

# Wattie frozen foods Ltd

[Business](#), [Industries](#)



The firm's competitive environment is in New Zealand, Australia, and the Pacific Rim. They have head quarters in Auckland and four factories located in Gisborne, Hastings, Fielding, and Christchurch.

The range is frozen and dehydrated vegetable products, main products being peas, beans and frenches fried potatoes.

Growers are contracted to WFF and are provided with a significant amount of technical assistance, including the availability of quality seed stock, and a wide variety of agricultural management assistance. Once crops are deemed ready they are harvested quickly and transported immediately to the branch factory, where the crop reception department tests the quality of the incoming produce. At the factory the season processing is done around the clock. I. e.) potatoes are first washed, then sliced, deep-fried, frozen and packed. Peas are washed, graded, and then frozen for bulk storage. Beans are washed, graded dried, and packed.

Problems with seasonality in the business are that you may run out of stock in a non-season where that product is not being produced. To get that product in a non-season could be quite expensive. The season for that product could produce a bad crop and you would have to wait until next season to get the next crop.

Work Center Management is that the organization is divided up into a set of semiautonomous work centers. Each work center will have skilled supervisors and employees who will be able to make critical decisions to manufacture a quality product in a timely manner. There is daily reporting because the information will be more useful and ownership of the

information is more likely. Daily reporting will occur because it will come from the bottom and travel its way up.

The motivation for WCM consisted of 2 things:

1. The need to change the emphasis from reporting to managing
  - Shortening the time between actions and the subsequent reporting results.
  - Ensure focused accountability through clearly defined responsibilities for costs and the power to act.
2. The need for staff involvement and operational involvement

It is necessary to change the organizational culture because WCM made managers fully responsible for their outputs and use of inputs and resources including labor, equipment, services and inventories. Thus management has to be empowered, responsible and fully empowered.

The culture change was achieved by dividing each factory into units, which were largely self-contained and small enough to ensure focused management and accountability. Each of these units, were to be known as work centers. Each work center had one manager, the site manager (factory manager) would support the work center managers to coordinate work between the work centers and solve any conflicts.

The physical numbers tie into the financial accounting system by cost is assigned to processes or products at the basis of the actual consumption of physical resources.

The benefits of WCM are that it is integrated with other systems and programs, which provides better managerial reporting. It doesn't just provide cost and financial performance measures, but also provides monthly summaries of wide physical measures to evaluate the work centers. The WCM has resulted in improved control and cost reductions in difficult to control areas. Other benefits of WCM include:

- Improved focus on quality production

Potential problems in operating the WCM system are that eventually staff and management will get lazy on the daily reporting aspects. There may be staff turnover, as some managers will get promoted and training will have to be given to the next line of upcoming management. WCM will have to be continuously monitored to see the cost vs. benefit analysis.

The types of operations that lend themselves to daily financial reporting are labor, electricity, materials, and machinery.