



# *Maple Leaf Foods Six Sigma*

## Quality Healthcare Network

Maple Leaf Foods Inc.

*September 27th, 2005*

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# Maple Leaf Foods Inc.

- ▶ **\$6.5 Billion revenue**
- ▶ **24,000 employees**
- ▶ **120 manufacturing locations**
- ▶ **Purchased by McCain Capital with Ontario Teachers Pension Plan in 1995**
- ▶ **27 acquisitions since '95**





# Challenges Facing MLF

- ▶ **Multiple cultures from the many acquisitions**
- ▶ **Some areas with high labor turnover**
- ▶ **Fresh, perishable product with daily delivery requirements**
- ▶ **Large volumes of transactions, product types, routes etc.**
  - ▲ Transactions 10x greater than other BPCS database users
- ▶ **Normal course food safety requirements**
- ▶ **Emergency issues e.g. food and mouth disease; avian flu**
- ▶ **Volatility e.g. exchange rates, energy costs**
- ▶ **Agricultural policies and regulations**
- ▶ **Price sensitive and powerful retailers**



# Six Sigma Summary

- ▶ **Launched March 2000**
- ▶ **Started with 14 Black Belts in 2 business units**
- ▶ **Gradual rollout over 5 years to 10 business units**
- ▶ **130 active BBs in 2005**
- ▶ **30 BB Alumni**
- ▶ **\$80 million in total benefits in 2004**
  - ▲ \$13 million direct Six Sigma expenses
- ▶ **600 BB and GB projects in 2004**
- ▶ **2,100 person-days training**
- ▶ **3,000 applicants for 33 BB positions**



# Issues in Complex Organizations

- ▶ **Cultural complexity (sub-cultures) e.g.**
  - ▲ Acquisitions
  - ▲ Geographic e.g. cultural and time zones
  - ▲ Lines of business (Independent Operating Companies or “IOCs” each with P&L and a President and full set of functions)
  - ▲ Functional silos
- ▶ **Process complexity**
- ▶ **Project management/resource planning complexity**
  - ▲ Becomes a bigger issue 2-3 years into Six Sigma as projects become more complex



# Considerations

## ▶ Right CEO/Board

### ▲ Right mindset

- Values facts
- Desire to build and own the business (not “flipping”)
- Values development of people

