

Factory review cuts costs for Nestlé Philippines



CLIENT

Nestlé is an iconic international brand producing and supplying a vast array of food and beverage products throughout the world.

OBJECTIVES

Nestlé Philippines contracted Wiley to conduct a comprehensive review of the company's noodle factory with the goal of reducing finished goods inventory at the factory by directly loading into containers.

CHALLENGES

Conducting a review that would address:

- Existing operations
- Proposed operational changes
- Cost parameters (labour, equipment, building costs, and freight)
- Product movements (cartons per container; number of containers loaded)
- Container loading options
- Productivities (key performance indicators).

SOLUTIONS

Advice

- A comprehensive review of operations
- A strategy for reducing finished goods inventory at the facility, which proposed:
 - the establishment of a container yard based on the first-in-first-out (FIFO) policy, with operational capacity for 60 containers
 - actions to optimise container capacity
 - actions to improve the efficiency of product transfer between packing lines and container loading.

RESULTS

An operations review and resulting strategy that reduced finished goods inventory and warehousing requirements, streamlined operations, improved inventory turnover and eliminated double handling, with the overall result of cutting freight and handling costs for Nestlé Philippines.

