



## FOOD & BEVERAGE

Coleman Consulting helps clients achieve quantifiable cost savings by implementing new schedules for deploying operations, maintenance, and service assets, without sacrificing employees' work/life balance.

If you always have the right equipment and employees at the right place and at the right time, you have the perfect schedule and need read no further.

If you are like most food-related manufacturers, you can probably improve your work schedules, improvements that will reach all the way to the bottom line. And unlike adding employees, materials, or capital equipment, better scheduling is a cost-free way to improve profitability. A good schedule can save millions. A bad schedule will cost money every year.

At an ice cream plant in the Western United States, savings from better scheduling exceeded \$1.24 million per year (reduced sanitation time, reduced maintenance time, and other savings). Additionally, the schedule change resulted in an increase of capital utilization with an annual revenue contribution of more than \$13 million per year.

### **The Right Schedule Really Pays**

Coleman Consulting specializes in helping companies evaluate their workload, their business goals and their scheduling practices. An effectively designed schedule can save a company millions of dollars by fully utilizing equipment, increasing productive work hours, reducing overtime pay, building in time to maintain equipment and facilities, and increasing safety measures.

Most plant schedules are either copied from another operation, based on tradition, or the result of a contract negotiation made far from the factory floor. With this approach, the odds of implementing the Best Cost Schedule for your business are remote and costly mistakes are probable.

A Best Cost Schedule is not a pattern of days off or a shift length, it is the most cost-effective method to deploy capital and personnel, and includes employee buy-in as well as specific work, pay, and coverage policies. A Best Cost Schedule must include business needs, employee desires, and health and safety requirements.

Even though the current schedule is often not the right one for a particular location, management and employees usually become experts at making it work. Management may be lulled into thinking there is no problem. But the expenses can be enormous for lower production, poor capital utilization, (frequently below 50 percent, when looking at all 8,760 hours available each year), lower productivity, high overtime, low morale, and poor maintenance scheduling. If the total cost from the wrong schedule is significant, you should consider making a change. If not, stick with your current schedule because any change, even a 30-minute change of start times, is likely to be a major (perhaps unpleasant) emotional event at your facility.

"The highlights from our project include \$1,200,000 in labor efficiency savings...work schedules that include the ability to flex up and down...and work/pay/coverage policies designed to achieve 33% reduction in overtime and 50% reduction in unplanned absenteeism."

P. Michael Veltri / Plant Manager / Monsanto Company

## Employee Desires

When a shift worker is asked what he or she would prefer in a new schedule, the first answer is usually: "Don't mess with my pay, benefits or overtime." Once past these issues, Coleman Consulting's shift worker database, based on thousands of shift worker surveys, suggest shift workers have three primary desires, in order: better days off, better health and alertness, and more predictability in the schedule. After changing schedules, 80 percent of all shift workers typically report improvements in these three areas.

A shift worker's lifestyle can be made as attractive as straight day work, if enough quality time off is built in. After implementing a Best Cost Schedule at one location, a union official reported, "Now we have people transferring from day shift into shift work to get the new schedule. If you come out here and talk about going back to the old schedule, they'll kill you! There's no way you're going to make shift work totally perfect, but we're talking about 95 percent of the folks here that enjoy their schedule."

## Health & Safety

Good safety, alertness, and shift work schedules go hand in hand. Safety incidents frequently are the result of fatigued employees making errors. A recent Coleman Consulting study showed 55 percent of all shift workers in manufacturing operations notice poor safety practices due to sleepiness. Other studies point to a one and one-half to two fold increase in accident risks for work performed during overtime hours compared to work done during normally scheduled, straight time hours. Schedules that allow the body's circadian rhythm to be in synch and minimize the build-up of sleep debt with frequent days off results in the best on-the-job performance.

### **The following list represents typical cost saving opportunities in food manufacturers:**

- Capital Utilization
- Reducing Sanitation/Cleaning Costs
- Seven Day Operations
- Adjusting with Seasonality
- BEST™ Equipment Strategy
- Reducing Idle Time/Overtime
- Minimizing Breakdowns/Shut Downs

## Implementing Schedules

Coleman Consulting uses either a consultative or negotiating approach to implementation. The consultative approach works well in both non-union and union environments, where a schedule change is based on consensus building amongst all levels of managers and shift workers.

In the negotiating approach, a few key individuals often select the schedule. It is not uncommon that the schedule selected will impact thousands of workers and their families for their entire working career, yet to those who made the selection, it was just one chip in an overall negotiation that may cover ten or more other key items. The odds are remote that a schedule thus selected will meet requirements.

However, the negotiating approach may be the only option if that is the way change normally takes place. Employees still should have the opportunity to be included in the selection of the types of schedule options to be negotiated. Coleman Consulting will usually work with a joint union/management schedule committee to review employee desires and develop the best option available to all parties.

Looking ahead, it is very unlikely that traditional schedules will be as prevalent ten years from today. With more competitive pricing and shorter contract terms, the pressure to reduce costs grows. Best Cost Schedules offer the possibility of improving shift work for everyone involved – managers, shift workers, and the shareholders who invest in the corporation.