

Success Story: Improving Manufacturing Competitiveness

Client Challenge

- The client, a global consumer goods company was experiencing increased competition and was seeking to dramatically increase performance at its primary manufacturing facility
- Significant investments had already been made in manufacturing process improvements and leadership was seeking to improve employee performance
- Leadership felt that some form of incentive compensation might help focus employees on the key drivers of operational and financial performance
- Employee dissatisfaction risked unionizing the company's largest and most critical facility
- Significant improvements were needed in productivity, quality, cost and safety

Our Solution

- Developed a clear understanding of the key performance metrics that employees most influence
- Determined that employees could exert significant influence on a balanced set of performance metrics and developed a two-tiered group incentive plan, which measured and rewarded performance at the facility and department level
- Involved a diagonal, cross-section of employees in the design process to develop a robust design and to ensure acceptance once the design phase was complete
- Gathered historical financial and operational performance data and developed a detailed computer model to facilitate performance goals that were realistic and achievable

Impact

- Facility performance on key metrics increased significantly, resulting in a \$1.8 million improvement to the bottom line in the first three quarters
- Throughput increased 21%
- Asset utilization increased 14%
- Significant improvements in quality and safety
- This equated to an annualized return on investment in excess of 850%
- Cultural change that aligned associates and management and silenced union organizing activity

Execute for Impact