HAVI Advises a Major Food Company on Packaging Equipment, Material, and Operational Opportunities, Enabling Expansion into the Retail Channel

After experiencing initial success and interest in the retail segment, a leading producer of dry food products soon realized that their current in-house packaging lines designed primarily to service the foodservice segment could not keep up with demand. The company partnered with HAVI to identify opportunities within their existing multi-state manufacturing network to improve finished package quality, increase product shelf life, enhance production line efficiencies, and modify packaging formats to support the growth of their core foodservice business and enable further expansion into retail channels.

Challenge

The company and its operation grew up serving the foodservice industry, which is extremely price sensitive, driving producers to minimize total systems cost. Most of the company’s packaging machines were more than 15 years old and designed to run a limited number of SKUs and large size packaging formats that were not necessarily aligned to consumer and retail segment packaging needs. A recently purchased flexible packaging asset, to service R&D development needs, was pressed into service in order to augment existing capabilities and enable retail packaging formats. Growing demand for retail products quickly exceeded capacity. Additionally, the company had been through recent turnover within their technical departments and lacked the necessary knowledge and expertise to identify solutions to enable the business to reach their growth goals. With a complex system challenge, HAVI determined that a holistic solution assessment would uncover new avenues for company growth.

Solution

HAVI’s expert team conducted in-depth assessments of more than 15 packaging lines across four factories to gain a deeper understanding of how the lines were being operated and maintained, and how they performed. Cross-functional
stakeholder interviews were conducted with operators, maintenance, quality assurance, engineering, packaging, distribution, planning and production site leadership to gain a deeper understanding of the operation’s history, what improvements have been made in recent years and the major issues they believed were causing the most disruptions today. This stage of the analysis also included a review of the SKU mix and volume projections for each of the product lines. HAVI was then able to identify gaps and align packaging requirements for each product line by blending network needs for both foodservice and retail packaging.

HAVI’s expert team then assimilated all of the learnings and, combined with their broad industry experience and knowledge, provided the company with new insights, best practices, targeted solutions, and a wide variety of recommended changes to help them to improve and be in a better position to support business growth objectives.

Benefits

- **Improved product quality and increased shelf life** through low cost, low complexity machine changes enabling consistent Nitrogen flushing to control Oxygen levels within the package.

- **Reduced product give-away and cost** through correcting check-weigher calibration issue that was causing operator to overfill packages by 10%-15% in order to get the packages to pass check-weighing.

- **Improved first time right package quality** when producing dry granular products by using static dissipation devices on primary packaging equipment to reduce product caught in the package’s seals that compromised seal integrity.

- **Drove improved operational efficiencies** by centerlining and documenting machine settings for 15 packaging lines and for each SKU produced.

- **Identified and recommended a new high speed flexible packaging asset** with a broader range of packaging sizes and design formats.

- **Identified the need for a multi-year packaging asset strategy** covering their four factories to consolidate lines, increase manufacturing flexibility, reduce labor and increase packaging capacity to meet future growth goals.

HAVI is a global, privately owned company focused on innovating, optimizing and managing the supply chains of leading brands. Offering services in supply chain management, packaging, logistics and recycling & waste, HAVI partners with companies to address challenges big and small across the supply chain, from commodity to customer. Founded in 1974, HAVI employs more than 9,000 people and serves customers in more than 100 countries. HAVI's supply chain services are complemented by the customer engagement services offered by our affiliated company The Marketing Store. For more information, please visit HAVI.com.