

## Coca-Cola Enterprise's Lean Journey

Stacy Pugh  
VP, Field Service



125 years of sharing happiness



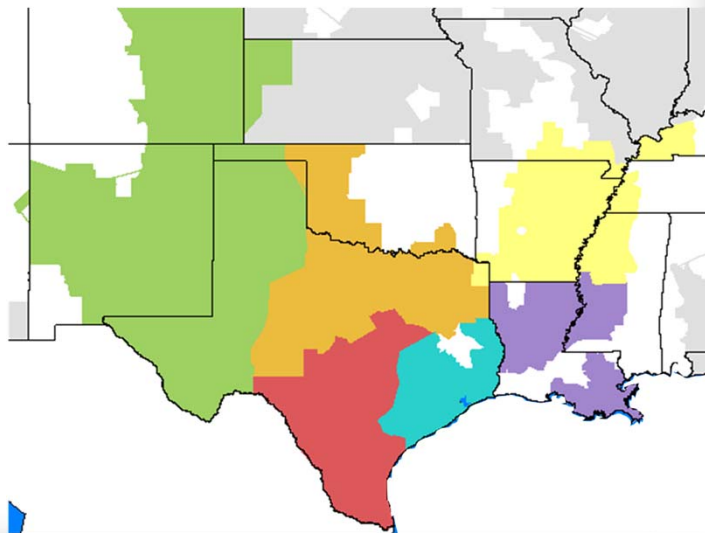
## Presentation Goals

- Share my personal lean leadership story
- Share some of the highs and lows of a lean transformation
- Share some key lessons from the journey



## South Business Unit Geography & Profile

<b>Cases: 289M</b>
<b>Territory Size: 456k Sq Mi</b>
<b>States: 10</b>
<b>Market Units: 6</b>
<b>Sales Centers: 69</b>
<b>Production Sites: 17</b>
<b>Employees: 10,591</b>
<b>Labor Contracts: 0</b>
<b>Pepsi Bottlers: 10</b>
<b>Dr Pepper Bottlers : 26</b>





## Mr. Yamada



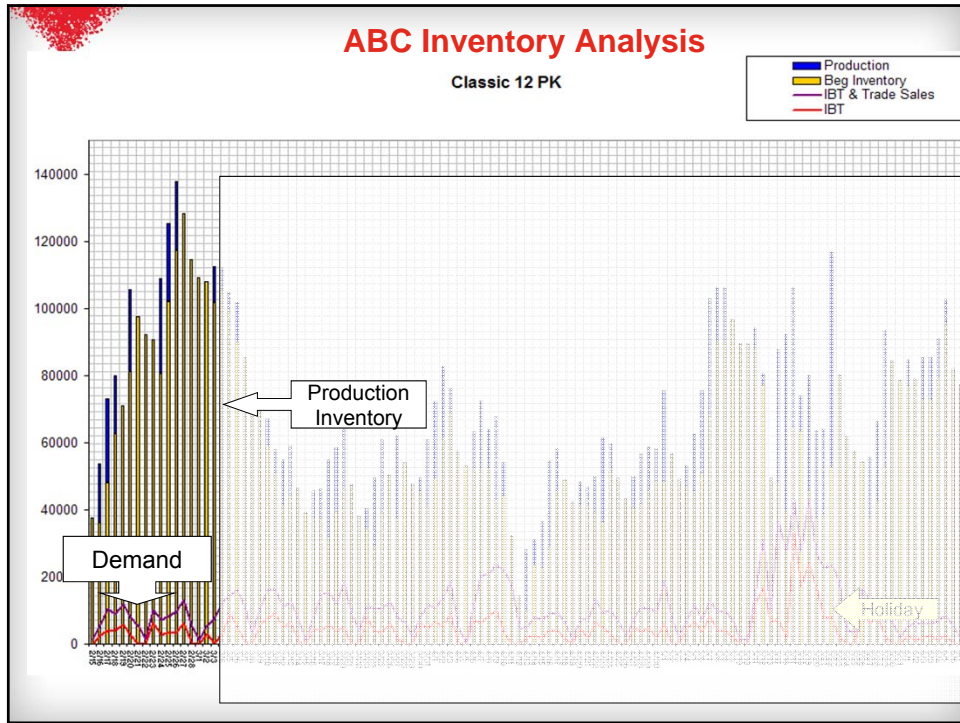
- Leading expert in:
  - Production Control
  - Pull Systems
  - Kanban
  - Scheduling
  - Logistics and Material Handling
  - Information Systems
  - Capacity Planning
  - Flow Kaizen
- 40 years of experience implementing lean manufacturing concepts
- Created Toyota's bar-coded Kanban system
- Oversaw the creation of Toyota's production scheduling algorithm
- Consulted at Delphi Corporation from 1998 to 2009

