



CASE STUDY | Graphic Packaging - Lean Deployment

Graphic Packaging harnesses rapid-improvement events to dramatically cut costs

The Challenge

Graphic Packaging International is one of the world's largest producers of packaging solutions. The company's manufacturing facility in Bristol, England, has over 200 employees and specializes in manufacturing packaging solutions for the food and beverage industry.

Graphic Packaging's management identified a series of performance issues at the Bristol plant: the manufacturing process was unable to meet peak customer demand without incurring overtime costs, while inefficiencies were resulting in the significant waste of raw materials, unnecessarily high inventories and customer satisfaction concerns.

The Solution

Graphic Packaging in Bristol turned to Lean Methods Group to help them navigate a facility-wide Lean journey. After a series of exploratory meetings, a team of cross-functional Graphic Packaging employees, facilitated by Lean Methods consultants, mapped the manufacturing process from end-to-end during a four-day workshop that identified, quantified and prioritized improvement opportunities. One priority the team uncovered was a downstream gluing process that caused costly bottlenecks and required overtime to keep the overall process running at a rate that could satisfy customer demand.

The team was able to identify more than 50 improvement opportunities representing estimated total savings of over €430,000. Ten opportunities were ultimately targeted for Lean action, and improvement teams were then formed and trained to conduct the signature component of any Lean project: the rapid-improvement event.

Three events were run using our rapid-improvement methodology that maximizes the return on Lean projects. These events were conducted with the machine operators

and became the first time that this group had been allowed to provide its perspectives on the production process in a formal environment. Not only did this exercise identify key areas for improvement, but it also marked the beginning of a dramatic shift in the culture of the organization. For the first time the workforce felt valued, involved and empowered, and this alone had a profound impact on the results achieved.

Among the most effective initiatives to come out of the events was a Total Preventative Maintenance procedure that adjusted machine components that were out of alignment, replaced worn parts and developed a long-term maintenance schedule.

"Lean Methods helped us in three critical areas: we dramatically reduced waste and cost; we transformed the speed of our manufacturing processes; and ultimately we improved the experience we are able to offer our customers."

— Jeff Goold, UK Site European
— Manufacturing Director

Results

The results for the ongoing Lean transformation have been spectacular. Overall, the three rapid-improvement events have resulted in hard savings of €175,000 per year, representing a 3:1 return on investment. The assignment increased productivity by 90 percent, enabling peak customer demand to be met with ease and a significant reduction in overtime. Work-in-process was reduced from 240 palettes to 50 palettes—an €80,000 one-time gain—and the process can now produce 9,000 cartons per hour compared to 5,300 before Graphic Packaging engaged Lean Methods Group.

Perhaps most importantly, the initiative has broken down internal barriers resulting in a common desire for positive change and continuous improvement.



Summary

Industry

Packaging

Worldwide Annual Revenues

€ 3 Billion+

Worldwide Employees

15,000

Program Goals

- ▶ Improve on-time delivery for customers.
- ▶ Reduce operating costs by eliminating waste and improving quality.

"By involving everyone in the process the results have become absolutely sustainable. Even in its infancy this exercise proved to be incredibly powerful. The willingness to move forward is remarkable and more beneficial than anything we have ever implemented before. Employees on the shop floor are now driving themselves and have adopted a proactive, 'can-do attitude.'"

— Kevin Brown, Finishing Area
— Production Manager