

CRUNCH PAK THRIVES BY FOCUSING ON CONTINUOUS IMPROVEMENT

ABOUT CRUNCH PAK, LLC. Based in Cashmere, Washington, Crunch Pak is the industry leader in fresh, pre-sliced apple products—including Gala, Granny Smith, and Pink Lady varieties—and creates more than one billion apple slices at its facilities. Established in 2000 by a group of Washington State apple growers, Crunch Pak has grown to 500 employees, including the addition of a certified lab on premises for safety testing and compliance.

THE CHALLENGE. Crunch Pak, with a vital emphasis on food safety, understands the importance of keeping its employees trained in the most up-to-date food handling standards and risk-based preventative controls. This drive led them to partner with Impact Washington, part of the MEP National Network™, to educate and train their staff in processes that would support their objective of continual improvement as a company.

MEP CENTER'S ROLE. Crunch Pak engaged with Impact Washington to help them establish best practices. The resulting influence on their business was evident when Crunch Pak received the 2018 Washington State Food Processor of the Year Award at Seattle Business magazine's Washington Manufacturing Awards, which recognizes companies making important progress in productivity, growth, and innovation. Since the conclusion of their training, Crunch Pak employees have continued to implement all learnings, resulting in demonstrated positive impact months later. Management was able to decrease overall costs, allowing them to provide better pay to employees. Within the first six months of 2019, Crunch Pak increased wages by an additional 7%, boosting their total base wage by 37% from 2016-2019, and elevating the company from a position of a lower player in the market to one of the top based on pay. Employee turnover has since decreased significantly – over 50% from 2016-2019, while a positive company culture is now attracting an increase in employee interest and retention within the industry's competitive market. Crunch Pak has also enlisted their recent training to establish several new continuous improvement initiatives to reduce usage, consume less, and lower costs. These initiatives include production, utilization, and application of natural chemicals to prevent apple browning, which has reduced the usage of process chemicals by 40% and adjusted the application process, resulting in savings of \$1.5 million annually. Additionally, they are implementing an internal print shop to reduce lead time, transport, and waste of pre-printed package labels. These savings are expected to approach \$500 thousand annually.

"Working with Impact Washington to kickstart our culture shift towards continuous improvement has yielded millions of dollars in savings to our company at a time when all major expenses have been steadily increasing. The constant focus on managing efficient production, reducing waste, and driving accountability of costs throughout all levels of operations is allowing us to thrive while labor is short and demand for product is high."

-Drew Dalgetty, General Manager of Production

RESULTS



7% increase in wages



50% decrease in employee turnover



40% reduction in process chemical usage



\$1,500,000 in cost savings by reducing process chemicals



\$500,000 annual savings due to reduced lead time, transport, and waste

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