

SHARK TANK WINNER PAN'S MUSHROOM JERKY SIGNIFICANTLY INCREASED CAPACITY AND REDUCED 4X MORE PRODUCT PRODUCEDASTE

ABOUT PANCO FOODS DBA PAN'S MUSHROOM JERKY. Michael Pan launched Pan's Mushroom Jerky (Pan's), a plant-based snack made of shiitake mushrooms with a delicious umami taste and satisfying meaty texture, in 2018. After discovering a recipe that had been in his family for decades, Michael knew that his family had something special and he needed to share it with the rest of the world. Today, Pan's Mushroom Jerky is available in over 3,000 stores in the United States such as Kroger, Whole Foods, and Natural Grocers. They also sell direct-to-consumer via Pan's e-commerce platform, Amazon and other online platforms. Pan's appeared on Shark Tank in late 2020 and secured a deal with Mark Cuban.

THE CHALLENGE. Poised for significant growth from wholesale and direct to consumer market channels, Pan's leadership team knew they needed to significantly increase their capacity and began building out new space. Pan's reached out to OMEP, part of the MEP National Network™, for assistance with their facility expansion, bringing in additional equipment, implementing strategic automation, and improving fulfillment capabilities. The team at Pan's desired to accomplish all those elements with a lean and continuous improvement foundation to ensure they were set up for a successful future as the business continued to grow.

MEP CENTER'S ROLE. OMEP partnered with the team to create a plan for the new layout that would allow Pan's to reach their target capacity. Beginning with a tool called the value stream map (VSM), OMEP created several rounds of facility layout programming via 3D modeling, optimizing processes based on constraints of the building and new equipment. A certified enterprise integrator (CEI) was consulted for mass flow diagramming. As a result, the team learned that there was room for improvement in the temperature sensor part of production. At that time temperatures were taken by hand using candy thermometers and were not always reliable. The OMEP team implemented an Internet of Things (IOT) temperature sensor that automates measurements and reports data out at regular intervals to streamline this process. OMEP also provided assistance in the other requested areas. To assist in equipment procurement, OMEP created financial modeling, including IRR and ROI calculations as well as a functional system specification list for the machines needed, as defined by the VSM. To continue the firm continuous improvement foundation, OMEP trained staff in lean fundamentals. Additionally, standard work was created for training as well as documentation of key processes, enabling new hires to be trained effectively and begin adding value quickly. As the team begins to work with contractors for their buildout, OMEP will continue to support by pulling plans and process items together, allowing Pan's team to stay focused on growth and production.

"Implementing the lean manufacturing principles we've learned from OMEP has set a strong foundation as we continue on our growth trajectory."

-Michael Pan, Founder

RESULTS



8 jobs created



4x more product produced



\$120,000 in cost savings

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