

nGROUP
performance partners

INSIDE:
Productivity
Increase
of 300%!



breakthrough results
case study: fresh fruit processing

*“Efficiency is doing things right.
Effectiveness is doing the right things.”*
-Peter Drucker, Management Consultant

Achieve More. Risk Less.



Breakthrough Results

3 facilities

varying challenges

multiple solutions

1 strategy

overview

nGROUP began working with the North America’s largest fruit processing company in 2008 and acquired partnerships in additional facilities after producing significant cost improvement results. While all three facilities had unique challenges, the same nGROUP strategy delivered universal solutions in all three facilities. Here’s a glance at the most notable improvements at each facility.

facility one: massive turn-around

- Improved productivity by 314.7%
- Improved yields by 41%
- Decreased labor % of sales from 25.87% to 12.84%

Before nGROUP	After nGROUP
(\$850K) Monthly LOSS	\$400K Monthly PROFIT

facility two: performance initiatives

- Increased lbs. per man hour by 84.12%
- Absorbed 2 minimum wage increases

Before nGROUP	After nGROUP
Processed 27.23 lbs Per Man Hour	Processed 50.15 lbs Per Man Hour

facility three: CPU excellence

We beat our competition in productivity, quality and cost.

Before nGROUP	After nGROUP
CPU = 36¢ lb	CPU = 25¢ Per lb

At nGROUP we partner with a variety of companies that require cost improvement and risk protection within their labor intensive operations. In the case of this major fruit processing company, nGROUP was presented with opportunities within three separate facilities throughout the MidWest. While nGROUP delivered cost improvement solutions to all three facilities, each facility had a unique set of circumstances and challenges.

Facility Number One: 41 % Increase in Yield

Yield management is crucial to increasing profits, and in the case of fruit processing, a lot of variables can affect how much “usable fruit” is actually packaged.

The first step that we took was to conduct a through analysis – from their procurement of raw material to shipping the final product. As a result of this analysis, we identified numerous specific procedural opportunities for yield improvement. While the list of initiatives involves a multitude of process and personnel adjustments, it was the overriding cultural reform that made breakthrough results possible.

The second step was to identify efficiency through work observation and time studies. By conducting systematic and scientific analysis, we were able to identify the micro-movements that affect the macro-outcome.

The third ingredient involved the effective implementation of process efficiency improvement. With over 22 training modules and nSITE Labor Management Software, we were able to train, track and motivate the workers that we brought into the system. This training and tracking also extends to our clients employees. Our training modules are much more than instructions taped to a machine or posted on a bulletin board. Managers and line workers participate in these intensive training programs and are tested upon completion of each module.

Three Part Yield Initiatives

1. Supply Chain Analysis	2. Process Efficiencies: Time & Motion Studies	3. Worker Productivity: Train, Track, Motivate	= Higher Yield
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The Results:

Improved yields from 29.06% to 42.24%. In other words, before nGROUP, it took 10 pallets to produce the same amount of finished product that now takes 6 pallets of product.



the small things

As legendary Coach John Wooden famously said, “It’s the little details that are vital. Little things make big things happen.”

We partner with dozens of companies, working in a variety of facilities and industries throughout the U.S. And whether the operation involves widgets or fruit, success lies in our attention to detail. Throughout all three of these fruit processing plants our team of engineers and managers were able to analyze, observe, study, and implement small things that made a big difference.

it’s how you measure

Through work observation we determined one facility was equipped with the wrong type of scales. This left the task of conversion to the workforce and resulted in costly errors. Containers were being overfilled. We equipped the facility with uniform scales and conducted training on the importance of consistently meeting weight standards.

it’s how you slice

Through process and time studies, we implemented new yield improvement initiatives. One initiative involved the proper way to slice pineapple and contributed to increasing our yields by 41%.

Facility Number Two: Performance Initiatives

Shifts in social and economic environments affect every industry and fruit processing is no exception. Consumers are now purchasing cut fruit in smaller single serve containers for reasons of convenience and economic pressures. From a processing perspective, this trend means that productivity goals involve the same or an increased level of product to process but it must now be packaged into smaller containers. The result is an increase in work content. Work content is the sum of all the operation times in one task area.

At this particular facility, the increased work content meant that process efficiency had to be aggressively improved to maintain profit. Again, the nGROUP strategy involved implementation of process disciplines, as well as task specific training and oversight of individual productivity.

The nGROUP Difference

	Pounds Processed Per Man Hour	Units Processed Per Man Hour	Labor % to Sales	Cost Savings
<i>Metric Results</i>	80% Improvement	250% Improvement	33.1% Improvement	33% improvement
<i>Results In Words</i>	What once took 108 workers to complete, now takes 60.	As a result of improved throughput, we scored 100% for on-time delivery.	If you spent 2.1 million in labor previously, you would now spend less than 1.4 million.	\$2 million in labor spend now equates to \$1.4 million in labor spend.

nGROUP was able to increase the units per man hour by an average of 250%.

Facility Number Three: CPU Model Excellence

At the epicenter of the nGROUP partnership is the Cost Per Unit labor model. We have been pioneers in this emerging labor model for ten years. On occasion we partner with companies after they have previously utilized a competing CPU provider. In the instance of the third fruit processing facility, such an opportunity presented itself. After all, if this facility was operating under a universally managed CPU system, one would assume that significant cost improvements would be impossible. Our achievements proved otherwise.

The nGROUP Difference

	Pounds Shipped Per Week	Work Content Increased	Cost Per Unit	Average Invoice at 398 lbs Per Week
<i>Competition</i>	306,000	5.75 lb per case	.36 cents/lb	\$146,000
<i>nGROUP</i>	392,000	6.8 lbs per case	.25 cents/lb	\$102,000
<i>Variance</i>	86,000 More	1.05 lb increase	.11 cents/lb	\$44,000 Less

Beyond the significant cost improvements outlined in all three facilities, it is important to understand that cost savings is the tip of the iceberg. The foundation of making the CPU model successful involves the right combination of people, tools, techniques, and philosophy. This is the nGROUP difference.

Ordinary Activities Turn Into Extraordinary Results

One of the tools that nGROUP uses to deliver extraordinary results is nSITE Labor Management Software. Because we know that small things make a difference, we developed this proprietary web-based program to monitor every individual movement, function, and shift affecting a labor-intensive operation.

automated time tracking

We streamline and manage the timekeeping process, thereby eliminating time-clocking mistakes before they become a costly problem.

operational visibility

nGROUP developed nSITE LMS to gain visibility into cost and productivity. Such visibility means tracking the production standards of each task, shift and individual. If standards are not being met, we instantly know who we need to coach and where there is opportunity.

incentive tracking

Based on predetermined incentive programs, we utilize nSITE LMS to track and reward workers who have exceeded production standards. The flexibility of nSITE allows us to configure incentive programs based on our client's standards and rules.



leading the way

nGROUP performance partners has innovated and lead the way as a Third Party Human Logistics (3PHL) provider. Through our proprietary partnership model, nGROUP offers a comprehensive on-site business solution for companies requiring cost improvement and risk protection in their labor-intensive operations. With nGROUP's 3PHL model, clients achieve more and risk less.

"Whether in sports or in business, we hear over and over – 'consistency is key.' This adage has never been more evident to me than in the case of this client. Breakthrough results were achieved by implementing the nGROUP business solution system with a sound strategic partnership, consistent in executing its process disciplines."

-Jim Rossini, Senior VP of Corporate Process

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