# Scrap reduction in Pizzamania

## Agenda



## Overview



## **Define**



Measure



**Analyze** 



**Improve** 



**Control** 

### **Overview**



## **Overview**



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## Background

Pizzamania, a busy pizza center in Abu Dhabi, expanded operations in 2019 with modern automated machines targeting 600 pizzas per day. However, process issues emerged, and by early 2021 the internal scrap rate had risen to around 17% and customer returns averaged 3%. Customer complaints—mainly about burnt or uncooked pizzas—intensified. Scrap and rework reduced effective capacity, and revenue fell from \$2M to \$1.5M in six months.

The management set a target of reducing internal scrap to below 5% and minimizing customer returns while maintaining output. Achieving this would save \$200,000 annually from reduced scrap/rework and generate an additional \$175,000 from improved margins, totaling \$375,000 in tangible benefits. Intangible benefits include improved customer satisfaction, delivery reliability, and quality

### **Overview**

### Context

Internal scrap is high @17%, customer return @
 3% and reduced revenue by 500 K USD

### **PROJECT TEAM**

- Leader Mr.Nirbhay
- Champion / Sponsor Mr. Ali
- Master Black Belt / Coach Nirbhay
- Team Nirbhay & Team

### SCOPE

The Scope of this project is limited to pizza manufactured in 'Pizzamania Pizza Centre' Abu Dhabi.

### **GOAL**

 To reduce scrap (internal & external) from 20% to 5% Benefit – 200,000 USD on savings because of reduced rejections+ 175,000 USD improvement in margin = 3,75,000 USD

### **APPROACH**

Follow DMAIC METHODOLOGY

### **DURATION**

- Start Date 01/01/2022
- End Date 30/06/2022
- Duration 6 month

## **Project Phase**



### **Overview**



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## VOC & CTQ

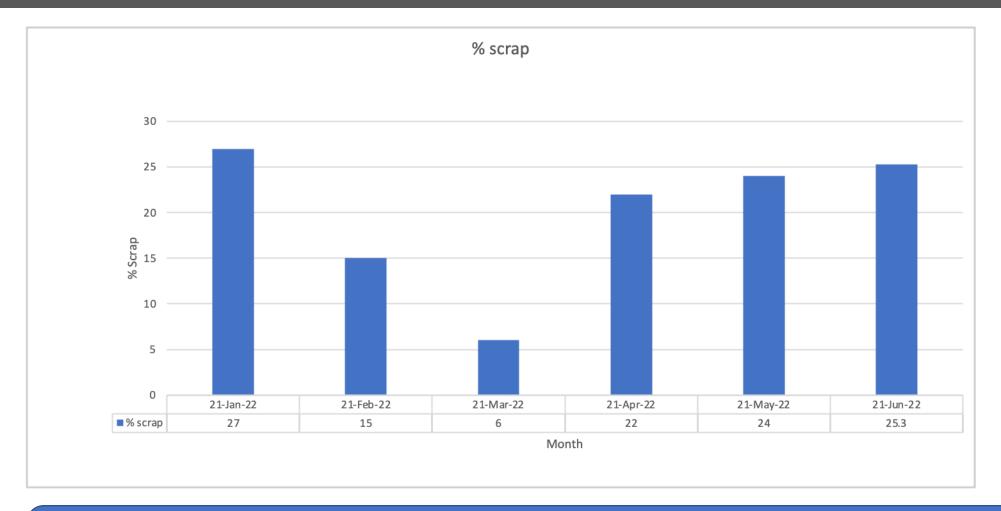
### **Voice of Customer:**

• Quality is bad, customers are getting uncooked and burnt pizzas

### **CTQ Tree:**

Voice of customer	Critical to X	Primary Metric for improvement
Bad Pizza Quality Uncooked & burnt	CTQ — Quality — % Scrap — Internal and External	Primary Metric - Y = % Scrap = No of bad quality / total pizza cooked Target - 5 % (internal + external) Defect - Any pizza not meeting specification Secondary Metric - Output pizzas per day (600)

