

**A Study on Productivity Loss of Oishi's Sundays Mango Juice 45g at
Liwayway Marketing Corporation.**

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Chapter 1

Introduction

Background of the Study

Liwayway Marketing Corporation (LMC) is the manufacturer of the Oishi brand of snack products. At present, LMC has a growing product line which is expanded to over 50 variants of salty snacks, cereals, popcorns, cookies, powdered juices, and sauces. Their main manufacturing facility is located in Imus, Cavite, with satellite factories in Cagayan De Oro and Cebu City, to strengthen their nationwide distribution. Oishi products are exported to Japan, Korea, and Hong Kong, among others.

LMC is divided into three (3) divisions: Packaging, Drier, Warehouse. Packaging division focuses mainly on production of products which use small machinery. Packaging division is divided into four (4) sections, namely Juice line, Wenger, Pinatsu, Jinan. Juice line produces instant powder juice drink which has three (3) types, Sundays, Suntea, and Sugar Free drinks.

LMC currently produces "Oishi's Sundays Instant powder drink" which has 9 different flavor to choose from: Orange, Mango, Guava, Lemonade, Orange-Mango blend, Strawberry, Melon, Pineapple, Dalanghita and Papaya. These flavors come in three (3) different packages: 45g pouches, 250g pouches and 500g pouches. A 1kg pouch is subject upon request.

This study focuses on the production of "Oishi's Sundays Instant powder drink" 45g pouches in the juice production line.

The production of powder juice involves the following steps: The mixing room receives a certain amount of raw materials needed to be produced on that shift. The Premix of flavor, vitamins and food coloring is then mixed together in a single plastic container. A snack of sugar is then flash milled in order to make the sugar fine. Once the sugar and the premix are ready, they are both poured into the non gravity blender to be mixed by three hundred seconds (300). After mixing, they are then checked and labeled. A cart is used to deliver the powder to the packaging room. Once in the packaging room, two manual hoppers are tasked to pour the content of the cart to a plastic bin. These bins are used to transfer the powder to the feeder of the auto packaging machine (APM). The APM then packs the powder into forty five (45) grams pouches. A total of twenty pouches is then put into a small plastic by a manual sorter. These bags are then delivered to the Poly sealer machine to be sealed. After sealing, six (6) bags are to be inserted into a carton and then taped by the Taping machine.

In production of OSMJ the production line encounter delays due to No operator, No carts to be used, Machine malfunction and wrong relative humidity. No operator occur when the operators takes a break and there's no one to take there place, resulting to machine stoppage after one production operation. No carts to be used occur during the transfer of mixed powder from the mixing room to the packaging room. To finish mixing one batch, it takes at least 300 seconds. To unload one cart to the auto packaging room it takes 152.49 seconds plus 16.64 seconds,

but the cart will have to wait for the auto packaging machine to finish which is about 300 seconds before you can load it again. Since the cart is still at the packaging room, if the mixer is done mixing the other cart will then be send to the packaging room. If the first cart is not yet returned the mixing room will have no cart and they can't mix until the cart is returned. Machine malfunction occurs if the Auto packaging machine does not operate at the prescribe setting. The Auto packaging machine is stop when it does not cut at the correct setting, seal the packaging excessively and does not pack the powder at the correct weight. In the production area, the relative humidity set by the supervisor's office is 45% to 55% with anything outside those parameters, the production will stop until it comes back to the allowable range.

This study aims to reduce the production delay of "Oishi's Sundays Instant powder drink" Mango 45g in order to meet the target output of production.

Statement of the Problem

Liwayway Marketing Corporation experienced 5.85% production loss of "Oishi's Sundays Instant powder drink" Mango 45g pouches in Packaging Department from June to November 2008 which resulted to an opportunity loss amounting to 1,941,120 Php.

Objective of the Study

General:

To decrease the production loss of "Oishi's Sundays Instant powder drink" Mango 45g pouches to 2.0%

Specific:

- To analyze the factors that cause the productivity loss of "Oishi's Sundays Instant powder drink" Mango 45g pouches
- To meet the accepted production of "Oishi's Sundays Instant powder drink" Mango 45g pouches
- To provide a solution and recommendation to the current problems of production

Significance of the Study

The accomplishment of this study benefits the following:

For the Students

This study will act as a guide which helps the students in understanding problems and solutions in production. The student can benefit by having an idea of what environment the student may encounter in the future.

For the Company

The study will serve as another point of view in terms of seeing the problem and analyzing solution and recommendation. The study will, therefore, be beneficial to both the students and the company since each party will have different point of view and may arrive at different resolutions.

For the Readers

The readers of the study will learn all about productivity being used to measure the efficiency of a company in terms of sales and opportunity loss. This study will also aid them to become knowledgeable persons with different fields of expertise.