

Abstract

From 1/5/11 to 12/20/12, Line 2 produced 968,695 pounds of scrap while incurring 29,026 minutes of unscheduled downtime which equated into an annualized lost opportunity cost of \$ 4,988,793. The primary sources for these losses originated from the packaging equipment which no longer was able to be serviced with original equipment manufactured parts as well as current processing speeds were exceeding the wrappers and case loaders engineering design throughput capability. To reduce the scrap and downtime losses, a line redesign was implemented that redirected the packaging flow from four lanes of product into two lanes with an overflow lane for additional throughput. By installing higher capacity equipment and redesigning the product flow, the line was able to reduce labor requirements and achieve an additional 10% throughput.