



## Krispa Foods (Hansells) Ltd

### Business Process Development

"We inherently knew the issue, and in hindsight, should have acted sooner than we did."

Stuart Walker, Managing Director, Hansells (NZ) Ltd

"Hansells saw a real need to undertake a review of their business processes and once that review commenced, it became apparent that there were large gaps in their day-to-day processes that were causing downstream issues. The business quickly saw the benefits of process mapping, and acted to implement change."

Rob Silver, Management Toolbox Associate

### Introduction

Hansells is one of New Zealand's leading food manufacturers. The company has been developing and selling products since 1934 and has gained an international reputation for high quality foods that are appetising in flavour and competitively priced. Hansells manufactures and markets a range of snack foods under the Krispa and Aztec brands which accounts for one third of Hansells total sales. Products include 'Healthstyle' and Salute potato chips, extruded snacks such as Poppajacks, corn chips plus dips and sauces.

### The Issue

The business was facing significant challenges in an attempt to fulfil customer orders, whilst variability in sales forecasts, production output and supplier reliability requires daily, hands on management. Gaps in ordering meant there was both under and over supply of goods.

It had been identified that there was no cohesion between the way systems were being used and what was being done in practice.

### The Solution

Hansells management undertook to complete an overview of the business forecasting and production planning processes for Krispa Foods and identify ways to improve supply chain performance from suppliers to end customers. Optimisation of the supply chain (with particular reference to inventory for raw materials, packs and finished goods) to efficiently service consumer demand, was considered top priority.

It had been identified that there was no cohesion between the way systems were being used and what was being done in practice.

### The Project

Management Toolbox undertook a review of the supply chain with the focus being around process improvement opportunities as opposed to a detailed evaluation of the ERP system.

With the scope of the project being directed at snack products, sold under the Krispa and Aztec umbrella, there were four key objectives of the review:



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- mapping existing processes and identifying the desired platform for business forecasting and production planning for Krispa Foods;
- recommending business forecasting and production planning methods that will contribute to improved customer service levels with specific reference to delivery in full and on time;
- identifying and capturing these opportunities for improvement in a project management framework;
- defining the principles of on-going process reviews.

An assessment of the current framework (process maps) for business forecasting and production planning was undertaken.

### Results

Based on this evaluation, a report was developed citing recommendations. These recommendations were ranked in a prioritised list of improvement opportunities and detailed the approach for achievement of each of the opportunities. Once the improvements had been identified, a project management framework was developed for the execution and management of the activity.

The recommendations from the report essentially confirmed what management had thought. However, the process undertaken in the review worked towards achieving outcomes that Hansells' management wanted to achieve in a range of different areas.

### Sustainability

There was buy-in to the project from the internal team which meant a positive attitude and acceptance of the changes and improvements that came from the project.

The review focused on process improvement opportunities as opposed to an in depth analysis and review of the ERP system. A number of quick wins were identified; meaning implementation of the changes could take place with relative ease. By employing a consulting company, the internal management was able to show an independent view of improvements in efficiency for the supply chain. This gave Hansells' management a stronger remit to go ahead with changes that they had wanted to achieve.

### Contact us:

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