



CASE STUDY

PECO FOODS, INC.

Scoreboards Empower Plant-Floor Staff
to Significantly Improve Yields



Innovative Business Intelligence for the Food Industry

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ABSTRACT

Real-time data analysis saves millions of dollars each year for regional food processing plants. This study demonstrates a return on investment of less than one year for scoreboards mounted on the plant floor that provide real-time feedback to associates and continuously improve yields using friendly competition.

COMPANY PROFILE

- Name: Peco Foods, Inc.
- Product Specialties: Boneless breast products
- Primary Customers: Retail-grocer and food service markets
- Size: 8th largest poultry producer in the United States
- Ownership: Privately-held and family-managed
- Corporate Office: Tuscaloosa, Alabama
- Business Type: Fully-integrated grower, processor, and marketer
- Production: Processes 24 million pounds of poultry per week

Peco Foods, Inc., is a privately-held, family-managed company known for its high-quality poultry products. Their family-style business and management practices lead them to employ many hard-working Americans in the southern United States.





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CHALLENGE

Since the company began production, Peco's quality assurance and production personnel, as well as plant management, have analyzed plant-floor data in an effort to continuously improve their processes. Peco realized, however, that with traditional data recording and reporting options their plant-floor operators had exhausted all opportunities to improve results. Manually-entered data was taking too long to compile, and human error further complicated the analysis. Instead of knowing as soon as a failure occurred or a process was out of control, management would have to wait a day or longer to view the data, which sometimes revealed costly, avoidable problems.

Peco's management believed that empowering their individual employees would yield better results than any other strategy. Peco needed a solution that would provide:

- **Reliable electronic data collection with threshold alarms that could instantly notify key personnel of problems**
- **Easily visible scoreboards to keep everyone on the plant floor fully informed**
- **Real-time reporting with statistical process control (SPC) analysis capabilities**
- **100% return on investment in less than one year**





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SOLUTION

Peco began looking for a solution and found that CAT² offered both the software and the professional services required to overcome Peco's challenges. CAT² could provide a complete turn-key solution using their industry-leading Food Safety and Quality Management software (HAT) as well as all of the required hardware, training, project management, and support services. Since CAT² could independently provide these solutions for Peco, financial risks and unnecessary liabilities were minimized. After careful evaluation, Peco determined that CAT² was the best company to meet their needs. The solution involved:

- **Software: CAT²'s Food Safety and Quality Management (HAT) and SPC Charting software**
- **Hardware: 55-inch flat-screen monitors encased in IP69K-rated stainless steel anti-moisture enclosures that provide plant-floor associates a clear view of real-time data**
- **CAT² Professional Services: Onsite training, weekly status reports, and 24/7 support**

CAT²'s Food Safety and Quality Management software (HAT) focuses on proactively controlling processes and preventing failures. Using HAT, you can guarantee that product meets your company's and your customers' standards for safety and quality. As soon as a deviation occurs, the HAT system notifies key personnel by email or text message so that issues can be dealt with the moment they are found, which reduces downtime and improves efficiency.



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SOLUTION (cont.)

Any type of data can be collected in the HAT system, including weights, sizes, temperatures, defects, yield percents, HACCP, GMPs, preoperational sanitation, downtime, and metal detection checks. Floor operators use hand-held or stationary touch-screen computers to collect the data, eliminating paperwork and reducing labor costs.

All data collected using HAT can be viewed and analyzed using real-time reports that include preshipment, failure ranking, and compliance reports. Data can also be shown on charts and graphs enabled with SPC analysis and Six Sigma capabilities. HAT turns plant-floor data into actionable, process-improving intelligence.





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RESULTS

For the first time, Peco could analyze extensive quality and production data in real time and respond as soon as problems occurred. They immediately transformed their business practices from reactive to proactive, which had a large-scale impact.

Tony Pierce, Peco's plant manager in Canton, Mississippi, said, "Before HAT, it was like playing a basketball game and telling your team, 'Push hard! We can win!' but never keeping score. Now we keep score from the beginning of the game."

Specific benefits of the CAT² implementation:

- **Management could report detailed intelligence about their processes in real time thanks to 1,000 additional data collection points.**
- **Floor personnel could instantly see quality and production data such as piece weight results on the plant-floor scoreboards.**
- **Floor personnel had direct feedback because of the scoreboards and were able to make adjustments to continually improve their numbers.**
- **The company averaged 1.5% less downgrade product across their entire product line.**





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RESULTS (cont.)

Peco realized that by showing their hard-working staff the direct results of their personal contributions, they were empowering their team to perform at their highest ability.

Since implementing CAT²'s solutions, downgrade product percentages improved immediately by more than 1.5%. Because Peco makes about 75% less revenue on downgrade product, the 1.5% improvement generated a 100% return on investment for the entire installation in only a few months.

Due to the ability to instantly analyze electronic data and provide feedback to their plant-floor team, Peco now enjoys yields and productivity results that simply were not possible before the CAT² implementation.

