



Litehouse Foods

Improving Performance with Real-Time Visibility and Quality

CASE STUDY

Customer Details

Litehouse Foods manufactures a variety of products to include dressings, dips, cheese, herbs, and cider, and is well-known for their invention of creamy bleu cheese dressing.

Industry

Food & Beverage

Aptean Solution

Aptean Factory MES

Challenges

- Fully reliant on a manual, paper-based system
- Missing significant downtime numbers, leading them to believe they were performing at an incorrect utilization/OEE
- No real-time visibility

Benefits

- Full ROI realized in 9 months, as compared to the expected 18 months
- Increased utilization from about 25% to over 50%
- Gained visibility into clear opportunities for continuous improvement

Litehouse Foods is a leading manufacturer of refrigerated salad dressings, cheeses, dips, sauces, cider, and freeze dried herbs, with a long history of innovation and a strong commitment to their employees.

Litehouse, famous for creating the creamy bleu cheese dressing, was established over 50 years ago by the Hawkins family and has remained a 100% employee-owned company since 2014. Today, Litehouse operates as a 300 million dollar company and continues to maintain their focus on growth, driven by their passionate employees. Since 2007, Litehouse has relied on Aptean Factory MES to drive continuous improvement and better streamline their production processes, both of which they've accomplished through their active participation in the Factory MES community.

Piles of Paper and a Lack of Visibility

Prior to their implementation in 2007, Litehouse operated under a true paper-based system across their four production facilities when it came to monitoring and recording metrics like downtime. In addition, their existing system of record made the creation of reports difficult and offered little real-time visibility, causing them to overlook a substantial amount of downtime. At the time, Litehouse had over 400 downtime codes per line and an impression that they were operating at a much higher utilization and OEE than they actually were. It was this manual process that drove them to seek out a solution that would eliminate the need for paper, while simultaneously providing opportunities to optimize performance and eliminate errors. Since the initial deployment of Factory MES, Litehouse has continued to expand the use of the solution throughout their operations.

Rapid Rollout Leading to Unexpected Returns

For Litehouse, it was a general interest in increasing productivity that led them to explore implementation of Factory MES, but what came after their rollout proved to be so much more than expected.

Despite the support of the company's leadership, production workers on the plant floor were yet to be convinced that the investment in Factory MES was the right move. After all, the company was a leader in their industry and had driven exceptional performance up to that point...or so they had thought.

After the hardware was installed on all of the production lines, the actual rollout of the system was about two weeks and to their relief, the Litehouse leadership team found the system was received extremely well across the organization – but not for the reasons they had anticipated. Don Reese, Senior Operations Data Analyst, spoke candidly about the change of heart, explaining that the faith in what the solution could do was restored almost immediately once the team saw all they had missed in their data in the past. “When we rolled out Factory MES, we thought we were a 60-70 percent uptime company when we were actually only seeing 18-25 percent uptime because we were missing so much data.” It was this eye-opening revelation that launched the collective belief in what the system could do for the company and the results continued from there.

Based on the 60-70 percent utilization the Litehouse team believed to be performing at before deployment, they estimated a return on their investment approximately 18 months after implementation – a timeline they were excited to see come to fruition. After gathering their actual performance metrics, and realizing their utilization was really closer to 18-25 percent, people were anxious to uncover the reason there was such a discrepancy. By analyzing the downtimes and understanding what tasks the workers were spending too much time on, they were able to pinpoint low-hanging fruit that identified tremendous opportunities for reducing costs and improving operations. Using the team's findings, Litehouse was able to cut their ROI time in half, realizing that return in just nine months after implementation. “Once we were able to identify

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the problem, dig into data, and observe what was going on, we permanently fixed issues that we would normally spend an hour each day working on in 20 minutes.” Simply incorporating more visibility into the four walls of their production facilities provided Litehouse with enough insight to see they were on the verge of revolutionizing their daily operations.

Using Actual Performance to Optimize the Plan

In addition to improving the metrics they had always tracked, such as uptime and downtime, Litehouse gained visibility into metrics they had never focused on prior to implementing Factory MES. With no previous record of tracking their yield or run rate, the company decided to dive into these uncharted territories and disrupt their system of assigning the same cost to every product running on a specific line. When they rolled out the system, the team set a standard run rate for each line, in tandem with specific product rates, which allowed them to easily identify the cost at which each product should be running.

“We were able to identify through Factory MES the actual product performance and associated cost per unit by product type, leading us to optimize our production schedule to reflect a more realistic plan.” Reese explains. “For instance, some products performed at a level where the product was costed at five dollars, and then some at nine dollars.” This newfound ability to improve their plan attainment

by pinpointing an optimal cost, level of performance, and the adjustments necessary to achieve it was simply a game-changer and Litehouse welcomed the challenge of discovering more opportunities for continuous improvement.

