

Significant increase in production and efficiency at MINIT SLOVAKIA without additional investments

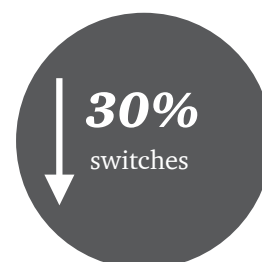
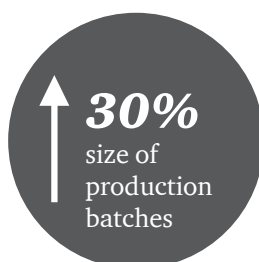
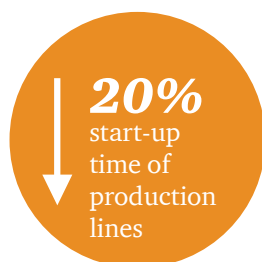
To become the most efficient firm in the V4 region was the objective set by the top management of bakery firm, MINIT SLOVAKIA. In cooperation with PwC advisors, they introduced process management to increase productivity to ensure sustainable continual growth for the next generation of the company.

MINIT SLOVAKIA is a family business producing frozen and pre-baked bakery products, based in Dunajská Streda since 1991. The company is growing dynamically, has sales revenues of EUR 23 mil. and has the goal of being a leader in Central Europe. Achieving this objective will increase requirements regarding systematic management, and will require increased headcount, investments in facilities and, above all, an effective use of existing resources. Long-term growth requires sustainability of changes, a culture of continual improvements, technological advances and a generational change.



Main results:

- Increase in throughput by 10.6%
- Increase in efficiency of employees by 10.2%
- Increase in the size of production batches on average by more than 30%
- Reduction of production line start-up times by more than 20%
- Reduction of overall switches by 30%
- More than 20 ideas for improvements from the employees in two months
- Established demand planning and weekly production scheduling
- Reduced product portfolio by 14%



To set the management and increase efficiency in the current labour market

The assignment of the company owners was to increase production without substantial additional investments, which would have a significant impact on profitability. The current labour market situation and strong price pressures in the food industry has forced the company to use its existing capacities maximally.

The project defined the following objectives:

- Increase throughput of production equipment by 9.5%
- Reduce staffing needs by 10% and redeploy them to new projects
- Medium-term and short-term planning
- Train employees to become “bearers of the change”
- Set clear processes, and processes for their subsequent continuous improvements

Challenges for MINIT SLOVAKIA:

- Become a major player in Central Europe
- Year-on-year sales growth of more than 20% increases the pressure and requirements on production and company management
- Lack of workforce in the Dunajská Streda region
- Preparation for a generational change in the family business

PwC approach:

- Detailed analysis of all critical areas and definition of potential for improvements and a business case
- 9-month project involving key people at all management levels
- Setting management tools for an effective management of company performance
- Engaging people from below and implementing culture of continuous improvements



“Company departments started co-operating much more intensively than before. A typical example is the cooperation between production and sales, where confrontation from the past turned into a common search for solutions.”

Ladislav Ambrovics, Franchising Director
MINIT SLOVAKIA



“A company transformation requires engagement of people from all company levels and getting the best from them. I have never experienced a company where such human potential does not exist.”

Pavel Dvornák, Director
PwC

The main challenges in two target areas were identified by an in-depth analysis:

Production

- Long switches resulting in downtimes
- Inefficient productivity
- Low overall equipment effectiveness
- Irregular use of management tools and performance indicators
- Employees absences leading to a lack of production capacity
- A steady organization of work, and reserves in management at the level of masters
- High amount of waste and excessive consumption of raw materials



“More precise planning narrows the space for uncertainty, and workers can focus on quality, and efficiently perform their tasks.”

Marek Ondrejka, Production and Technical Director
MINIT SLOVAKIA

Planning:

- Reserves in medium-term and capacity planning
- Frequent changes in production schedules
- Extensive product portfolio
- Imprecise production sequencing
- Low production batches causing a number of downtimes
- Imprecise performance and material standards
- Irregular coordination of the production team with the sales, maintenance, development, and quality teams



“In the past, we had to produce as many as 5 – 6 products on one machine a day. Thanks to sequencing, we now have all-day production for one product. This is reflected in productivity.”

Lórant Kázmér, Head of Planning
MINIT SLOVAKIA

Engagement of key people in the firm ensured successful project implementation

Based on a detailed analysis, PwC consultants identified the main problem areas, and estimated the economic impact of resolving them. Then, the PwC team and company management set the project priorities and the implementation time schedule. They also defined a detailed plan of activities, a project team and project management. In the next stages, they created optimal solutions enabled by the international know-how and the high-level expertise of in-house managers.

The joint team presented the solution proposals to employees trained by PwC consultants, the solution proposals were implemented at all management levels using coaching. The PwC team continuously supervised the implementation, to ensure employees fully understood the project. Finally, the consultants withdrew from the project, handing over management responsibility to the in-house staff. The consulting team continued monitoring the efficiency of the use of new tools, by which continuous improvements are ensured.

Start-up time of production lines was reduced by 20%, and for the most used line, by as much as 40%.

The joint team reduced the start-up time for production lines on average from 2 hours 23 mins. to 1 hour 42 mins. For the most used lines, the difference is as much as one hour. The team first introduced a detailed reporting of line utilization and of idle-time causes, and the volume of monitoring of work organization. The joint team also identified the potential for improvements in start-up times of production lines. At workshops, the causes of inefficiencies were identified, and changes in work organization processes and in roles and responsibilities were agreed. Finally, key employees were trained for new work procedures, and were coached at production start-ups.

Let's continue with the dialogue!

OpEx Team

The PwC Operational Excellence Team in Slovakia operates under the leadership of Pavel Dvornák, Operational Excellence Director, and helps production companies improve their production processes and make their operations more efficient. During its seven years' of existence, the team's assignments have included work for VW, SHP, Johns Manville, Slovaktual, PSL (ThyssenKrupp), Svet zdravia, Minit.

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