Case study: Frank Dale Foods

Company background

If mouth-watering food with a home-cooked slant is your thing, you may well have heard of Frank Dale Foods. This family business was established in 1994 when demand for Jean Dale's stone-oven baked quiches had grown to national proportions among foodservice wholesalers.

Today, Frank Dale Foods (FDF) is the UK's leading manufacturer of 'premium party food'. From its base in Bunwell, Norfolk, the family business employs over 50 people, producing a huge range of ready-to-cook foodstuffs from quiche and canapés to fruit pies and light lunches. Frank Dale Foods is proud of its British heritage and includes many traditional items in its range.

The problem

While demand for the products was strong and growing, all was not well with the operations at FDF. Delivery on time was proving increasingly difficult to achieve, typically only 50-60% of orders would be delivered on time, and occasionally, this figure dropped to an alarming 20%. Needless to say, customers were perplexed, and some even resorted to setting up their own stock to cope with the uncertain availability. While this speaks well for the regard in which the foods were held, it was clearly an unsustainable situation, and FDF resolved to take action.

One cause of production inefficiencies was changing over from one product to another, which took a considerable chunk out of the available capacity. As production fell behind, more disruption was caused in trying to catch up by reducing the size of batches, and cumulative efficiency continued to worsen. More fundamentally, there was no real production planning process, and forecast orders from Sales people were not used to drive the production schedule.

FDF was already employing significant levels of temporary labour on top of a permanent staff of 80 at that time, and were routinely working round the clock and at weekends – a move not popular with the surrounding community. The management team responded by working ever harder, but the situation could not go on without customer patience running out.

The solution

Rob Dale, Managing Director of FDF, called IfM Education and Consultancy Services (IfM ECS) from the University of Cambridge to analyse the production operation and to find a solution to the increasing stress he and his team were under. John McManus, Industrial Fellow at IfM ECS takes up the story: "A key early finding was that the existing 'make to order' system with a 3-4 day lead time was just not possible with the range on offer.

"As almost all the food is supplied frozen, a fixed sequence schedule was put in place. Goods would be manufactured in a set order and put into stock to await call off as required. This, and a regular review between Sales and Operations of the sales forecast, dramatically improved the 'visibility' that production management had of the forward schedule and allowed them to reduce 'fire-fighting' and to plan their use of resources far more effectively."

IfM ECS also ran a series of strategy workshops using proven best practice processes designed specifically for SME organisations. This ensured that responsibility for changes remained with FDF and was sustainable after the IfM ECS team had moved on.

Additions to the management team have been made, including a Manufacturing Manager who was brought in to oversee the change programme, and who, according to John McManus, deserves much of the credit for the huge improvements seen.

Benefits

The immediate benefit of the make-to-stock system was that delivery on time became routine, to the delight of customers, who then increased their orders on the back of increased confidence in FDF to supply. In turn, this meant that the use of temporary labour could be eliminated, and weekend working could be avoided. "Where had previously been finishing production on Sunday night, we were now available to finish by Friday lunchtime", says Rob Dale.

Overall stock levels were reduced as a result of improved scheduling, which now takes proper account of forward sales projections.

Better production efficiencies meant the shareholders were happy too. Revenues grew 44% in the year after the changes and a further 12% the following year, with gross margins up by more than nine percentage points.

In many ways the key things which the company had to deal with were 'growing pains': realising that working harder alone is not enough. They discovered that using some tried and tested tools honed by experienced manufacturers can help to make life much easier.

Rob Dale remains enthusiastic: "The team at the IfM ECS are great to work with and bring years of practical experience as well as excellent academic and theoretical underpinning to the table. We look forward to working closely with them over the coming years".

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