

Benchmarking a global beverage manufacturer's critical processes against its competitors to enable process efficiency

BACKGROUND & CHALLENGE



The management team of a global beverage manufacturing company wanted to compare the efficiency level of one of its beverage manufacturing processes with that of the other beverage manufacturers that use the same process. The team believed that the efficiency of this process was lower than the industry standard. With this analysis and the benchmarking exercise, the client aimed to identify the areas for improvement and best practices to enhance process efficiency across its manufacturing plants.

FULD & COMPANY'S SOLUTION



Fuld & Company provided an integrated research solution, combining in-depth desk research with detailed discussions with several experts working in different beverage manufacturing companies, to understand the process, efficiency levels, and the factors causing downtime during operations. The insights gathered identified the various factors affecting efficiency and the best practices that the client's competitors follow to maximize their efficiency.

The final report included an executive summary that highlighted the similarities and differences among different players with regard to the covered parameters. The summary offered the client a comprehensive view of the various KPIs and best practices used in the industry.

Measurement of efficiency level of hot-fill process

Competitor 1 uses the production of bottles as the key metric to measure efficiency. The number of bottles produced over the target is the efficiency number; the company factors out the time taken for planned activities as opposed to its co-packers

Key KPI's or metrics that competitor 1 uses to measure efficiency

Competitor 1 measures the efficiency of hot-fill process across its various plants using different methods. Some of the key methods used by competitor 1 to measure efficiency are:

- **Bottles per minute:** The number of bottles produced per minute against the target is used as the primary KPI for measuring efficiency
- **Actual run time vs. available run time:** Competitor 1 also measures efficiency as the actual output versus the available output by comparing the actual run time of its machines against the available run time

However, competitor 1 adopts a different approach to measure efficiency for its own plants (owned and operated by competitor 1) and for external contractors or manufacturers, such as co-packers

1. **Plants owned and operated by Competitor 1:** Competitor 1 measures efficiency by factoring out the time taken for planned maintenance, changeovers, and sanitation. Competitor 1 defines or sets targets by factoring out the time taken for planned activities. In case of planned downtime, competitor 1 excludes the time from the production or available run time

Tasks within shifts	Hours spent
Planned Activities	7 hours
• Planned Changeover	• 2 hours
• Planned Sanitation	• 4 hours
• Planned Maintenance	• 1 hour
Available production time	17 hours

Please note: These are indicative figures. They may vary from various plant locations

2. **Co-packers:** Competitor 1 measures efficiency by factoring out the time taken for planned activities, whereas co-packers measure efficiency considering the complete 24 hours. Co-packers measure by 24 hours because they run on lower margins and this practice of measuring against the complete 24 hours helps them to improve their asset utilization

OUTCOME FOR CLIENT



The research provided the client with insights into the factors that can cause production downtime and the best practices that can help overcome these challenges. The client also gained an exhaustive view of the efficiency statistics of some of the leading beverage manufacturers, allowing it to benchmark its process and efficiency levels against its competitors.