

CASE STUDY – Hussey & Co.

"HUNDREDS OF THOUSANDS OF DOLLARS WORTH OF ANNUAL SAVINGS"



A CASE STUDY ON LEAN FARMING

The challenges for Hussey & Co

Annual savings totalling hundreds of thousands of dollars have resulted from Vative's business improvement and training program utilising Lean farming and Six Sigma. More than 12 months after project implementation, the company has changed the way it does business and its new culture is firmly embedded.

"We have achieved massive improvements right across the board and the return on investment has been far more than expected," says Hussey & Co General Manager, Mark Bell. "We have moved from a less organised system to a well organised one, and we now have the right people in place."

Vative began with a 3-day leadership workshop on Lean farming and staff training to ensure a collaborative approach. A business analysis included observation of current processes, value stream mapping and a value stream design based on best practice Lean methodology. The Vative-Hussey team then implemented solutions in five key areas:

1. 5S WORKPLACE ORGANISATION

A foundation tool of Lean/Six Sigma, 5S provides a cleaner, more organised and more efficient workplace.

2. IMPROVED HARVEST PLANNING PROCESS

Problem: over or undersupply of lettuce transplants; buying in to cover shortfalls; insufficient land for planting because of over orders or over receipt.

Solution: standardised harvest records; weekly records of plantings, orders and harvest estimates.

3. STOCK REDUCTION

Problem: ad hoc ordering cycles fluctuated between too much stock on hand and stock run outs.

Solution: stock control spread sheets with weekly reorder cycle.

Outcome: excess stock and stock run outs eliminated; stock costs cut dramatically.

4. IMPROVED PRODUCTIVITY OF TRANSPLANTING

Problem: significant time and labour wasted.

Solution: transplants now delivered by suppliers direct to paddocks; weekly cleaning and servicing of two transplanters improved planting accuracy.

Outcome: transplant delivery handling reduced, hand backfilling cut, transplanter staff reduced from six to four, planting speed increased.

5. INCREASED PRODUCT FLOW THROUGH THE WASH TANK

Problem: packing shed bottlenecks slowed production; high overtime levels.

Solution: improve wash tank, water supply and conveyor system; install extra spinner.

Outcome: easier management, less

OVERVIEW

INDUSTRY
Agriculture

CUSTOMER PROFILE

Established in 1975, Hussey & Co is internationally recognised as a pioneer and innovator of fine gourmet salad mixes. Its 40 staff grow, pack and despatch 19 different types of lettuce from a farm on Melbourne's Mornington Peninsula to domestic and international markets.

BUSINESS SITUATION

Its sector is a demanding one, where major clients push for lower costs, higher quality and faster delivery. Hussey & Co engaged Vative for assistance in boosting profitability and labour efficiency through process improvements that required a major mindset shift and deeper staff engagement.

SOLUTION

Lean/Six Sigma workshops and a comprehensive business analysis revealed that process improvements were required in five key areas:

- 5S workplace organisation
- Standardisation and improvement in harvest planning
- Stock reduction
- Improved transplanting productivity
- Increased product flow through the packing process

“Hundreds of thousands of dollars worth of annual savings.”

Mark Bell
General Manager
Hussey & Co.



WHAT IS LEAN FARMING?

To counter increased international competition, agriculture needs greater innovation and improved skill levels, productivity and profitability. Lean farming drives production and operational improvement through elimination of resource and labour wastage, and through value adding to products or services. A number of Lean and Six Sigma business improvement tools are utilised by Vative.

overtime. Efficiencies contribute to 15 cent per kilo drop in labour costs. Mark Bell says the company initially found the culture and process changes difficult.

"You have to take ownership of change, and if you're not ready mentally, it won't happen. You then have to pass it down the line to managers and people on the floor. Some breezed through and wanted to improve their areas, but some hit a ceiling and could not take on the changes." Four key people left, and while this created short-term problems, the company now employs the right people who fit easily into the new culture.

"We were very well supported by Vative right through the process," Mark says. "We got far more out of this than we expected. You think you know it all, then someone looks in from the outside, and helps you implement changes which save you time and money."

VATIVE

Vative achieves significant business improvement for clients through solutions which are simple, realistic and highly effective. Providing consultancy and training services, Vative's 45-strong team includes Lean and Six Sigma excellence coaches with extensive business management, academic, engineering and trade backgrounds.

Mark Bell
General Manager
Hussey & Co.

"We have achieved massive improvements across the board through working with Vative, Lean and 6-Sigma. A new culture has been implemented, and the return on investment has been far more than we expected. This is a fantastic process."

