

Planning for Success at Goodman Fielder Dairy

At Goodman Fielder Dairy in Palmerston North, New Zealand, the Cultured Foods Department has struggled to control their weekly Production Plan over the years. Seen as a bit of a lottery, the teams in the department usually didn't know what they would be making when they came to work that day, and often saw the plan change from one day to the next.

To combat this problem the Site Leadership Team decided it was best to establish a Cross-functional Improvement Team to work on building stability into the Production Planning and Scheduling process for the Cultured Foods Department.

Starting off, the team conducted a thorough analysis of the SKU's (Stock Keeping Units) and Sales Volumes using the *Glenday Sieve Approach**, but unfortunately the sales pattern didn't fit the Glenday "Green Stream" model. So they thought outside the box and had a Paradigm Shift to a totally new way of thinking in order to **"create stability to achieve flexibility"**.

To achieve the stability the team chose to develop a Fixed Production Product SKU Sequence Schedule throughout the week with variable volumes, to meet the market demands. This plan became called "Version Won", which ideally would not change sequence from one week to the next. They also developed a "Version Won" plan for the Milk Processing Department which manages the Cultured Food tanks that make the base products for the fillers.

***Glenday Sieve Approach** is a tool to assist in the transition from Batch Logic to Flow Logic. Moving from Batch Logic thinking to Flow Logic means rather than focusing on **improving** how production scheduling is currently done, Flow Logic **changes** the way it is done. Flow is the only way to stop the 'fire fighting' occurring in your plants and supply chains to allow more time for on-going continuous improvement by everyone. Moving to Flow Logic is a Paradigm Shift. Flow Logic is counter-intuitive and appears ridiculous and impossible at first. As such, Flow Logic needs to be transitioned into your plant focusing on your dominant products first.

Figure 1: Old Weekly Production Planning Board for the Cultured Foods Department

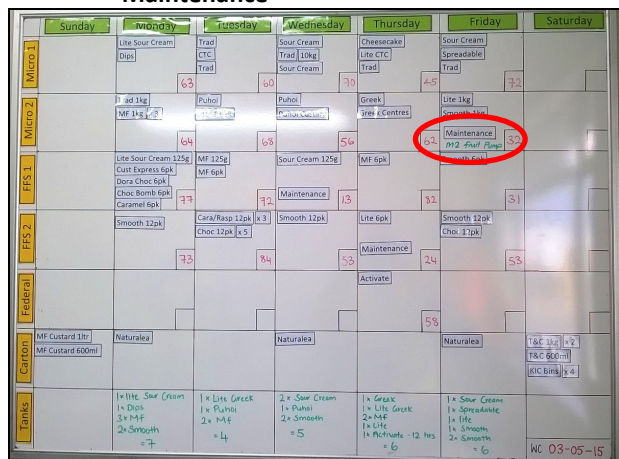


The introduction of the "Version Won" plan resulted in a standardised Production Plan that has products made on the same day, in the same sequence every week, thus bring stability to the department. The plan identifies gaps in production requirements and allocates time for maintenance work, training to be conducted or when necessary the repacking of products through idle case packers.

The new plan has allowed other work areas, like the lab and warehouse, to know exactly what products will be manufactured and what the workload will be in their area on a daily basis. There has also been a significant reduction in time spent on managing the plan by Production Planners and Supervisors in the Milk Processing and Cultured Foods Departments.

The benefits of the "Version Won" plan have been phenomenal. There has been a reduction in changes made to the weekly plan by half, from 17 changes down to less than 9 changes per week. This stability reduces all the last minute modifications, rework and disruptions to production required to accommodate the changes. In terms of **Customer Satisfaction DIFOT (Delivered In-Full, On-Time)** has improved from **between 85% and 96%** in the last eight months before the new plan was introduced, **to now running between 97% and 99%** over the last three months since the introduction of "Version Won".

Figure 2: New Fixed Sequence Weekly Production Planning Board, note allocation of time for Maintenance



For further information please contact:



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