Building the Business Case: Tyson Foods

“As long as the wheels are turning, the Fleets are making money for us,” Marcus Mullins, Tyson, “GuiXT and SAP ensured we were getting the proper maintenance on the proper equipment at the proper time which far exceeds any hard dollar savings we gained.”

Headquartered in Springdale, Arkansas, Tyson Foods entered the meat processing industry in 1935. Since then, Tyson Foods has become the world’s largest processor and marketer of chicken, beef and pork products mostly through a long history of acquisitions, its most recent being the acquisition of IBP, Inc—now called Tyson Fresh Meats, Inc. (TFM)—in 2001. The company is the second largest publicly traded food company in the Fortune 500 and employs 107,000 people at more than 300 facilities and offices worldwide. Tyson Foods exports to more than 130 countries, including Canada, China, the European Union, Japan, Mexico, Russia, South Korea and Taiwan.

THE CHALLENGE

Tyson started with SAP in 1998 with FICO and Purchase to Pay and expanded that initial deployment to other areas as they replaced their legacy systems. The challenges in the vehicle world had to do with creating work orders that were time consuming and confusing for the mechanics. This resulted in poor data quality, and excessive training for vehicle repairs which in turn caused delays to shipments and customers.

Tyson has 42 truck stops in the company that are using SAP to manage their fleets. The basic process of a work order consists of a lead person creating a work order, a mechanic getting the parts and entering in the odometer reading, a parts manager entering the parts into the work order, and finally the mechanic performing the service, and entering in the time he took. This is all done using a touch screen. The foreman then reviews the parts, verifies that the order is completed, and then it is finally t-coded out at the end of the process.

There is a simple odometer process which is done by the mechanics themselves in which they have a paper work order. They get the odometer reading from either the driver or the truck itself and enter in the odometer reading through the monitor or touch screen on the floor.

The labor entry process is similar to the odometer which is also done by the mechanic. After they perform the necessary repairs on the equipment, they record their time using the touch screen, which is then reviewed by

The warranty process is more involved. Tyson has a very aggressive warranty process with their fleets in which they have many types—ranging from bumper to bumper warranties to aftermarket parts. Parts are issued and the warranty clerk starts the claim. The claim is processed whether it is a check or credit memo. The checks are coded and accounting creates a balance sheet. This is a condensed version because a typical warranty claim can take months from beginning to end in which the claim is processed until the money is returned from the vendor.

With GuiXT, Tyson has improved the return of that money, as well as tracking the replacement of parts and the associated cost savings. The warranty savings was how GuiXT was sold to Tyson management.
OUT-OF-BOX SAP USER EXPERIENCE

SAP is a powerful system, but it can be challenging for the average, daily user of the system. Different views are required for different roles. Shop managers took a long time to understand the complex screens, as well as why they were entering in data. In addition, the process became error-prone, as there were many fields and options. The free text vs. drop-down lists and radio buttons was also an issue.

THE APPROACH

The critical tasks included the ability to enter in notifications, work orders, assurance of parts, odometer readings, and time confirmation all on the same screen while having this data based on different roles in the Fleet Department. Warranty alerts were also required so that parts could be replaced prior to expiration. Tyson needed an easier way to ensure the equipment was receiving proper preventive maintenance at the right time. Tyson also has wash sites where trucks are washed to meet bio-security reasons to meet food safety regulations. The ability to track these costs in the Fleet Department was also required on a per equipment basis.

The Call PM button is used when preventative maintenance is performed earlier than required. Trucks that are traveling long distances, can pull into any of the 42 shops and when the odometer reading is entered, the system will indicate if the truck is in need of an oil change, a Department of Transportation inspection or other preventive maintenance procedures. More often than not, preventive maintenance is performed earlier than required using the Call PM button.

THE RESULTS

With complete visibility of the entire fleet’s PM schedule, Tyson was able to manage preventive maintenance more effectively. For soft dollar savings, Tyson now had a usable system to do proper inspections and maintenance while viewing the fleet as a whole so that the different fleet directors could ensure their equipment was being maintained properly resulting in less breakdowns, and running more miles with less equipment.

• The warranty process alone returned $4.3 million over the last 6 years
• Over $75,000 savings in decommissioning the Vehicle Legacy System

Once the benefits were proven in the 42 shops for Fleet Maintenance, GuiXT was then deployed to other departments for Plant Maintenance and Material Management. These were much larger endeavors with 130 plants using PM, and 20 hatcheries, 20 feed mills, and 8,000 users now using GuiXT successfully.

Tyson staffs one person to do all the GuiXT work. This person has an IT background and is usually fresh out of college who starts out working with GuiXT, then grows into other parts of the business.