The company now had a new norm when it came to performance and, as any business would when they continuously see improvements, they wanted more. Year-after-year, Litehouse kept expanding their facilities and relied on Factory MES to help monitor the rollout of new equipment and ensure each machine was performing to the standards they had set. Don Reese expands further by saying, “It also gives us visibility if we change a brand of machine of what the benefits or downfalls were of switching vendors or layouts.” Factory MES clearly was capable of more than predicting and improving the behavior of their existing operations, but also ensuring the overall efficiency of their new equipment as they looked to grow their business.

Litehouse had found their missing ingredient – a solution that provides visibility into potential bottlenecks, keeps their operations on track for success, and ultimately creates an upward shift in their level of production.

Cultivating a Positive, Production Culture Focused on Quality

While they knew Factory MES would eventually win over those traditionalists who were initially skeptical of the solution once deployed, Litehouse couldn't have predicted how well it would actually be received. Beyond enhancing the performance of their operations, Litehouse quickly discovered the significant value the paperless Quality solution provided in improving compliance and moving to a preventative controls culture. “The Quality module is hands-down one of the most popular things across all the plants that people use in Factory MES, from a production standpoint, because of just the sheer amount of paperwork that they used to have to do for every job...” Reese explains. “It's now just a digital check and all the administration goes away.” In addition to lifting the burden of meticulous daily tasks for production workers, the Factory MES Quality module provides opportunities for employee engagement and

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collaboration across the organization – all of which enhance the overall culture of the company. Within weeks of seeing the system in action, workers were not only on board, but they were highly engaged in discovering new ways they could leverage the solution. Now equipped with the power of real-time metrics and SPC trends displayed on operator screens, Litehouse operators have started challenging each other to see who has the best control and fill level at their lines. Adding in a sense of competition to their day-to-day tasks fostered an uptake in interest and investment in the business' operations – a factor that, especially among top performing companies, often proves to be the competitive advantage.

Supporting Future Goals

Every year, Litehouse continues to challenge themselves to maintain, if not beat, their rate of growth from the previous year, typically averaging around 20 percent with some channels upwards of 40 percent. But in order to truly have a shot at attaining this ambitious goal, the Litehouse team must rely heavily on the power of accurately predicting the events for the upcoming fiscal year and when they might have to expand their facility space once that growth comes to fruition.

From an overall company perspective, Factory MES is

tied into every part of the operations at Litehouse – from finance, sales, production, quality, C.I., capacity planning, growth, etc. Finance uses the system to set standards when it comes to costing or forecasting sales and comparing that to actual performance to make adjustments. In a previous role at the company, Don Reese often took on the responsibility of developing these capacity models using Factory MES data in order to predict their performance. Reese explained that the model showed incredible accuracy, within five percent, when forecasting a year out at a time - giving the Litehouse team confidence that their predictions were accurate enough to act on going forward. Litehouse uses Factory MES data in their modeling and forecasting of sales, identifying where they might run out of capacity or where they might have excess capacity and need to drive more sales. And then from a production standpoint, the Litehouse team uses Factory MES to identify continuous improvement opportunities, lean events, or simply that a certain process might need standardization and documentation in order to reduce downtime.

But the ability to provide these tools to facilitate company growth stems from more than just Aptean alone. The product maintains its strength within the marketplace largely because of the industry-focused knowledge that encourages collaboration between its customers and the Aptean product team. Through that collaboration with the product team and providing feedback on features that would improve their operations, companies like Litehouse Foods are able to significantly influence the direction of the product. By offering their first-hand insight and embracing value-added enhancements regularly, Litehouse remains on a path that consistently uncovers new wins when it comes to improving specific operations. Given that Litehouse implemented the solution back in 2007, the team has seen many products come into the marketplace, however, they haven't found a solution that matches the caliber of Factory MES. "We've looked at companies since implementing Factory MES just to

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see what else is out there...and we cannot find anyone that is as comprehensive as Factory MES. The fact that Aptean is willing to work with us and enhance the product...The fact that Aptean allows customers to feed best practice requirements from our industry into the product is a big benefit that I don't see with other companies where it's just 'this is what you get' and that's it," Reese explains. With extensive experience in the MES space, Aptean Factory MES knows that the secret ingredients to any recipe for success are visibility and collaboration – between Aptean and the user and within each company itself. After all, the first step to fixing or improving an operational issue is knowing it exists in the first place. From there, it's all about finding a solution that eliminates your workarounds and roadblocks, instead of adding to them.

Interested in learning more about Aptean Factory MES? Please contact us at info@aptean.com.



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