### ▲ Possibility of long-term tenure/continuity for the CEO to enact cultural change

## ▶ Broad, not narrow definition of “Six Sigma” to enable coordination and focus

## ▶ “Become a Six Sigma organization”, not “do some projects”

### ▲ “Six Sigmatize” all functions

### ▲ All projects are Six Sigma projects over time



# Progression

**MLF is here.**



**Stage 3: Process management**

**Stage 2: Projects**

**Stage 1: Leadership values**



# Positioning of MLF Six Sigma

VALUES

EXPERIENCE + ANALYSIS  
= PROFOUND KNOWLEDGE

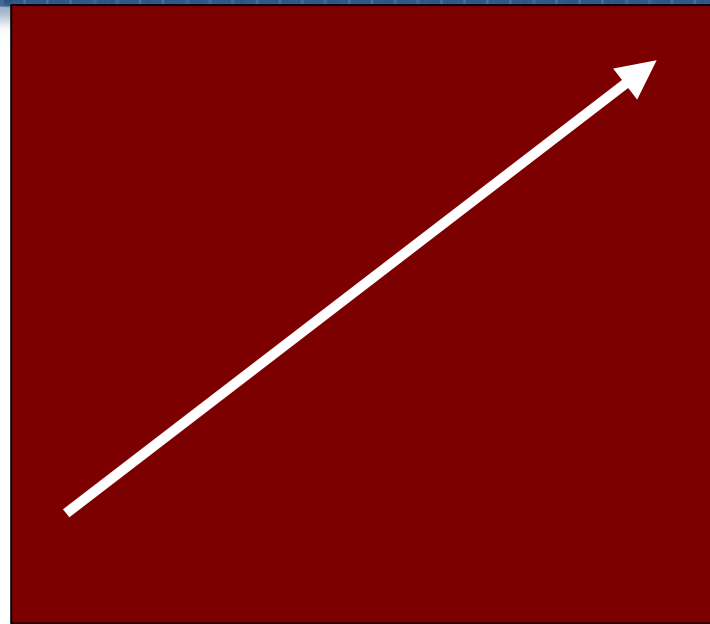


# Linkage of Leadership and Six Sigma

**Significant Benefits**  
**Fundamental Improvement**

**Performance**

**Light Benefits**  
**Superficial Improvement**



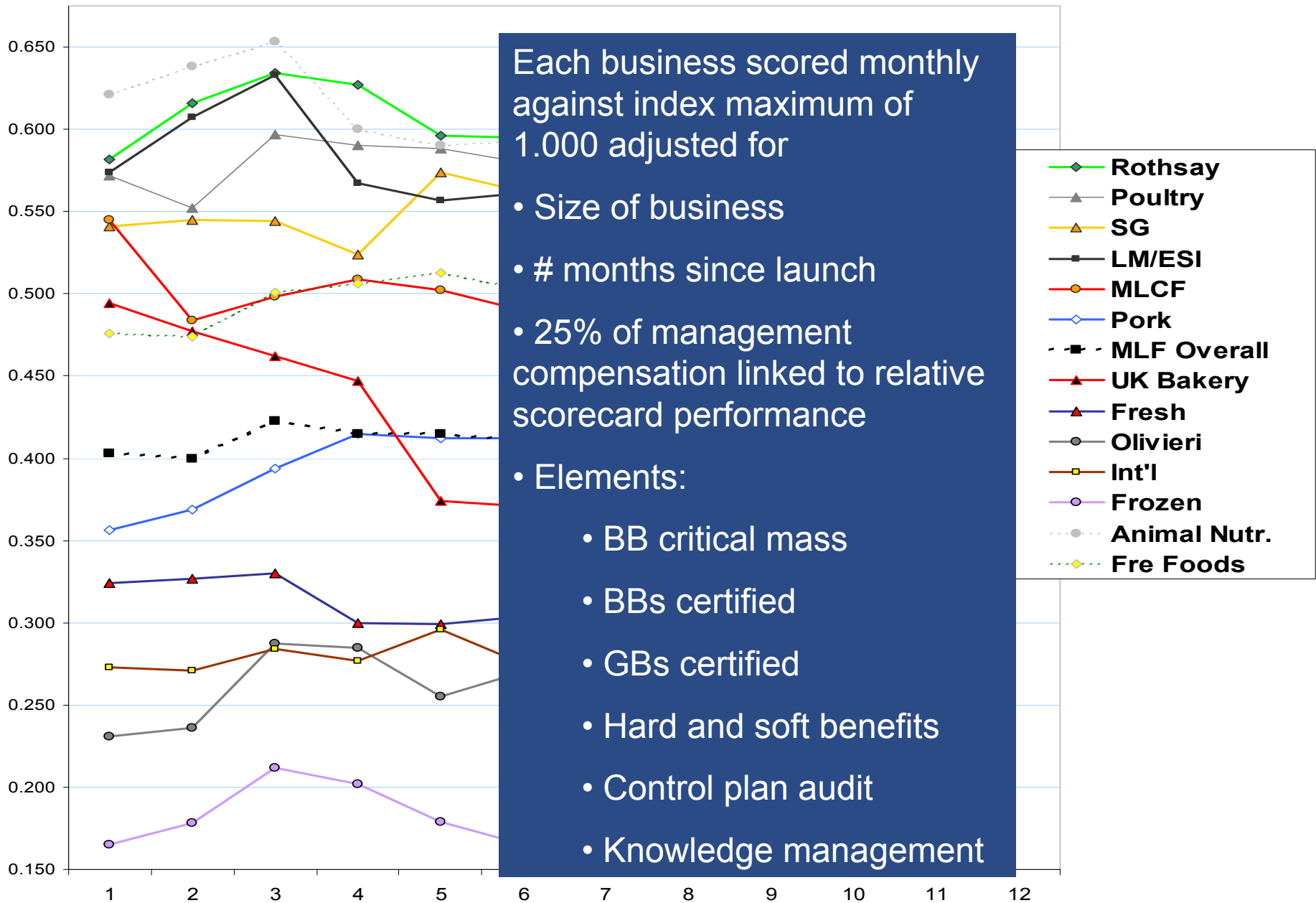
**Management**

## **Values inconsistent**

Biased  
Reactive  
Defensive  
Resisting change  
Same answers  
Silos

## **Values consistent**

Fact-based  
Pro-active  
Transparent  
Embracing change  
New questions (Learning)  
Boundaryless





