

Case Study - Beauty Care & Pharma



Fast Track Cost Savings implementation

**Streamline
Manufacturing
Enterprises**

Navigate growth, maximize profits



Streamline Manufacturing Enterprises

Case Study – Manufacturing - \$20MM Annual Sales

Company profile:

Annual Sales Revenue: \$20MM

Market: Pharmaceutical / Cosmetic

Key Manufacturing Processes: Compounding / Filling / Packing

Challenge

Sales revenues had peaked at \$30MM the prior year but currently the sales revenue was eroding at a fast pace. Owner wanted to pivot and address underwhelming financial performance as well as improve overall quality performance. Several consultants were providing support with no tangible evidence of performance gains at the EBITDA level. Main operational and financial gaps were:

- High level of direct labor use (when measured against original product quotation)
- High overhead costs
- Scrap percentage above target
- High level of raw material and finished good inventories / off-site warehouse

SME solution

SME refreshed the executive leadership team and trained the next level management team in Lean Manufacturing concepts as well as implemented an custom configured enterprise operating platform.

Tools and Techniques used

- Reduced inventory levels through Sales and Operation Planning
- Eliminated the off-site warehouse
- Line balancing and time studies – lower Direct Labor headcount
- Systematic Root Cause Analysis
- Implemented Sales Pipeline review and New Product Introduction Standard Work
- Streamlined several QA/QC processes

Results

- \$2.3MM Cost Savings for remaining \$20MM annual sales
- Eliminated off-site warehouse
- Streamlined Quality Management Systems

