

## **BETTER COMMUNICATION AND IMPROVED SKILLS IMPACT PROCESSES**

### **BACKGROUND:**

**John Wm. Macy's CheeseSticks** is a food manufacturer (baker) that specializes in the manufacturing of crackers and flavored bread sticks that are sold into the gourmet segment of the food industry. Although the company was started by John Macy in 1985 out of a small leased storefront on New York's Lower East Side, Mr. Macy first created his CheeseSticks recipe in 1975 while operating his Easy Cook Eaty catering company right after college.

In 1985, landmark New York specialty grocer, Balducci's placed its first order and John Wm. Macy's CheeseSticks soon became one of their featured specialty snack brands. Other high-profile New York institutions including Dean & DeLuca, Fairway, Zabars and the Grand Hyatt and Marriott Hotels soon followed, and the specialty snack business was on its way!

John Macy and his 60 employees produce "the perfect crunch" in its 50,000 sq. ft. snack factory in Elmwood Park New Jersey.

Macy's CheeseSticks produces a great tasting product and closely follows the requirements of GMP (General Management Practices) standards for food quality. The company continually receives exceptional grades when audited. In addition, Macy's CheeseSticks meets the standards of and received GFSI's difficult to attain SQF Level 2 certification.

### **CHALLENGE:**

To meet these standards, the company invested a significant amount of time in writing procedures, in training its personnel and creating a companywide quality culture of Food Safety and Quality. Now the company wanted to invest in its manufacturing processes. The company wanted to go Lean as it would clear the way for improved operational efficiency and production growth.

Tim Macy, Vice President and CFO of Macy's CheeseSticks, first began talking with New Jersey Manufacturing Extension Program, Inc. (NJMEP) in 2008. When operational changes were being discussed, within the company, a follow-up call from NJMEP resulted in another appointment.

### **SOLUTION:**

NJMEP met with Tim and his brother John, the president of the company. A plan for implementing Lean was developed. NJMEP recommended applying for a New Jersey Department of Labor (NJDOL) customized grant and assisted in completing the application. Funding for the training was secured and implementing the plan began.

Key to implementing the plan was maintaining production and completing it within 12 months. The training had to be done during normal operating hours, would involve both office and factory personnel and not interrupt the flow of business. Also critical was running a program that would be effective with a multicultural workforce.

Twenty-six of the company's employees received training in six areas:

- Financial Benefits of Lean Manufacturing / Administrative Lean
- Quality at the Source Tactics / Total Productive Maintenance

### **Connect with NJMEP:**



- Implementing 5S for workplace organization / 5S System: Workplace Organization
- Application in the Manufacturing Process / Project Management and Implementation of Lean Manufacturing
- Business Management Service / Supervisory Training
- Industrial Manufacturing Technology

Although Value Stream Mapping, which is intended to expose flaws/bottlenecks etc., was not an official course in this program, the training process exposed problems in the current manufacturing processes, in particular, the inventory system. Finding a solution to inventory discrepancies was imperative as the company operated on a just in time system. Tracking the ingredients was put in the hands of the ingredient pickers, as they were most closely involved with production needs. The goal was to reconcile that actual count with inventory records at the end of each day. Although the approach was theoretically correct, it wasn't as effective as hoped. Everyone soon realized an alternative approach would be more effective.

The nimbleness of the trainer and the team made it easy to identify a better solution. The Quality Manager would now be responsible for the ingredient inventory. She and the now trained ingredient pickers would meet on a regular basis to monitor and discuss the materials. The success of this reworked solution was based on the failed strategy. Previously the ingredient pickers had no or very little understanding of the importance of the information being monitored / collected. After taking "ownership" of the ingredient inventory, they fully understood its importance and could easily provide accurate information to the Quality Manager in order for her to be successful at her job. Inventory on the finished product side also improved as a result of the improved communication.

Maintenance was another area identified as a concern and place for improvement. The maintenance team was responsible for a great deal of equipment. During summer vacations, with less manpower, those on duty were overburdened. By educating the frontline workers on the "To Do" and "Not to Do" in maintaining their equipment, the equipment would be better maintained through the entire year which would lead to less equipment downtime, better operational efficiency and production growth.

## RESULTS:

Macy's CheeseSticks has achieved a number of benefits as a result of the training:

- It has improved the ability of employees to implement measures that have created process improvements— Better inventory control and performance of proactive maintenance.
- The intrinsic value of the employees to John Wm Macy's CheeseSticks over the long term has increased. The newly acquired skills created a more confident and valued workforce.
- A 20% reduction in floor inventory improved cash flow.
- The company is better positioned for achieving SQF Level 3, which is coming up.
- Continuous improvement is now an integral part of the organization's culture and "functions" are now viewed as a work in process.
  - » In the lead training, the next step will be to use elevated key performance indicators as a metrics.
  - » For the operator as mechanic –measuring mechanics available time is a next step.
  - » And most importantly, maintaining the continued cooperation and communication throughout the company.

### Connect with NJMEP:



In response to the NIST survey, Mr. Macy reported:

- Invested \$20,000 in workforce training
- Saved \$25,600 in training costs as a result of the grant

**“NJMEP helped us prepare for the growth of our business by providing training on factory efficiency and training for our supervisors and managers. The supervisory training unit was particularly helpful to our line leads because of the knowledge and experience of the trainer and his bilingual capability. We also benefited from the Lean classes focusing on inventory and production management.” John Macy, President**

**Regarding the grant process, Mr. Macy explained, “NJMEP walked us through the process of the grant submittal. They assisted with the grant entry and helped with the gathering and completion of the pile of forms required by the NJ DOL. They managed the project very well and made sure that we completed all training and that all invoices were submitted. We look forward to a continued close relationship with the NJ MEP on our future training needs.”**

**In addition, he added, “Developing and implementing a training plan requires a great deal of thought as to what needs are going to be looking forward. The “plan” and the discovery of needs as the training unfolds often changes but making changes once the program is funded through a grant and under way is not just a matter of switching a class...changes must be approved by the funder. I really appreciate NJMEP’s help in making certain necessary course changes to ensure John Wm. Macy’s CheeseSticks would achieve the maximum benefit from both the training and the funding.”**

### **NJMEP’S MAIN SERVICE AREAS:**

- Business Development Services
- Contingency and Emergency Planning
- Destination Innovation
- Energy Alliance Program
- ExporTech™
- Human Resources Solutions
- Lean Business Solutions
- Quality Management Systems & ISO
- R&D Tax Credits
- Six Sigma
- Supply Chain, Transportation and Logistics Services

#### **Connect with NJMEP:**

