



A Worldwide Resource for Business Problem Solving

Bellisio Foods, Inc.

LASTING RESULTS – SUCCESS THROUGH TEAMWORK

Featured Case Study

Industry Sector: FOOD & BEVERAGE

Bellisio Foods, Inc. is a leading North American manufacturer and marketer of branded and private label frozen entrées and snacks. Although founded in 1990 and based in Minneapolis, MN, Bellisio's very early beginnings under food industry pioneer Jeno Paulucci date back to 1949 when he first started out. Bellisio has grown and evolved over the years with an ever changing food industry.

With several well-known brand names, of which the flagship was Michelina's, the company changed its name in 2007 to present day Bellisio Foods. This name change allowed for further product expansion, which in turn helped fuel its acquisition by Centre Partners Management LLC in 2011. Its recent sale to Charoen Pokphand Foods (known as CPF) was completed December 2016.

Its products are primarily sold in the United States and Canada. As the third-largest producer of frozen entrées in the US, the company has a daily production capacity of over two million meals, in addition to marketing more than 400 products spanning across a wide variety of categories.

Bellisio produces single and multi-serve entrées, snacks, side dishes and specialty sauces. While many of Bellisio's products are branded, they also manufacture private label and co-pack retail products. Brand names include Boston Market, as well as licensed partnerships with Chili's and Atkin's for their lines of frozen foods.



“Synergetics was the perfect solution for Bellisio. The difference in their approach as compared to other firms is that they are sensitive to the culture and the current business model rather than forcing a square peg into a round hole. Synergetics’ ability to FIRST understand where the company is at in their improvement efforts and then apply their model as a tool to reach an optimal solution is unique.”

- Mike Evans
SVP Jackson Operations
Bellisio Foods



CASE STUDY

Bellisio

LASTING RESULTS - SUCCESS THROUGH TEAMWORK

THE SITUATION

Since its inception, Bellisio Foods had been a profitable and innovative company within the food service industry, always on the forefront of brand management and co-packing various frozen food products. Its potential to grow even further was the attraction for its acquisition by Centre Partners in 2011. Although having currently maintained a positive margin, recent acquisitions and new brand manufacturing integration had changed its conventional business model. This change left some facilities underperforming relative to expectations by not having achieved industry benchmarks in areas such as:

- over-all equipment effectiveness (OEE)
- material usage variance (MUV)
- other KPIs exhibiting negative trends

The company’s 2016 goal was to identify and pursue approximately \$20M in cost savings initiatives and increased efficiencies.

THE PRE-ASSESSMENT

Centre Partners (and Bellisio) had used various consulting firms in the past and interviewed Synergetics, among others, to assess the approach each would take to identify savings and efficiency opportunities. Having had a previous engagement with Centre Partners, Synergetics was introduced to Bellisio CEO Joel Conner in November 2015. The leadership team ultimately chose Synergetics, as Synergetics’ practice model best fit the company’s overall business approach and style.

Although Bellisio had 3 production locations in CA, MN, and OH, initial efforts were focused on the largest of its facilities in Jackson, OH to verify areas for cost initiatives. Synergetics recommended three avenues to take as potential savings opportunities, upon which further analysis would identify specific expectations:

- 1) supporting Bellisio’s existing savings initiatives
- 2) identifying additional savings / value initiatives based on findings from the initial engagement
- 3) proposing additional analyses to quantify value findings

THE BUSINESS ANALYSIS

Synergetics began an in-depth Business Analysis in January 2016 at the Jackson, OH location. During initial discussions with Bellisio leadership, Synergetics understood that five plant management teams were already in process of addressing several initiatives they had identified. A key deliverable for Synergetics would be to prioritize the team initiatives and to determine if additional resources were needed to help manage and accelerate the completion of the projects.

Teams Created for Facility Initiatives

- ✓ increasing efficiencies: on production lines 11, 12 and 17
- ✓ plant-wide waste reduction
- ✓ re-work reduction & overall QA effectiveness
- ✓ meat room formulation
- ✓ kettle and blancher effectiveness

Additional analyses revealed current Management Operating Systems (MOS), standard practices, line layout effectiveness, staffing, material loss and downtime causes were other areas where further economies might be gained.

