

Success Story in Consumer goods and retail Process restructuring in HelloFresh production



4flow task force collaborates with HelloFresh to rapidly increase production output

Even before the coronavirus pandemic began, business was going well for HelloFresh, the world's leading supplier of meal kits. And as the pandemic spread globally, business growth accelerated even more. As positive as this looked on paper, it also presented a tremendous challenge for the company's production and supply chain processes – thus leading HelloFresh to seek support early on. By working together with the 4flow consulting team, the necessary process restructuring was quickly achieved. In just four weeks, throughput increased by 25% and efficiency by 10%.

Over the last few years, the Berlin start-up HelloFresh has become the global leader for meal kit delivery services, supplying a steadily growing customer base with creative recipes and fresh ingredients. However, as the coronavirus pandemic accelerated, new challenges were presented for the company's distribution center in Verden, Germany.

4flow consulting was selected to collaborate with HelloFresh teams from production, distribution and the Berlin headquarters to quickly increase output and stabilize processes at the distribution center. The task consisted of adapting operational processes, systems and areas along with staff requirements to the extraordinary circumstances as quickly as possible. This restructuring was implemented while operations continued as usual. Together, 4flow and HelloFresh documented processes, found solutions for bottlenecks, implemented them with the respective teams – and modified them, if necessary – while continuously tracking everything. As an additional challenge, all relevant coronavirus-related measures also had to be implemented at the same time.

Focused on customer satisfaction

For the first three weeks of the collaboration, urgent measures were prioritized. "The focus was on supplying customers with the punctuality they normally expected, despite the sudden increase in demand," explained project leader Hanka Smiejczak from 4flow. "And of course, new customers who want to try cooking with fresh ingredients during the crisis should also have meal kits delivered to their front door on time."

Clean resource planning and increasing inventory was just as necessary as converting all production lines from a 1.5 shift operation to 3 shifts. In order to achieve this, defined staff requirements had to be adjusted on very short notice, temporary staff had to be hired and a new structure had to be reestablished – with assigned workspaces for everyone, KPIs and real-time transparency for production progress. “The transparency of production capacities on delivery days was particularly important for managing and fulfilling customer orders,” said Hanka Smiejczak.

Staff members at HelloFresh were accustomed to arriving at work and finding everything as they had left it the evening before. New staff were added to work two consecutive overnight shifts. Hygiene and safety measures were also increased and continuously implemented, altogether resulting in a new situation that required a structured handover. From the beginning, great care was taken to prepare everyone for the necessary changes.

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Alexander Bayerlein, Vice President Production International at HelloFresh

Customer

- > HelloFresh

Consumer goods and retail

- > 4,500 employees
- > Locations in 14 countries on 3 continents
- > Global leader in meal kit delivery service

Project scope

- > After process restructuring and converting to a 3-shift system during ongoing operations, a further 25% increase in output was achieved within 4 weeks at the company's distribution center in Verden, Germany.

Results

- > Stabilization of all production lines after converting to a 3-shift operation
- > Further 25% increase in production output in just 4 weeks
- > Increase in efficiency by 10%

"Restructuring processes, especially when the workload is unusually high, is a challenge for everyone involved. 4flow was extremely successful in absorbing concerns and adjustment issues and involving all staff from the start", said Alexander Bayerlein, Vice President Production International at HelloFresh. 4flow worked closely together with those responsible for production, distribution, marketing and customer service in an active steering process.

Sustainable increase in efficiency

Achieving so much in such a short amount of time encouraged the location operators to think even bigger for the future. "To do this, you would have to move away from closing on the weekends towards a 24/6 operation, and from a push to a pull principle," said Hanka Smiejczak. This would mean making smaller quantities available, coordinating delivery days more precisely with suppliers, increasing delivery frequencies, re-planning areas, adjusting parameters and processes in the inventory management system and switching to daily forecasting requirements.

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About 4flow

4flow is a leading provider of supply chain consulting, software and fourth-party logistics (4PL) services. With more than 1000 team members, 4flow is a global partner for its customers at more than 20 locations in Europe, Asia, North America, and South America. 4flow completes more than 300 projects a year in cooperation with customers on 5 continents, in more than 40 different countries. 4flow is headquartered in Berlin, Germany.