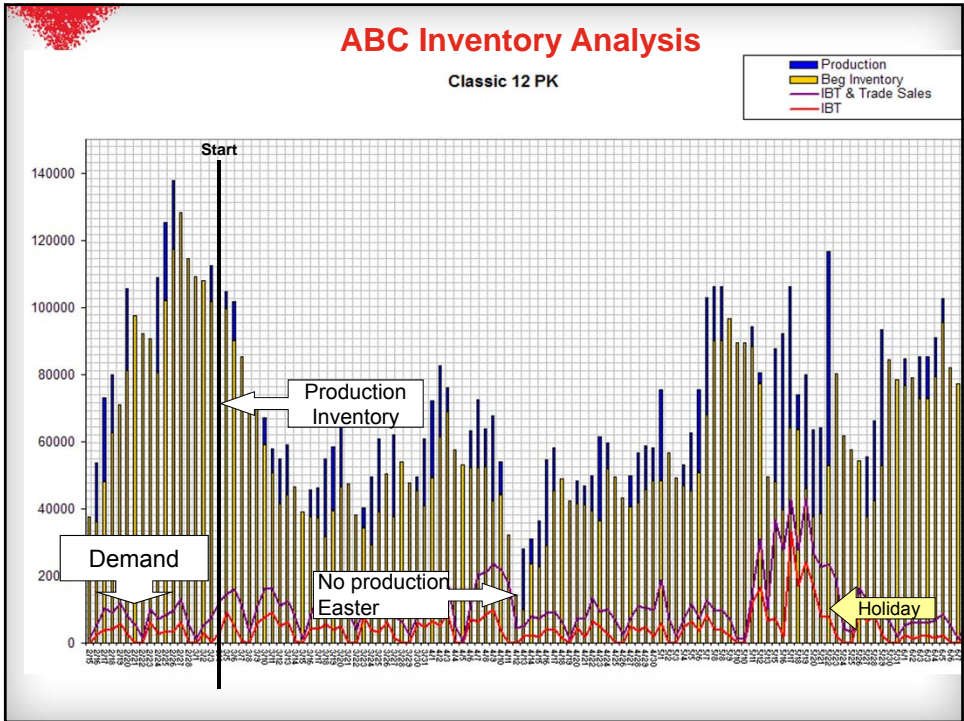
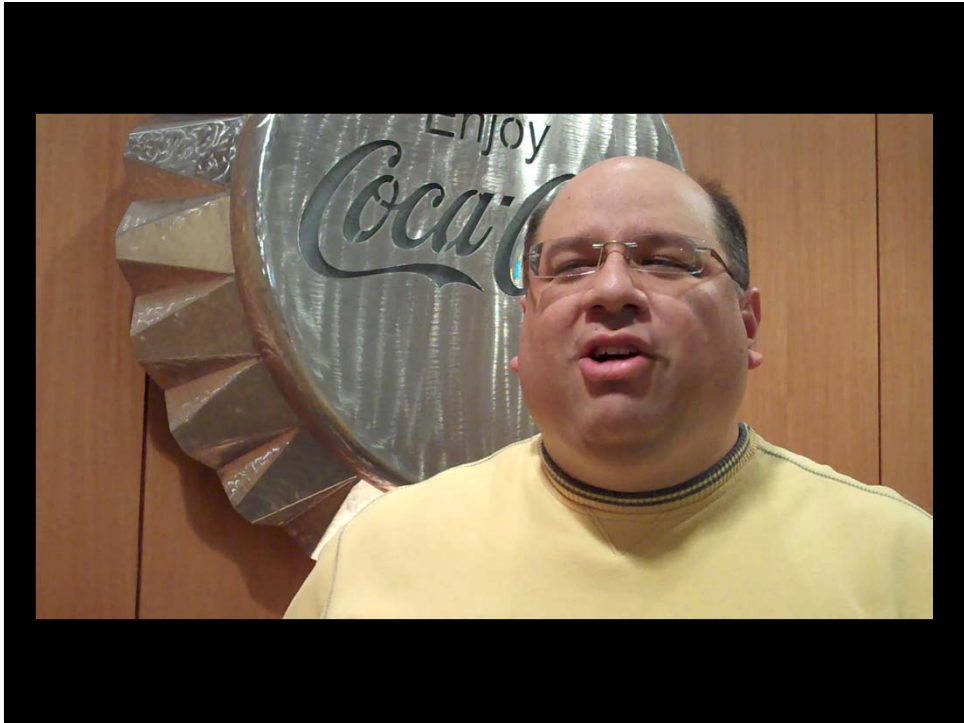


## Early Identified Opportunities

- Too many locations
- Not the right inventory (OOD, OOS, Shrink)
- No linkage between parts of the organization
- Everything was treated as unique (no standard work)
- No flow

**Mr. Yamada wanted an END TO END project**







## Scheduling Kaizen Flexibility to Match Demand

### Old Scheduling System

#### Changeover Priority

- Minimize Changeovers
- Large Lot Size

#### Changeover

- Cans: 1-5 times per day
- PET: 1-3 times per day  
{12/12/20/20/.5L}
- Glass: 1-2 times per week

