

Case Studies

Plant Sequencing (Continuous Improvement) can be scrutinised in many ways with changeover allowances and setting in EVRIS adjustable.

A food plant producing 7,000 tonnes of 100 gram alu-tray production with 100 SKU's has many sequencing and cost challenges. The observations of the plant Continuous Improvement (CI) team noticed the change overtime of some section were grossly out of sync. The change over time in the batching was very long and they investigated why it was so different to other scenarios. Completion of root cause investigation identified an opportunity to implement quick change over equipment for a low level of investment. However the team had no means of demonstrating the annualised benefit of reducing the change over allowances by 5 minutes. The change over reduction for a work centre was modelled in EVRIS and the 5 minute reduction generated an annualised saving of \$120,000 for the 4 shift operations. The small capital investment project was delivered and so were the savings. The CI team now uses the modelling capability to source the accurate impact information for investment justification and impact analysis.

Plant Capacity (Investment Modelling) analysis completed with daily sales mix scheduling mix was completed in this case.

The multi line canning plant producing in excess of 100,000 tonnes with 400 plus SKU's is always chasing product innovation, capacity and cost improvement. This case evaluated an \$8M sub-process capacity expansion by modelling the base operating requirement for a product family recipe enhancements proposed for the relaunch of a power brand. The existing sub-process annualised capacity utilisation was established, costed and tested. The accuracy of the annual sales mix schedule identified the root cause issue with the utilisation facts. An alternate investment and product recipe scenario was developed and evaluated in EVRIS. The results of the modelling activity performed using EVRIS, was to defer \$6M of the original budgeted investment for a period of 4 years, producing enormous investment freedom and benefits.

Annual Operating SKU Cost (ABC Cost Modelling) analysis for a multi line canning plant producing in excess of 100,000 tonnes with 400 plus SKU's was modelled at a summary level of detail. This practice led to cost allocations and assumptions for brand pricing that continued to hide high cost SKU cross subsidies that were detrimental to the portfolio.

The daily production sequencing cost details at the work centre run level of detail available from the EVRIS modelling activity provide accurate price card analytical information. The second application of the planned production cost for each run allows poorer market performing SKU's to be challenged for deletion from the product portfolio. This additional information allows the most informed decisions to be made with cross subsidies and individual cost impacts more visible to make good decisions. This capability has formed the basis for price card modelling and SKU rationalisation facts.

For more detailed information on user applications of EVRIS [CLICK HERE](#)