

KANE Goes Back to Basics to Turn P&G Plant into High Performance Operation

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– Teresa Torrey
General Manager



Situation

KANE provides complete logistics support for a high-volume Procter & Gamble manufacturing plant for Bounty, Charmin, Pampers and other brands. The KANE team is responsible for manufacturing/in-plant



support, warehousing and distribution, and yard services. Performance jumped sharply after KANE assumed facility operation from another 3PL in 2006. But that progress levelled off and began to drop in 2011 against key metrics like inventory accuracy and safety. That's when KANE made some key changes to facility management and developed a joint plan, with P&G, to transform the site into a high-performance operation that could serve as a model in the P&G network.

Strategy

Local and corporate KANE resources conducted a detailed site assessment and determined that systems and processes were,

by and large, sound and that what was needed was a renewed emphasis on culture and accountability.

"We were focused on the wrong things," says General Manager, Teresa Torrey. "We needed to get the right people in place and execute. It was a back-to-basics approach."

Associates who could not rise to the challenge were replaced. For the remaining team, individual and overall performance objectives were established and communicated, clearly and often. Leadership enlisted the ideas and energy of all associates to achieve success.

"Buy in from all team members was critical," says Torrey. "We instilled a culture of accountability. The KANE Code became the bedrock of our improvement efforts."

KANE CODE

- 1. Keep safety first.** *Your family, your colleagues and your customers count on you.*
- 2. Sweat the details.** *If you don't, customers will find someone who will.*
- 3. Honor your word.** *Never make promises you can't keep.*
- 4. Avoid surprises.** *Customers hate them. Communicate quickly, good news or bad.*
- 5. Treat customers like family.** *Because they are.*



Within 10 months, the program bore fruit in several key areas.

Storeroom Operation

Every item used in the 1.5 million-square-foot plant, from equipment parts to small electronics, is sourced from the KANE-operated storeroom. Six Sigma methodologies were used to identify and address root causes that were driving down invoice and inventory record accuracy.

Result: IRA went from 96% to 99%.

Safety

KANE and P&G local management partnered to drive the recordable incident rate (RIR) for safety incidents from red to green. Among the tactics employed: Daily safety huddles, a safety recognition and reward program, safety metrics boards, and extensive communication on safety risk triggers. **Result: RIR went steadily down, from 2.3 in 2011 to 0.0 in 2014.**

Inventory

P&G conducts surprise inventory audits during the year, performed by P&G staff from other facilities. Metrics were below goal prior to 2010. A P&G/KANE quality team was formed to address root causes.

Result: a string of several years with audit results at 100%.

As a result of the KANE team's strong performance in Oxnard, P&G enlisted the team to assist on other high-profile projects,

- High-volume cross-dock and direct-to-store distribution of items from other P&G plants
- Preparation of P&G export shipments to Australia and Japan.

Results

All 14 sites in P&G's North American manufacturing and distribution center network are eligible for the company's DC of the Year, which recognizes overall performance against KPIs, inventory accuracy, efficiency and other operational measures. KANE's Oxnard, CA facility has earned "top three" honors for the last two years.

KANE is a third-party logistics provider that helps manufacturers and their retail partners warehouse and distribute goods throughout the U.S.