



# CASE STUDY



**TRACC**  
people • practices • results

## SABMILLER'S SUBSIDIARY KOMPANIA PIWOWARSKA (KP)

SABMILLER'S SUBSIDIARY IN POLAND USES TRACC TO IMPROVE MANUFACTURING PRACTICES;  
REALIZES 500% ROI AND CAPTURES MARKET SHARE.



**KOMPANIA  
PIWOWARSKA**



- Improved quality from 87% in 2000 to 97.5% in 2002
- Increased machine efficiency from 77% to 88% in just two years.
- Reduced cleaning in-place agents by 25% in one year
- Reduced change over times (e.g. improved one line's changeover time from 240 minutes to 45 minutes)

### Company Background

SAB Miller is the world's third largest brewer, with operations in more than 40 countries, \$13 billion in revenue, and 41,000 employees.

SAB Miller-owned Kompania Piwowarska (KP) is one of the largest brewing companies in Poland. KP formed as the result of a merger in 1999 (when SAB Miller took a controlling interest), and maintains three breweries.

### Situation

At the time of the merger, KP had a 19% marketshare, poor quality product packaging, an ineffective sales and distribution arm, and problems with absenteeism and lack of teamwork. SAB Miller made significant capital investments and restructured operations. Management recognized the need to make a parallel investment in manufacturing practices, and undertook an initiative that KP calls "World-Class Manufacturing" (WCM).

### Action

Beginning in September 2000, KP used the TRACC methodology and toolkits to implement best practices in areas such as 5S (housekeeping), visual

### By improving operational performance in 2000-2002...



performance measurement, teamwork, quality, and focused improvement (see chart for TRACC modules that KP implemented)

KP assigned four individuals to oversee the day-to-day implementation of WCM: a WCM Development Manager to oversee the transformation across its three breweries, and

### ...KP laid the foundation to increase market share in 2003-



a WCM Implementation Coordinator at each brewery. These four individuals oversaw shop-floor training, task force team training, and specialist workshops (e.g. Autonomous Maintenance Vision Workshops).

A Competitive Capabilities International (CCI) consultant worked with KP through October 2001, but since then KP has maintained the WCM program internally, bringing outside experts in only for audits and spot-checks.

### Results

Using TRACC's structured approach, the WCM Development Manager and Implementation Coordinators succeeded in each plant to eliminate waste, achieve excellence in quality, and reduce set-up times through total employee involvement.

### An Investment in Practices and People

"The consolidation involved a large scale capital expenditure program and changes to the marketing strategies of both breweries. We also needed to make an investment in practices improvement, and we chose TRACC as a tool to do that because of its vision for teamwork, its comprehensiveness, its focus on empowering teams and shop-floor workers, and its systemic approach."

*Krzysztof Cichoń*  
WCM Development Manager  
Kompania Piwowarska



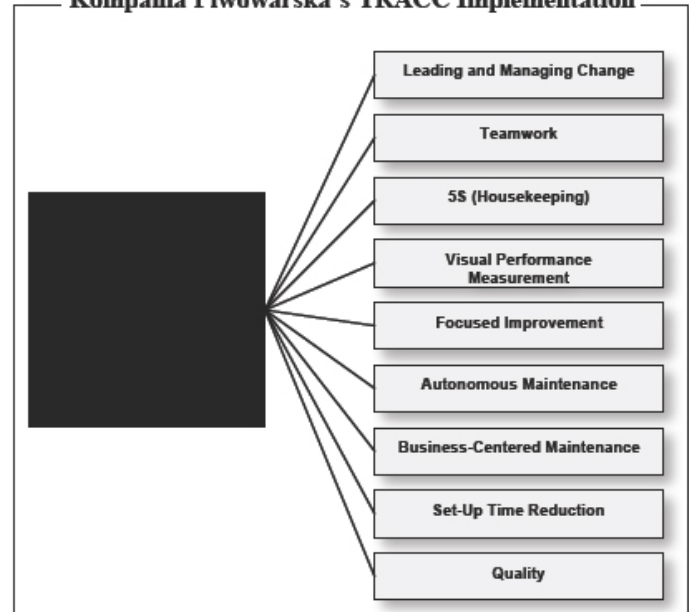
Specific achievements include:

- Improved quality from 87% in 2000 to 97.5% in 2002
- Increased throughput by 10% as a result of more effective, time-efficient cleaning processes
- Reduced cleaning in-place agents by 25% in one year
- Reduced change over times (e.g. improved one line's changeover time from 240 minutes to 45 minutes)
- Increased machine efficiency from 77% to 88% in just two years.
- Engaged employees—teambuilding is now considered a crucial process that brings account ability and strong commitment from the entire workforce.

KP estimates a return on investment of \$5 to every \$1 it invested in establishing world-class practices. KP realized a US \$2.5 million return within 11 months of best practices implementation, and the potential for \$6.5 million in additional revenue through increased market share. Tyskie Gronie, the leading beer brand in Poland, also went on to win the gold medal in the Small Pack Lager competition at the 2002 Brewing Industry International Awards.

While the capital improvements certainly contributed to this success, KP senior management attributes much of its sustained growth and profitability to its focus on world-class manufacturing practices.

### Kompania Piwowarska's TRACC Implementation



### Clear Guidance

**“It’s a philosophy of work focused on customer needs, market requirements and a competitive approach. In KP, we understand WCM as continuous improvement, eliminating waste, a right-first-time approach, excellence in quality, autonomous maintenance, change-overs and set-up time reduction through total employee involvement.”**

**Krzysztof Cichoń,**  
**WCM Development Manager**  
**Kompania Piwowarska**

### Sustainable Performance

#### **“Kompania Piwowarska’s Best Results Ever”**

**“Kompania Piwowarska’s sales in the first quarter of 2006 were up by 10.5 % ... the Polish brewing industry sales grew in the same period by 2.3%.”**

**“Several hundred years of brewing experience, modern technology and rigorous adherence to World Class Manufacturing principles guarantee the uncompromising quality of Kompania Piwowarska’s products.”**

**SABMiller Press Release, 26 April 2006**