

GLOBAL COFFEE ROASTER LAVAZZA RETAINS DVIRC TO SUPPORT CONTINUOUS IMPROVEMENT CULTURE

ABOUT LAVAZZA NORTH AMERICA. Lavazza is a family-owned Italian coffee manufacturer founded in Turin, Italy, in 1895. The Lavazza North America, Inc., facility, with over 23 production lines and approximately 150 people located in West Chester, Pennsylvania, traditionally produced coffee, tea, and cocoa in single-serve packages that are used in conjunction with their Flavia beverage machines. Recently, the company integrated several new packaging lines into the business that produce whole bean and ground coffee for retail, e-commerce, and food service distribution.

THE CHALLENGE. In 2019, Lavazza U.S. decided to invest in building the foundation for a continuous improvement culture. They wanted to engage and empower employees by developing their skills to identify waste in their processes, and how to address and drive waste out of their processes through lean continuous improvement (CI) training. A member of the planning team worked with DVIRC, a part of the Pennsylvania MEP and the MEP National Network™, at a previous employer and recommended their unique “applied learning” workforce development CI service.

MEP CENTER'S ROLE. Lavazza engaged DVIRC to provide lean principles training to approximately 90 associates as a foundational element to teach lean CI basics with a focus on product flow. This was followed by DVIRC’s applied learning - a project-based lean certification program that incorporated members of the quality and R&D teams and a select group from the original 90. This team developed process improvement plans and presented their ideas to the Lavazza leadership team in a “shark tank” style pitch event. Leadership viewed workforce development and outcomes as extremely valuable and supported expanding training to all departments throughout the enterprise. In 2022 Lavazza decided to take its development to another level with Six Sigma Green Belt certification. The cross-functional team identified several cost-savings opportunities. In one example, the team conducted a value stream map and identified that their destoner, used to identify and reject improper coffee bean products, only operated at one setting and was causing excess scrap. By tuning the destoner and adding an offline destoner to recirculate rejected bags back into the process, the team was able to reduce scrap by 0.8%, a cost savings of \$138,000 per year.

Another project focused on sales and distribution. Lavazza operates two large distribution warehouses and, upon analysis, inventories were not appropriated correctly. The East Coast was fulfilling over 50% of West Coast demand, costing both time and money. Forecasts were adjusted for the appropriate split, reducing costs by \$350,000 per year in transportation costs while reducing product delivery from 3.5 days to 2 days.

"Associates really enjoyed improving their work – problems were solved that effected their daily responsibilities. We appreciated that small changes equal big impacts."

-Davide Riboni, President & CEO

RESULTS



15 jobs created and retained



\$850,000 in total cost savings



\$838,000 invested back into the business



\$150,000 in total sales

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