



Oregon Manufacturing Extension Partnership

February 2008

The **\$ 3.2 Million Department of Labor Grant** awarded to **Oregon Manufacturing Extension Partnership** to bring Lean Manufacturing to regional food processors' operations is concluding its third and final year. The grant delivered an innovative combination of Lean Manufacturing technical training coupled with targeted English language training for the Limited English Proficient workforce and cultural training for the entire workforce—all to aid the processors in becoming more competitive in the global marketplace.

- One of the deliverables of the grant has been to produce replicable new courses for the food processing industry:
 - A food-specific simulation for teaching the Principles of Lean Manufacturing
 - A supporting course in Lean English Essentials to help Limited English Proficient Hispanic employees be able to participate in Lean training and implementation in their companies
 - A cultural awareness and communication course aimed at helping native speakers of English communicate more effectively with increasingly diverse and limited English proficient coworkers.
- The DOL Education and Training Administration has loaded these courses onto their website www.workforce3one.org to share nationwide, and at their request, OMEP staff have traveled to several national workforce conferences to help disseminate these curriculum strategies. OMEP will lead train the trainer courses for other MEP's across the country enabling them to effectively use these courses to help food processors nationwide.

From 2005 through 1st Quarter 2008, 54 companies across the region and more than **fifteen companies in Oregon** have benefited from grant funded training and Lean implementation, including:

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|-------------------------|-----------------|
| ➤ Quest International | ➤ Truitt Bros. |
| ➤ Reser's Fine Foods | ➤ Scenic Fruit |
| ➤ Boardman Foods | ➤ Betty Lou's |
| ➤ Oregon Cherry Growers | ➤ Oberto |
| ➤ Teeny Foods | ➤ Diamond Fruit |
| ➤ Kerry Sweet | ➤ Nature Bake |
| ➤ Sabroso | ➤ Trans-Ocean |
| ➤ EARTH ₂ O | ➤ Tasty Bake |

Grant outcomes tracked in participating companies include

- documented skill and wage advancement for all workers, including Hispanic workers
- cost savings and cost avoidance
- retained and increased sales
- capital investment
- job retention and job creation
- productivity improvements

To date, the 54 participating companies in the region (Oregon, Washington, Nevada, and Idaho) 10 have been surveyed by the NIST MEP independent survey system and have already reported impacts totaling over \$36 million dollars as a result of their Lean efforts.

The Grant Project to Date

- Regionally, more than 3200 employees have received more than 75,000 hours of training. The grant set out to serve at least 2000 employees in 48 companies and has greatly surpassed that goal. 54 companies have received Lean implementation services. Results show that companies are experiencing impressive productivity gains and improved company culture as a result of the training efforts.
- More than 1100 Oregon employees have received in excess of 27,000 hours of training, including Principles of Lean Manufacturing, Value Stream Mapping, Lean English Essentials, and Building the Collaborative Workforce.

Oregon Company Results

- Aggregate results to date for Oregon food processors show at least \$6.2 million in increased and retained sales, almost \$3 million in cost savings, and \$2.4 million in capital investment. Much larger gains are expected to be reported as more participating companies are surveyed a year post-project by an independent survey firm.
- 470 Oregon food processing employees have seen aggregate wage gains of more than \$830,000 annually. 124 have received promotions. 45 new jobs have been documented.

Establishing and Fostering Linkages among Food Processors

OMEP's knowledgeable staff is actively facilitating linkages among state food companies including the DOL food grant recipients, for co-packing agreements, establishing supplier relationships, and connecting processors with other sources of grant funding through state and local workforce agencies. OMEP also helps smaller Oregon food companies establish food safety programs such as Hazard Analysis and Critical Control Point (HACCP), Good Manufacturing Practices, and American Institute of Baking audit preparation.

Helping the Industry to Grow

OMEP is working actively with economic development agencies in many Oregon regions to serve food processors in their quest to improve productivity and innovate. In addition, a new partnership with the Eureka Institute to provide Eureka! Winning Ways growth strategies will allow OMEP to guide food companies in growing top-line sales.

The grant has planted seeds that are taking root in the food processing industry in Oregon and nationwide. High performance Lean strategies yielding improved productivity and increased capacity will continue to be key ingredients in helping the food processing industry in Oregon to prosper.