



RED HOT CHILE CHAMPS

When Chileans say "mas cerveza, por favor", they're usually asking for Cristal, Escudo, or some popular beer from that country's largest brewery, Compañía Cervecerías Unidas (CCU).



- Within three months, line efficiency jumped from 65.5% to 84.9%
- Glass breakage was down from 2.81% to 1.66%
- Extract losses on the packaging line dropped from 4.77% to 2.68%



This diversified beverage company with its 86% market share draws from more than 150 years' experience to deliver its ample variety of beers, soft drinks (Pepsico), mineral waters, fruit nectars and wines to millions of consumers daily. Its main brands - Cristal, Royal Guard and Escudo - are distributed the length and breadth of Chile, where they're the preferred choice of Chilean beer consumers. In addition to its own brands, the company also markets renowned international beer brands such as Heineken, Budweiser and Guinness.

CCI's involvement started towards the end of 2006 when the brewery group's Supply Chain Optimisation (OCA) programme was launched as part of its WCM journey. Consisting of the Foundation Best Practices, the OCA rollout first started with the brewery and ECUSA soft drink plants in Santiago and in June 2007 it was extended to CCU's brewery in Argentina.

Brewery results

The three pilot sites were the packaging area on line 4 and the filtration and fermentation divisions on line 2. Results were measured over six months and a positive outcome was noted immediately. Factory efficiency on the packaging line was up from 59% in February to 61% in July 2007. Extract losses at cellar (filtration and fermentation) decreased from 6.25% in January to 4.92% in September. First Time Right (FTR), a compound index that includes airing, original extract, filling type, seed yeast and fermentation speed, increased from 36.6% to 40.3% over the same period.

With six PIPs running concurrently, profit improvement also recorded a healthy boost. Projected savings for 2007 is estimated at 50 million Chilean pesos.

ECCUSA soft drink plant

ECCUSA is Chile's leading soft drink and juice bottler with a 60% market share in the juice sector, 52% in soft drinks and 70% in bottled water. Its most significant brands include local favourites such as Cachantun and Watts and international brands Pepsi, Canada Dry and Gatorade.

OCA implementation at this plant also yielded some quick gains. In January to June, line efficiencies improved from 56% to 65% and product losses dropped from 6% to 2.2%. Similar results were achieved with the CO₂ loss reduction PIP which decreased from 76% to 65%. Overall, the quality index showed a 5% increase.

Santa Fé Brewery, CCU Argentina

With a production capacity of 2.2 million hectolitres annually, the country's second largest brewery implemented OCA on a pilot line in the packaging area. Within three months, line efficiency jumped from 65.5% to 84.9%. During the same period, glass breakage was down from 2.81% to 1.66% and extract losses on the packaging line dropped from 4.77% to 2.68%.

The Quality Index had a substantial drop in retained batches - from 2 281 packages in June to 424 in September 2007. Because the brewery produces two of the world's top international brands, Heineken and Budweiser, there are strict follow-ups on quality standards.

Santa Fé's operational improvement didn't go unnoticed in the broader community. Two local newspapers published articles about the OCA programme, tertiary institutions upheld the facilities as examples of manufacturing good practices and suppliers have shown interest in cooperating. The final accolade came from the Santa Fé province's production ministry, who promoted the company as a benchmark.

Clearly CCU's OCA approach embraces a long-term view on implementation to put the correct practices in place for sustainable operational improvements.

