

Lipton tea: an analysis



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Executive Summary

Operations Management is an area in the management which is concerned with the production of goods and services in different industries and also keeps the responsibility of ensuring efficient business procedure and business operations. It is basically concerned with that area of business which converts the inputs, mainly land, labor, machines, energy and materials into outputs, mainly production of goods and services. This project is a project under operations management and deals with the production and operations of the one of the biggest tea manufacturer in the world, Lipton Tea. Tea industry has been chosen as the target for the project because this is an industry which has been there in the market for so long time and is still growing, no matter how down the economy grow. Lipton Tea has been targeted for the project because if exploring the tea industry then Lipton Tea would be one of the best brands which will give a complete and the best exposure of the tea industry. This projects talks about the production and manufacturing process and techniques used in the company. it will also tell the quality standards which are applied in the company and how effectively these standards are going at present.

Introduction

Lipton is a brand which is presently owned by the leading group Unilever. Lipton is a tea producing brand. Lipton tea was launched in the year 1890 by Sir Grocer Lipton in Scotland. At present, Lipton tea is there at each and every part of the world. It targets the mass market and the positioning of the tea product of Lipton is done at the middle price in the market which can be afforded by the middle class segment of any country. Various techniques and

advancement in the production is emerged in the labs of Lipton Institute of Tea. In this institute, various researches are done in order to give mental benefits to the customers with an enormous growth in the processing and tasting of the tea. Lipton tea selects its blends from different part plants from all around the world. There are different products for the same. Some of the examples of Lipton tea are Yellow Level Brand, Lipton Lenia, Black Flavored Brand, green tea and Lipton Milk tea. Lipton is not only in the hot tea brand but it is also in the ice tea brand which is recently been launched by the company.

Lipton Tea owns plants in different parts of the world. Some of the places where Lipton tea owns the plants are Kericho in Kenya and Mufindi in Tenzania. This brand has been acquired by one of the most famous brand in the industry, Unilever (Raieef Qureshi, 2007).

Background of the Project

The background of the project is the basic behind the operations management. The project is related to the one of the most important areas of operations management called Production Management. The project is being done in order to see the operational management system in Lipton Tea. The basic idea behind the project is to explore any industry in the market and see the basic functionality of its production or manufacture. Lipton Tea has been taken or chosen as the industry for the project as it is one of the fastest growing tea companies in the world and a part of Unilever.

Objective of the Study

There are some important objectives of this project which are as follows:

To understand the important of production in the operation management

To understand the manufacturing process of the product before it gets packed and finally reach to us as the final product

To understand the difficulties which the company faces in making the product ready for sale. How much effort does the employee have to pay?

To understand the basic mechanism used for manufacturing process i. e. to understand the machinery used and how it is used in the production process.

To give recommendations to the company regarding some improvements if required in their production process

Scope of the Study

The main scope of the study is that it will help us to understand the basic functionality of the production which takes place in the company. This study will give us an industrial exposure and will help is to gain a lot of information about the company and its production techniques. This study will help us to do further research on any other industry or will help in continuing the present research into some other field of project management like inventory management or quality management. This study will be useful as it will give me an overall confidence regarding my knowledge about the operations management as a subject as it will give me something more than a bookish knowledge.

Methodology

This project is an operational management project. This project is based on the secondary research about one of the famous tea companies in the world, <https://assignbuster.com/lipton-tea-an-analysis/>

Lipton Tea. The methodology used in this project will be totally based on the secondary research which will take help of various websites, articles and books. The main aim of the project is to understand the operational and the production process of the company. This will help in understanding how tea industries work. The research will evaluate the existing production system of the company which will tell about the process and procedures used in the product of tea. Along with this, it will also evaluate the information about the machines which are used in the production process of tea. The project will talk about the layout plan of the site where the production is done. This evaluation will find out the faults in the site layout of the company and will provide an expected layout plan which the company should use. The research will help in finding the process of production of tea in the company and it also finds out how varying the products could be. The quality standards used by the company are evaluated in the research and finally a conclusion is made regarding the research along with some recommendations.

Existing Systems

The existing systems in the company are based on the production process. The production process describes the operational system in the company. The present system of the company has two steps of production which are explained in the production process. There are more and more advantages of the present production system of the company but along with that company has not expanded itself up to a level which it could have because it has been working in this industry for the past 100 years. This suggests that current production system of the company is absolutely fine but slowly expanding.

Machines in Operations

During the production of tea in the company or in the factory, there are a number of machineries used. These machines play an intermediary role in the production process. These are the equipments which help in the production of tea in the company. There are some important machines which are used in the production process in the company. these machines are as follows:

Roller

Fermenting Machines

Hot water dryer

Machine Description

Roller: The roller is a machine in which the 70 percent dry leaves are kept and is crushed. Roller is equipment which helps in crushing the dry leave so as to make it ready for the fermentation process. Roller has to be well equipped with the technologies because this is an important process in the production.

Fermenting Machines: Fermenting machine is a machine which helps in the oxidization of crushed leaves. It is possible to oxidize the leaves with out the help of fermenting machine but fermenting machine makes the process continuous. This means that individual treat is given to each and every leaf.

