, and revenue uplift. Ultimately, every engagement coalesces around building up in-house capabilities and accelerating financial benefits.

Identify, Design, & Implement Through Collaboration — new processes, tools, and behaviors are only valuable if they continue to pay off after the engagement has reached its completion (what started out as a project becomes a new way of running the business).

Leverage New Technologies — we've seen tech integrations pay off handsomely in Enterprise Resource Planning (ERP) optimization, streamlined cascading data flow, visual dashboard reports, equipment sensors, Internet of Things-based (IoT) applications, dynamic shop floor visual cues, real-time employee feedback loops, and lively skills training through interactive computer-based training (CBT) — including customized animation videos reflecting unique production environments.

Embed Changes Via Training Programs Across Team Contributions — solutions must be understood and embraced at all levels of responsibility. Timely communication and iterative training are needed to reinforce the changes. This usually involves getting employees engaged with multimedia programs, designed with the audience in mind and within specific Food Processing scenarios. Firm culture and collective psychological backgrounds must be woven into the training programs, too.

Translate Data Into Practical Operational Metrics — improvement solutions must ensure data is cascading down to the production floor, rolling up to the executive offices, and translating into practical information with clear calls to action. Standing up the right suite of operational metrics ensures newly-implemented changes are taking hold but, more importantly, allows management to see their business in a crisper, more objective fashion every day.

Cultivate Mutually-Beneficial Supply Chain Relationships — a large amount of supply chain optimization energy is spent vetting, securing, and putting the right relationships in place for Food Processing firms. Vendors transform into partners. Partners become more heavily involved in delivering upon service levels, sharing market intelligence, and approaching each other with new opportunities to further strengthen the relationship. More profitable ties that bind are cultivated through shared metrics, copious communication, mutual respect for each other's needs, and healthy understanding of commercial interests all around the table.



Our Way of Collaborating :

Identify



2-4 meetings at no cost

- Discussion of issues
- Alignment around probable causes
- Framing of analysis scope

Qualify



3-6 weeks at cost

- Qualify opportunities with Operational Due Diligence (ODD)
- Quantify anticipated results
- Initial engagement design
- Key meetings: Launch, Opportunity Review, Solution Review, and Final Framing of analysis scope

Modify



4-8 months

- Final engagement design
- Execution of engagement design
- Realization & measurement of results
- Ownership & sustainability

Office Locations :

NYC

One World Trade Center
Suite 8500
New York, NY 10007
212 220 3897

CHI

300 North LaSalle Street
Suite 4925
Chicago, IL 60654
312 260 9907

MIA

200 South Biscayne Blvd
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Miami, FL 33131
305 925 8112

SFO

101 California Street
Suite 2710
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415 636 7999

TOR

20 Bay Street
11th Floor
Toronto, ON M5J 2N8
647 725 9662



Our Services



Enterprise Excellence

- Integrated Operational Performance
- Sales & Marketing
- Human Capital
- Margin Growth & Cash
- Information Technology Transformation



Operational Turnaround

- Cash Conservation & Liquidity Generation
- Contingency Planning
- Development, Review, & Implementation of Cost Reduction Initiatives
- Interim & Crisis Management
- Operational Reorganization



Organizational Analysis

- Mergers & Acquisitions
- Organizational Readiness Appraisal
- Trapped Value Analysis & Resolution Approach
- Our Commitment to Community — Pro Bono Advisory Services for Small Businesses & Education



Key Statistics

Clients' Historical Return On Investment (avg.)

4.8 to 1

Team's Collective Career Engagements (total)

1,496

Specialists: Years In Consulting (avg.)

21

Subject Matter Expertise (SME) Network (total)

900+

Team's Historical C-Suite Executives Roles (total)

39

Team's Career Training Sessions Delivered (total)

4,935

Supply Chain Cost Savings (avg.)

19%

Working Capital Unlocked For Reinvestment (avg.)

21%

Tech-Enabled Productivity Increases (avg.)

27%