

CASE STUDY



Fonterra Canpac wished to address the current inefficiency and wastage resulting from the emphasis on midnight as being the time at which the cypher (date of manufacture) changes to the next date.

THE CUSTOMER

Canpac is Fonterra's largest secondary packager of milk powders. The Hamilton-based site is a global supplier of branded nutritional powders, bulk blended nutritional milk powders and cans and can components. Canpac's product blending facilities, sophisticated can printing and assembling machines, component presses, can filling lines and sachet packing machines see Fonterra products branded and exported to Australia, the Middle-East, the Americas, and North and South-east Asia.



BUSINESS CHALLENGES

- High costs due to inefficiency and wastage.
- Unnecessary downtime for packing lines that are already working to maximum capacity.

XELOCITY SOLUTION

- Consult with Fonterra, Canpac and other vendors to achieve solution design
- Provide documentation to meet Fonterra standards
- Customise CDC Software ERP system
- Consult with Fonterra hardware and software support contractors (EDS and HCL) to achieve a smooth implementation and handover.

PROJECT SUMMARY

By forcing a cypher change at midnight, a unit number change was also required (because every unit can only ever have one cypher), resulting in duplication of testing and increased powder wastage as well as plant downtime to change coding.

The 24hr project addressed the current business rules relating to the day/ cypher period which increased costs unnecessarily.

These costs are incurred in the following areas:

- Testing (number of tests)
- Powder Sampling (wastage)
- Carton coding complexity (with its associated risk of error)
- Production downtime (during cypher changes).

ROI / BENEFITS

- Reduced powder wastage.
- Reduced testing costs
- Reduced plant downtime.



XELOCITY
Powerful Business Results



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OBJECTIVES

- Reduce powder wastage by 20% reduction.
- Reduce testing costs by 20% reduction. After implementation the number of units is anticipated to decrease with an exactly proportional decrease in testing requirements.
- Reduce plant downtime by 5%. (8.33% on night shift alone). Canpac is currently capacity constrained and any increase in capacity resulting from a decrease in downtime will increase the throughput accordingly.

TASKS PERFORMED

Xelocity consultants were asked to perform the following tasks in order to implement this project into the customised CDC Software ERP system (RenCS) running at Canpac:

- Functional specification documentation
- Technical specification documentation
- Design and testing documentation
- Regression testing documentation
- Development
- User testing assistance
- Code implementation
- Post implementation assistance

The main features of the project, within RenCS, were the separation of the cypher (date of manufacture) from the transaction date. Prior to this project, Cyphers / Manufacture dates were always calculated from the transaction dates. This separation of dates means that Jobs could run past midnight and retain the same cypher. The only restriction being that no cypher for a job could run for more than 24hrs. The 24hr project was ongoing from December 2007 through April 2008.

CONTACTS

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