Hot water dryer: Hot water dryer is a machine which completely soaks the water or the moisture from the tea leaves and helps in making the tea more

and better (Technology trends in Tea Manufacturing). This is a technical process in which machines have to be on for 20 minutes in continuous.

Site Layout Plan

For site layout, there are several activities which come in between. It consists of the location preplanning, dimensions and quarry arrangement and supporting machinery in the factory. The main objectives of a site layout are as follows:

A decent amount of space is provided to all the activities which are going to be there in future

Flow of materials used for the manufacturing work will have to be efficient and safe

Special requirements will be entertained and all such requirements of the factory will have to be fulfilled.

Expected Plant Layout

Plant layout is an important thing to evaluate when an operational project is getting evaluated. It gives an idea about the places where the production process takes place. Expected Plant layout of Lipton tea should have the seven main sections; Dryer Section, Sorting Section, Rolling Section, Go down, Oil Engine Section, Bin Section and Printing Section.

The following image will show the plant layout which should be there in the factory:

The Production Process

The production Process can be divided into two main parts. One is the tree plantation this is the most prior step of the production process and then is the manufacturing step. We will describe both the steps in detail.

Tree Plantation step

There are mainly two types of tea bushes which are used for the tree plantation step of production process. These types of tea bushes are Camellia Sinensis which is found in China, Tibet and Japan and Camelia Assamica which is found in the North Eastern part of India. These plants grow in mainly warmer region in between the tropic of Capricorn and tropic of cancer. Plants are needed to be in rows and a particular distance apart from each other. Then, after sometime, leaves from the bushes are plucked depending upon the climatic situations. After the leaves are plucked, these are transferred to the factories for the manufacturing process (Tea Production Process).

Manufacturing Step

In case of manufacturing steps, there are two different types of manufacturing done which are as follows:

Black Tea Manufacturing: Steps followed in black tea manufacturing are:

Withering: This is mainly done in order to reduce the moisture from the leaves. This is done to reduce it by around 70 percent level. This step takes around 12 to 17 hours.

Rolling: The moisture free leaves are placed in the rolling machine. Rolling machines rolls these leaves and churn them so that they can go for the next step

Oxidation: After rolling, tea is laid on the tables so that enzymes which are there inside the leaves come in contact with the air and get oxidized. This creates color, fragrance and strength of the tea.

Drying: Last step is drying. After oxidation, tea is passed through hot air dryers who take the total moisture content at a level of 3 percent. Then, tea is sent for packing.

Tasting and Blending: Before delivering the final product, it is important for the producer to check the produce and hence a taster is selected who examines the wet as well as the dry leaves. Taste and color of the tea is judged by this professional taster. After the tea is tasted then it is sent for blending. If the tasting and blending is approved by the professional taster, then only the product will go at a further level i. e. to the final stage.

Sorting and Packaging: This is considered as the final stage of the tea production process. This is considered to be one of the most important processes. Here, leaves are selected according to their types and appearances. When sorting is done, then final product is packaged in lined paper sacks.

There is a slight difference in Green Tea Manufacture as compared to the black tea. This could be pointed out in the following diagram:

Tea Production Process in Lipton Tea

Quality Management

Quality management for Lipton Tea mainly focuses upon the environmental support through the company. Company has a lot of focus on the environmental balance and health effectiveness. Lipton takes care of the health of the customers and gives them a mental balance. In Lipton Institute, researches are conducted so that the quality of the product is improved and it can give health and mental benefits to the customers. As far as the quality standards of the company are concerned, Lipton Tea has a Rainforest Alliance Certification. According to this certification, the company will pack the tea in the Rainforest bags till the year 2015. Along with this, there are some standards set up in health and management of safety in Lipton Tea (Unilever and Tea Sustainability , 2004). The company in Jebel Ali Free Zones has been awarded with a quality certification of OHSAS 18001. Under this certification, company will provide health and safety management to the customers. This is a Swiss bases quality standards which the company is adapting. This is a compliment of ISO 9001 and 14001 Quality Standard Certifications. These certifications were given to the company in the year 2001. Hence, presently company runs with three quality certification being awarded to it. OHSAS is a quality award which is hardly awarded to any company. By getting this award, Lipton Tea has set a benchmark to the other companies in the industry (Lipton tea bag factory sets new standard in health and safety management, 2002).

Recommendations

Lipton Tea has been there in the industry for more than 100 years. Hence, giving recommendations to the company will not be much acceptable. But still, there are some problems which I think is there in the company and its operational activities and will be recommended in this section:

The company has a very good format of the production system, but still the site map of the company is not satisfactory. Being there in the industry for the last 100 years or more the company has not gained as much as it could have been expected. Company should open up more plants in several other areas between tropic of cancer and tropic of Capricorn and start doing the production. This is important because Lipton Tea is huge and it has a lot to grow in the future

Another recommendation could be that as quality certification of the company has been done in the year 2000, hence company should again give a quality check in order to maintain the quality standard in the production and other activities.

Appendices

Standard Airline Process for Tea Production

Roller

Fermenting Machine

Hot Water Dryer