Kaizen in Poultry

Poultry is one of the fastest growing segments of the agricultural sector in India today. While the production of agricultural crops has been rising at a rate of 1.5 to 2 percent per annum, that of eggs and broilers has been rising at a rate of 8 to 10 percent per annum. As a result, India is now the world’s fifth largest egg producer and the eighteenth largest producer of broilers. Driving this expansion are a combination of factors - growth in per capita income, a growing urban population and falling real poultry prices.

In the context of this emerging scenario, questions are being raised about the impact of the scaling up of production-through structural factors, externalities and policies-on small-scale producers.

Do the transaction costs, policy distortion and environment externalities place the small-scale producer at a disadvantage?

Why do some poultry farms have higher income than others?

Do large farms earn more profit per unit of output than small ones?

What explains the differentials in profitability?

Opportunities

Improving operational efficiency from “Farm to Fork” is the main challenge faced by the industry. There are issues in:

- FARMS (Grand Parents, Parents, Broilers, Breeders)
- HATCHERY
- PROCESSING PLANT (Fleet Management, Supply chain Management, Stores, Lab, HR, Accounts)
- SUPPORT SYSTEM
Benefits

Adoption of Kaizen principles can help overcome the aforementioned challenges and create a culture of continual improvement in the organization by identifying and relentlessly eliminating Muda (wasteful activities and practices) from every process everyday and by involving people at all levels to participate in problem-solving.

- **Hatchery**
  - Reduction in egg damages, Improvement in Hatchability, Maximize equipment’s reliability, Improvement in cleaning & hygiene (Bio Security), Optimization of raw material and other inventories, Improvement in on time error free deliveries of Day Old Chicks, Improvement in capabilities and discipline of employee (Performance Management System)

- **Farm**
  - Effective Bio Security System, Reduction in Mortality, Improved FCR (Feed Consumption Ratio), Effective management of feed and water, Maximize equipment’s reliability, Improvement in Houses maintainability, Improvement in Cropping process, Improvement in capabilities and discipline of employee (Performance Management System)

- **Processing Plant**
  - Improvement in On Time In Full Error Free deliveries, Improvement in End to End Flow (Birds receiving to Dispatch), Maximize equipment’s reliability, Inventories (Raw material and Finished Goods) Optimization, Improvement in capabilities and discipline of employee (Performance Management System)

- **Workshop**
  - Improvement in MTTR (Mean Time To Repair) & MTBF (Mean Time Between Failure), Improvement in logistics system (Farm to Hatchery, Farm to Processing plant, Hatchery to Customers, Processing plant to Customers, Suppliers to Farm, Hatchery and processing plant), Optimize spares and other inventory levels, Setting up various cost monitoring, analysis and action system, World class workshop- 5S & Visual management, Improvement in capabilities and discipline of employee (Performance Management System)

- **Other Areas**
  - Store, Lab, HR, Admin, Accounts, Marketing & Sales - Lean principles, Policy Deployment
To reduce the overall eggs damages at farm - in transit - at hatchery
(very significant when you deal with millions of eggs monthly)

- SS & visual management
- Layout improvement of egg store and grading room
- Work stations and standard operating procedures for Traying
- Standardization of internal storage and transportation
- Various standards formation & training- SOP and OPLs for farms
- Various standards formation & training- SOP and OPLs for drivers
- Setting up of data management, analysis and action practices
- Setting up of performance management system

To Improve the availability of Fleet on the road
(to improve on time delivery performance - internal and external customers)

To Reduce IN-WORKSHOP time of vehicles
(to improve Effectiveness of Service, Repair and Overhaul)

- Better Workplace Management - SS and Various Visuals
- Improvement of Lay out and general utilities tolls
- Putting up Spare Parts Management System
- Setting up Workshop Mechanics Performance System
- Setting up Drivers Performance System
- Implementation of Autonomous Maintenance
- Designing & Implementation of Various Standards - Service, Repair, Job Cards, Complaint analysis, Job responsibilities
- Setting up Daily Work Management System - Analysis and Actions
Kaizen Institute is a global pioneer and knowledge based organization which provides consulting, coaching and training services to companies represented in Europe, Asia-Pacific, Middle-East, Africa and America. Kaizen Institute Africa (KIA) is the Africa business unit offering its services to companies in the public, service, and manufacturing sectors, focusing on organizational change, lean manufacturing, and continual improvement implementation. Interestingly KIA strongly believes in practicing what it preaches. We strive hard to apply Kaizen in our own day to day business.

Kaizen is a journey and not a destination and it requires a very high degree of top management commitment.