

## MANAGED LABOR – ADAPTABILITY, FLEXIBILITY...AND SAVINGS

**Client:** Kimberly-Clark

**Website:** Kimberly-Clark.com

**Service Site:** Owensboro, Kentucky Manufacturing Facility

**Industry:** Personal Care and Commercial Paper Products

**Description:** LACOSTA provides managed material handling services



### YOU WILL PROBABLY USE A KIMBERLY-CLARK PRODUCT TODAY

It is estimated that a quarter of the world's population uses products manufactured by Kimberly Clark. Selling products in 175 countries and locations, their brands include Kleenex, Kotex, Huggies, Cottonelle, Scott, Viva, KimWipes, and several office and medical brands. This 150 year old company has evolved from being a business paper company to a global business/consumer paper products company.

"Our relationship with LACOSTA Services began about 12 years ago – before my time here at Kimberly-Clark," states Mark

Greenwald, the Plant Finance and Logistics Leader for Kimberly-Clark's facility in Owensboro, Kentucky. "We were using in-house personnel when we decided to outsource to LACOSTA."

### MATERIAL HANDLING – WHAT IS IT?

"We manufacture the large commercial paper towel rolls, toilet paper and the hand-folded towels that you see in commercial rest rooms," Greenwald outlines. "Our LACOSTA material workers move our finished product off of the end of our manufacturing lines, into a warehouse area for temporary storage. They also take products from the warehouse and load them into tractor trailers, to be shipped out

of the mill to distribution centers or direct to the customer. We have about 23 material workers on site right now.”

## **SITE LEADERS ARE KEY**

“The LACOSTA site leaders work out very well for us. They take care of hiring and firing and personnel issues for the most part,” Greenwald comments. “Over the past couple of years, we have had times where we did not have a LACOSTA site leader and there were some challenges that developed.”

## **METRICS OF DAMAGE AND ORDER DISCREPANCIES**

Greenwald continues, “All the times, when we have had a site leader in place, it’s always been very smooth and it’s good for us. because we can work closely with them on product damage, making sure the trucks are loaded correctly and efficiently so it doesn’t create product damage in transit. Where we spend most of our time with the site manager, is working on the metrics of damage and on discrepancies between what the order says should be on the trailer what is actually on the trailer. ”

Do the site managers save time and take stress off of the in-house manager?



“Absolutely!” affirms Greenwald. “In my experience here, we have situations where the resources change – for instance several workers transfer to help out at another site. LACOSTA has to backfill positions here and the site leaders have done a great job of handling all types of transitions.

## **LACOSTA SITE LEADERS ADAPT TO IN-HOUSE SAP SYSTEM**

LACOSTA has a very strong tracking and analytical system but LACOSTA site leaders have to adapt. “All of the data analytics are done on the Kimber-Clark site,” says Greenwald. “This is handled by our in-house team because our SAP system encompasses all of our sites and locations. The LACOSTA site leaders are given access to our data and can enter job related data.”

### **HANDLING THE PANDEMIC**

"The products we manufacture here are all on the commercial side of the business", observes Greenwald. "We had schools, offices, hospitality industry and medical facilities all shutting down. Like most businesses at the time, that created a pretty big void in the sales of products for a long period of time. When the demand went down, we had to stop manufacturing because we would have just been filling up warehouses with product we couldn't sell.

It was a lever we never knew we would need to have or did have. Because of LACOSTA's flexibility, we could reduce their support enabling us to keep our skilled mechanic workers backfilling material handling work. When the work came back we moved the Kimberly-Clark mechanics back to their regular roles and brought back LACOSTA material handlers.



### **HITTING BOTTOM IN THE LAST QUARTER OF 2020**

"In the Fall of 2020," Greenwald recounts, "we had to go beyond reductions. We let go of all our LACOSTA workers retaining only our Site Leader and one support person. Our sales volume had become extremely low for the type of products we make here. In mid-December we stated bringing back the LACOSTA crew..

### **A 25% COST REDUCTION WITH LACOSTA'S MANAGED LABOR SERVICE**

Considering the operational flexibility of LACOSTA's managed services, is it cost effective? Greenwald does a quick calculation in his head. "Fully loaded, the savings amount to a 25% cost reduction."

### **ADAPTABILITY AND FLEXIBILITY**

"Over the last four years we have had some very different and difficult challenges to deal with," observes Greenwald. "LACOSTA has always been highly flexible in meeting our needs for managed labor – material handlers. They have been able to ramp up staffing and ramp down very quickly and smoothly. And they have always had very strong site leadership."