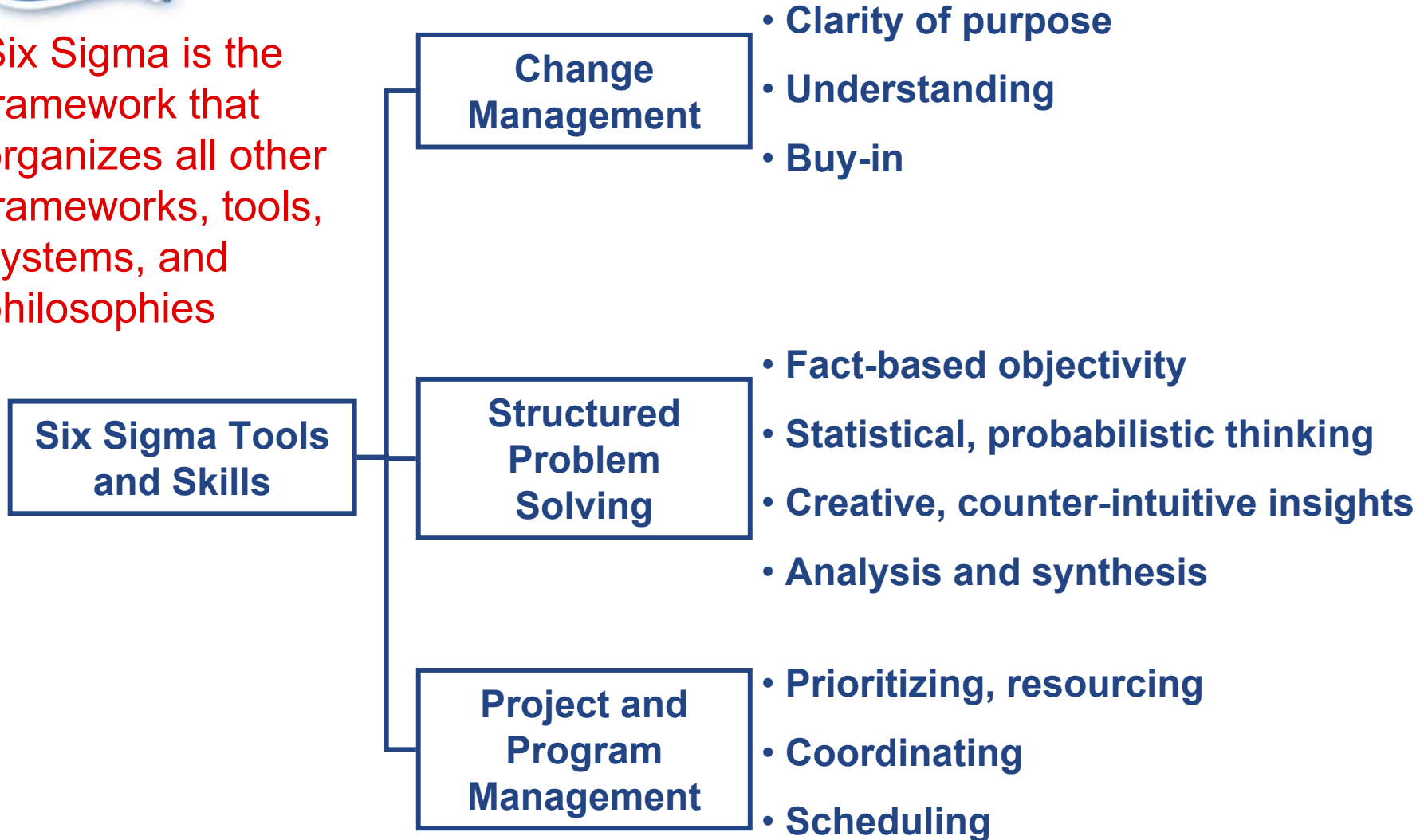
# Examples of Six Sigma Projects

- ▶ Consumer research
- ▶ Knowledge management diagnostic
- ▶ Acquisition studies
- ▶ Employee engagement surveys
- ▶ Supply chain
- ▶ Design of standard New Product Development process
- ▶ Financial risk management projects
- ▶ Design of new Corporate budgeting process and software installation
- ▶ MLF science strategy
- ▶ Design new hire interview process
- ▶ Emergency preparedness simulation
- ▶ Food Centre of Excellence (menu development)
- ▶ MLF Corporate Philanthropy strategy design project



# Six Sigma At MLF

Six Sigma is the framework that organizes all other frameworks, tools, systems, and philosophies





PERSONAL PERFORMANCE



TOP-LINE GROWTH

COST REDUCTION

SIX SIGMA PROGRESSION



# Moving into “Softer” Areas

- ▶ **Our training is focusing equally on change management as on analysis**
- ▶ **Challenge of addressing “soft” factors**
  - ▲ Building our capability in market research
  - ▲ Making assumptions explicit even if there is no one answer
  - ▲ Bringing group decision making tools and concepts into our Six Sigma toolkit
- ▶ **Values becomes an even more important element**
  - ▲ CTQs, especially “softer” ones requires context of Values (ethics)
  - ▲ “Benefits” become a mix of of harder and softer elements that requires holistic evaluation of what is right/effective
  - ▲ Revenue/effectiveness CTQs become as/more important than strict cost/efficiency CTQs



# Process Management

- ▶ **Standardized key (“core”) processes**
- ▶ **Process scorecards using the sigma metric to enable benchmarking and continuous improvement**
- ▶ **Control plans**
- ▶ **Process Owner concept; manage processes “end to end”; move beyond definition of organization structure based solely on functions**
- ▶ **Program management to manage to our bottleneck human resources**
  - ▲ Six Sigma Program Manager role at business unit level
  - ▲ Six Sigma Project Management Specialists
  - ▲ Standard Project Management training in Six Sigma



# Other Aspects of Six Sigma at MLF

- ▶ *Advanced Business Science Group*
  - ▲ Process Simulation experts
  - ▲ System Analysis and Optimization experts
  - ▲ Market Research experts
- ▶ Six Sigma leadership part of each salaried employees' annual performance assessment
- ▶ Six Sigmatizing all functional areas including IT, Strategy, HR, Sales, Marketing, Engineering, Science
- ▶ Six Sigma at the Edge: taking Six Sigma to front-line employees

