

# HIDDEN PROFIT UNLOCKED

## From Scrap to \$2M+ Savings in 6 Months

**+47% Conversion Scrap Reduction and 97% Fewer Customer Complaints**

### Background

#### Company:

A global leader in the retail, food, security, and medical packaging markets, focused on designing and creating unique packaging solutions to meet customer needs.

#### Situation:

A recent acquisition had the company facing significant challenges integrating new operations into its existing production facility, creating widespread disruption across the plant. Excessive scrap, poor delivery performance, and a lack of real-time operating discipline strained day-to-day execution and eroded customer confidence. Without a structured quality operating system or visibility into performance, issues went unmanaged, leading to declining first-pass yield, rising and escalating customer complaints, and missed throughput opportunities. During this critical integration period, millions of dollars were lost to scrap, placing both operational stability and customer relationships at risk.

#### Objective:

The ProAction Group was engaged to quickly stabilize operations by reducing scrap, improving delivery performance, and restoring customer confidence. In parallel, they focused on establishing real-time performance visibility and embedding a disciplined, data-driven problem-solving culture to drive sustainable improvements.

### Actions Taken

- Trained leadership and operators on structured problem-solving and countermeasure development
- Educated on metrics creation and implementation throughout the plant
- Established daily metrics with day-by-hour performance boards
- Implemented a Quality Operating System (QOS) with defined goals and review cadence
- Developed standardized work to sustain quality improvements

## IMPLEMENTATION IMPACT

**Customer complaints  
reduced by 97%**

**\$2M+ in scrap savings  
realized within the  
first six months**

**Conversion scrap  
percentage reduced  
from 10.3% to 5.5%  
(47% reduction)**

- First-pass yield improved from 84% to 95.4%
- Average monthly conversion scrap dollars reduced by 61% (\$670k to \$265k)
- Improved margins and customer retention through quality stabilization

**Throughput  
increased by 23%  
within three months**

**THE PROACTION<sup>SM</sup> GROUP<sup>LLC</sup>**

**Uncover Hidden Value. Drive Transformational Growth.**

We help businesses unlock operational excellence and reveal the profit hiding in plain sight  
– often without new equipment, new people, or risky investments.

The Competition is Fierce. Change the Rules.™

proactiongroup.com | 312.726.6111