#### Run Strategy

- Sequence to minimize CIP

### New Scheduling System

#### Changeover Priority

- Cans: Flavor \* Package
- PET: Bottle Size \* Flavor \*  
Package

#### Changeover

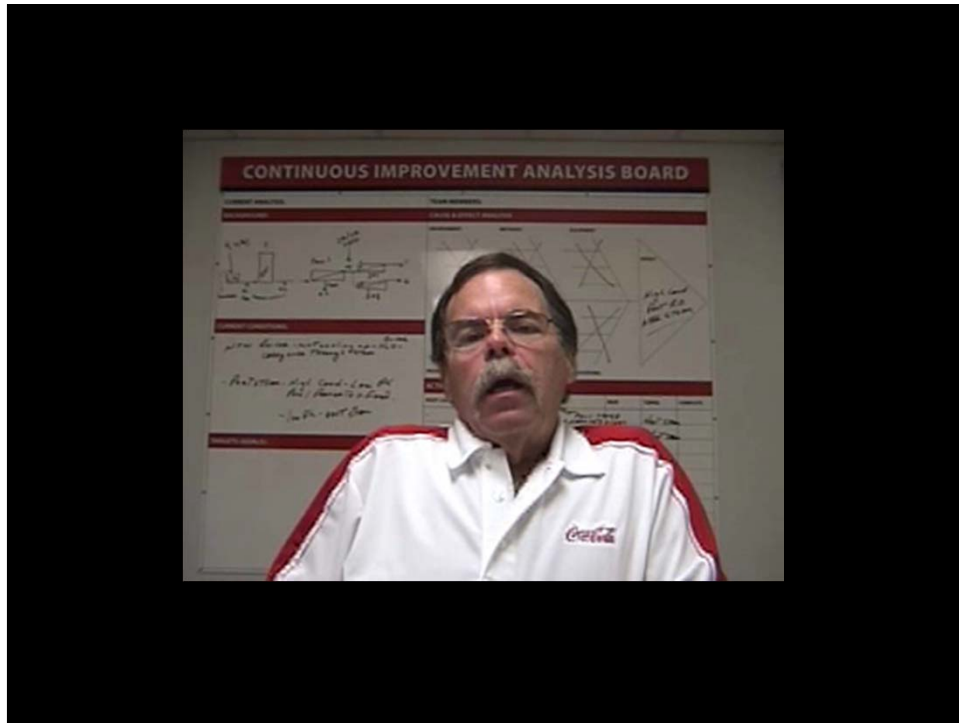
- Cans: 7-8 times per day
- PET: 7-8 times per day  
{12/20/.5L/12/20}
- Glass: TBD times per day

#### Run Strategy

- Hi (A) – Daily
- Med (B) – Once-Twice/Week
- Low (C) – Once/Two Weeks

Buddy Moore  
Plant Manager





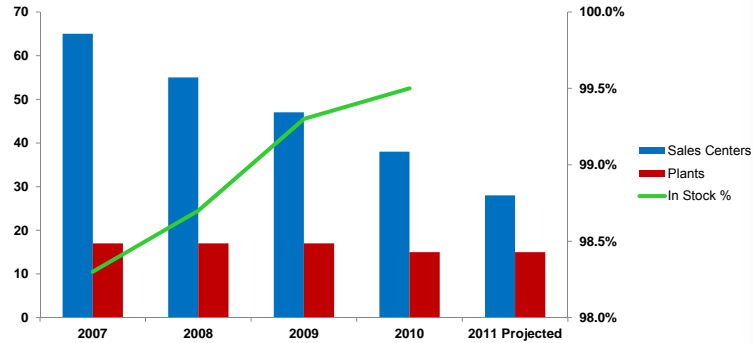
## Intellectual vs Emotional Buy In and What I would do different next time

- Data and quick wins will get you intellectual buy in
- Without personal participation, emotional buy in doesn't happen
- Make sure line leaders are leading the effort, not just supporting from the side lines



## Lean Initiatives at Sales Centers

- Consolidated Sales Centers into Hub
- Demand Based Replenishment
- Standard Shipping & Receiving Routes
- Purchased Product Inventory Reduction



## What have we accomplished?

Eliminate Waste \* Reduce Variation \* Compress Lead Time

Target Area	Original State '09	Current State '10	% Improvement
Warehouses/Combos			17%
Production Facilities			12%
Scrap			36.5%
Inventory (avg.)			20%
Customer Service (OOS)			28.5%
Customer Service (OTIF)			17%





## Key Lessons

- Always be open to change when opportunity presents itself
- Don't let pride or ego get in the way
- Standard work is great. But, have plans for special causes like holiday variation
- The importance of paradigm shifts
- Participation is the only way to secure buy in
- Be prepared for the rest of the ice berg