



Cost Cutting is One Tough Cookie

IET performed work sampling and time studies to determine the appropriate labor required on one specific line.

The Customer

A large, high volume cookie and cracker manufacturer.

The Challenge

Their customer demanded price reductions so they had to find ways to reduce direct labor costs on their flexible packaging lines.

The Solutions

Work sampling and time studies were performed on three different packing configurations for one specific line. The line is flexible enough to handle a variety of customer packaging requirements, each requiring a different number of people. The three packing configurations observed were all bulk, all in a 72 count box and a combination of a 72 count box, a 6 count carton and bulk. Solutions such as combining jobs, line balancing, simple machine modifications and minor layout changes were developed. The line was previously staffed with anywhere from 8 to 26 people depending on the packaging configuration. With the proposed changes, the staffing was reduced by 2 to 5 people per shift, depending on the packaging configuration.

“IET came up with solid, real world, cost reduction ideas that we plan to implement”

Vice President Process Improvement

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How can IET help you?

Any way you need us to.

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Detailed reasons for variances

Detailed plan for improvement

Goal-setting, accountability

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Key capital resources

Direct and indirect labor

Salaried personnel

Facilities

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Detailed process map

Layout

Facilities

Labor

Support

Indirect labor design

Standards

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Supervision

Maintenance

Plan for improvement

Total value analysis

Make vs. buy

Site selection

Consolidation

Vertical integration

Horizontal integration