CASE STUDY

ALL BOTTLED UP

With a shortage of safe, potable water in Africa, increasing tourism and a hot climate, there's a huge demand for safe drinks to quench the thirst of locals and visitors alike. Such a challenge calls for a structured and balanced approach to meet consumer demand without putting too much strain on the continent's natural resources.

- *Line efficiencies increased to a record-breaking 75% on all sites*
- *20% reduction in inventory, 100% increase in inventory turnover*
- *Full project ROI with PIP roll-out over a two-year period*

One of Africa's largest bottlers and distributors of some of the world's leading soft drink brands, ABI, has managed to balance this demand by successfully rolling out, among others, a Business Centred Maintenance (BCM) plan at all its South African sites. ABI is the wholly owned soft drink division of South African Breweries Limited.

In early 2000, ABI identified a need to optimise production management and process efficiencies at its five South African plants. At the time, less than acceptable reliability and availability of the equipment resulted in reduced throughput and high costs per HL. Issues of duplicate stockholding also had to be addressed.

The main aim of the BCM journey, which was launched in 2001 at ABI's Devland site, was to improve line efficiencies, reduce maintenance costs and develop a multi-skilled workforce. CCI-GrowthCon facilitated this process, as well as the subsequent rollout into the remaining glass line factories in Pretoria and two sites in Phoenix in 2003. The PET line in Midrand launched BCM in 2005.

As part of a three-year manufacturing strategy, CCI's TRACC system was introduced in 2003 to increase internal capability, progress towards a more effective, efficient organisation and provide central assessment capability across the group. During the two-year facilitation period, ABI achieved significant results with some 17 efficiency improvement projects, mainly by identifying focused improvement areas and initiating profit improvement projects.

These were expanded as client-driven projects and the mechanism for breakthrough improvements. The focus was to optimise production management and process efficiencies at all facilities, which included training, process analysis and development to ensure optimum product quality.

Record-breaking efficiencies

Not only were significant costs savings realised, but for the first time in ABI's history it achieved record-breaking line efficiencies, thereby equalling world class standards in the beverage industry. Line efficiencies were up by 75% on all five ABI sites, including an improvement of 45% to 65% on one site within a 10-month period.

The Profit Improvement Programme (PIP) is used to drive all initiatives. Each PIP is aimed at a high-leverage area until results are achieved (usually 60-90 days) before moving onto the next focus area. In essence, the skills shared during training are applied in a phased approach.

By using PIP, potential materials management performance improvements were identified during the preliminary assessment. As a result, active stock inventory was reduced by 20% and active non-stock inventory by 49%. Inventory turnover saw a 100% improvement from 0.4% to well over 0.8%. Improvement in controls, stock analysis and business processes were instrumental in reducing active stock inventory to a maintainable level, without impacting service levels to the maintenance and operational teams. Coding and naming convention also played an important role in identifying and eliminating duplicate stockholding.

Improved efficiencies at the five South African sites have put ABI firmly on the road towards becoming a world class company and most importantly, the best bottler in the industry.

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