THE IMPLEMENTATION PROJECT

From the Business Analysis, much of the work associated with the Bellisio selected teams was validated. Savings efforts would continue in those areas with other closely aligned initiatives. To make the team workloads more manageable and easier to track progress, a means to do so had to be established. **The main work stream for implementing this inclusive program was to assist in the management and organization of the five project teams currently identified.** Because Project Management of this magnitude was new to Bellisio, Synergetics would add a PM resource and methodology to supplement their knowledge base.

Bellisio Project Management Objectives

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| 1 Lead PMO process and train replacement(s) | 4 ID additional savings and team direction |
| 2 Promote collaboration with and among teams | 5 Install MOS for guidelines and KPI tracking |
| 3 Hold Project Champions accountable | |

1 Lead/Facilitate the Project Management Office (PMO)

Synergetics was to lead the PMO for approximately 10 weeks while simultaneously helping Bellisio select an internal candidate. This process would take about 3 weeks to vet the selected individual and train throughout the engagement. This would also include additional guidance in obtaining a Six Sigma green and black belt certification.

2 Promote collaboration, guidance and training among teams so that all may have shared ownership within the organization

Synergetics documented the PMO process flow and trained team leaders on all training tools, who in turn would train others. Training sessions were held on DMAIC / Six Sigma principles for the management team. Training consisted of PM techniques, waste ID, and item development. Also included was a cost savings simulation project.

“The tools and techniques which Synergetics uses are flexible enough to enable the company to optimize results without being disruptive.”

“The PMO training is also a great tool to provide ‘sticking power’ for Performance Improvement efforts.”

- Mike Evans
SVP Jackson Operations
Bellisio Foods


About Us

Synergetics is a privately held New England-based Management Consulting firm established in 1975. With office locations in the US and UK, Synergetics operates internationally and employs over 150 professional analysts, consultants, project managers, and subject matter experts.


As one of the largest "Implementation Consulting" organizations, Synergetics has completed over 1,600 business process engagements across nine distinct verticals to build more than \$8B in bottom line profitability and improve overall operating efficiencies. Synergetics works with a diverse client portfolio of leading industrial and service corporations across Private Equity, Small and Medium Enterprises, and Fortune 500 Companies.


With customized services and solutions, Synergetics performs hands-on detailed management, financial, and operational assessments to develop and deliver specific cost savings and revenue enhancement initiatives.


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3 Hold weekly update meetings with Project Champions

Synergetics facilitated weekly meetings between the project leads and Steering Committee. Tools to track KPIs and team/project progress were developed. Action item lists and update meetings were developed to hold people accountable and ensure assigned tasks were completed.

4 Identify additional savings and direct / train teams

Synergetics worked with each team on identifying savings opportunities by performing audit walks, process observations, developing routine report outs, data gathering and analyses. An additional 2020 team was created and trained to develop an Employee Training Program.

5 Install Management Operating System (MOS)

Synergetics established a daily assignments list, or Leader Standard Work. Area Performance Boards (dry erase boards), used to record hourly KPIs on the floor, were installed on each line. Daily meetings to review KPIs and downtime issues were implemented. Action Item lists to capture and manage identified issues were also instituted.

THE RESULTS

Within only the first five months of the year long period, Project 2020 initiatives savings **met and exceeded** the 2016 goal by 100%, as the following objectives were achieved with significant increases in:

- ✓ the average overall equipment effectiveness (OEE)
- ✓ the material usage variance (MUV)
- ✓ production output measured in cases/wage hour

THE IMPACT

The Bellisio Jackson Plant was well-positioned to attain its future fiscal goals with an experienced management team utilizing PMO / MOS tools. Key priorities were to incorporate best practice standards across other production facilities and to change the company's culture by encouraging local leadership teams to be more proactive and to invite, and accept, employee ideas for process improvement.

***Update:** Bellisio and Centre Partners leadership effectively worked together to improve efficiencies and invest in the future with well planned capital projects, which included having strategic partners (Synergetics) to assist in successful outcomes. As 2016 concluded, international food manufacturing leader Charoen Pokphand Foods (or CPF) acquired Bellisio for \$1.08B, a price 34% more than initially projected. This compared to Centre Partners' original purchase price of \$363M in 2011. Over the previous year, Bellisio had posted \$688M in adjusted net sales, with adjusted pretax earnings of \$82M. Synergetics was requested to return on a second engagement with Bellisio in 2017 and continues to forge an even stronger relationship with the management team and new owners.*