

## LEAN TRANSFORMATION IN THE DAIRY INDUSTRY

### Dairy Processing Case Study



#### Organization Profile

One of Ireland's largest farmer-owned dairy business.  
Top 3 largest dairy processor, with over 900 million litres of milk p.a.

#### Project Goals

Generate increased efficiencies and install a culture of continuous improvement by:

- Introducing an integrated training program for all employees.
- Empowering the workforce through the establishment of work groups and Gemba.
- Improving the work practices across all sites for the benefit of the client, customers and staff.

#### Project Timeframe

- 24 months

#### Key Deliverables

- Estimated €3m savings

Leading Edge Group facilitated a full Lean transformation across four processing sites.

Five pillars were introduced for the program:

1. Develop capability – belt training program, project management training, personal effectiveness
2. Deliver benefit to the business – 5 major projects, local green belt projects, Area Action Plans (AAP)
3. Daily use of tools – Problem solving, Gemba, visual management, meetings, metrics
4. Culture change – communication, empowerment, people development, recognition
5. Putting it all together – CI team and resources, governance structures, critical success factors

Leading Edge Group (LEG) facilitated six major Lean enterprise projects to deliver multi-million Euro savings. Financial savings of €1.2million were achieved in the first transformation year. These were enterprise-wide projects with very complex inter-relationships throughout the value stream, including both suppliers and customers. Full mapping of all the value streams were facilitated and used to identify and select improvement opportunities.

LEG was closely involved in developing the internal client continuous improvement team and the governance structure of the program. This team consists of coaches who transitioned to the roles performed by LEG. This passing of responsibility is a key element of the LEG/Client engagement, to ensure sustainability of gains, and maintain the momentum over the longer term.

*“Our Lean Transformation has been extremely successful and our partners, the Leading Edge Group, were key to achieving those results. The consultants and trainers deployed on the various projects and training programs helped to build our capabilities and skill sets which will enable the long term sustainability of continuous improvement practices at all our facilities”*

## How was the project implemented?

The transformation involved 4 facilities in Ireland.

- 2-year full Lean transformation program
- 6 main projects identified initially in addition to ongoing cross functional projects
- Oversight and governance structure put in place
- Full time Lean champion / coaches appointed
- Work groups established across all facilities and enabling functions
- Senior management directly interfaced with work groups on a scheduled basis
- Continuous savings achieved

Improved staff capability and succession planning was achieved through delivering an integrated training program in Lean and core soft skills such as change and project management. The following numbers were trained:

- 250 staff at white belt level
- 109 staff at yellow belt level
- 60 staff at green belt level
- 3 staff at Black Belt level

## Frequently Used Terms

Term	Description
<b>Gemba</b>	A Japanese word that literally means “the real place”, used in business process improvement contexts to refer to the place where value is added, such as manufacturing. A related term, ‘Gemba Kaizen’, is used in Japanese process improvement initiatives to mean “continuous improvement on the shop floor”, where production takes place.
<b>Area Action Plans</b>	Every 3 years a set of high level strategies are developed by the business. These strategies are the master plans to achieve the overall goals of the business, using the available means and resources within the business. Each year a planning exercise is carried out across the business to review progress against goals and set out the specific plans for the year ahead – these are called Area Action Plans. These plans are then cascaded down and across the organization creating alignment for individuals, workgroups and business units. The annual plan is signed off by the appropriate business owner and maintained as a live document.

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