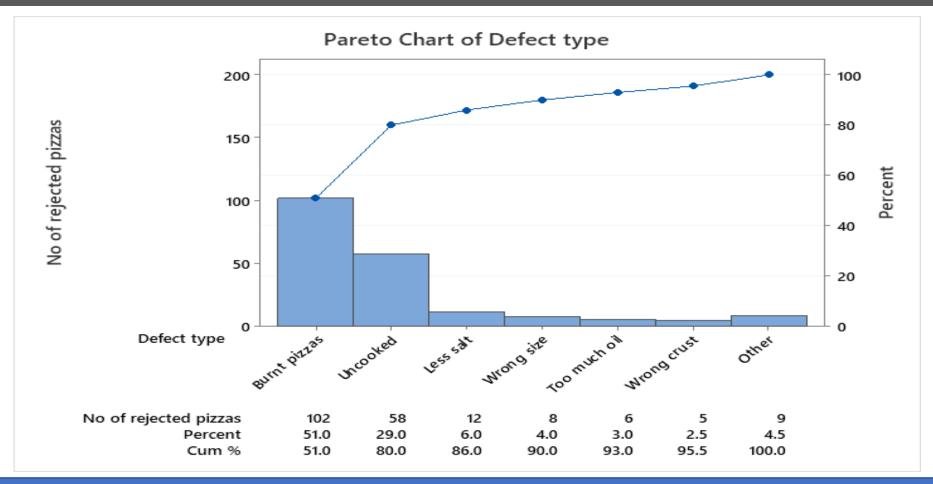
### Baseline Performance of Primary Metric (6 months data as Bar chart)



### Inference:

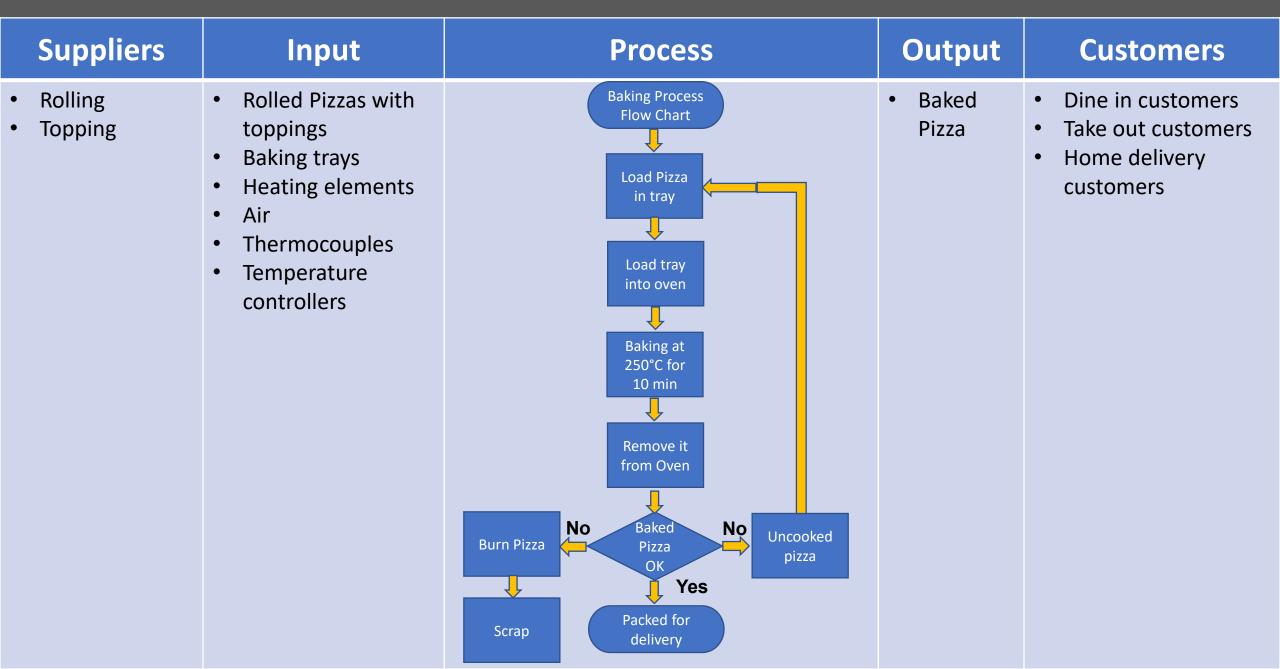
 Last 6 months scrap percentage data shows a significant variation and hence ideal problem to be taken up as a Six Sigma Project.

### Pareto chart

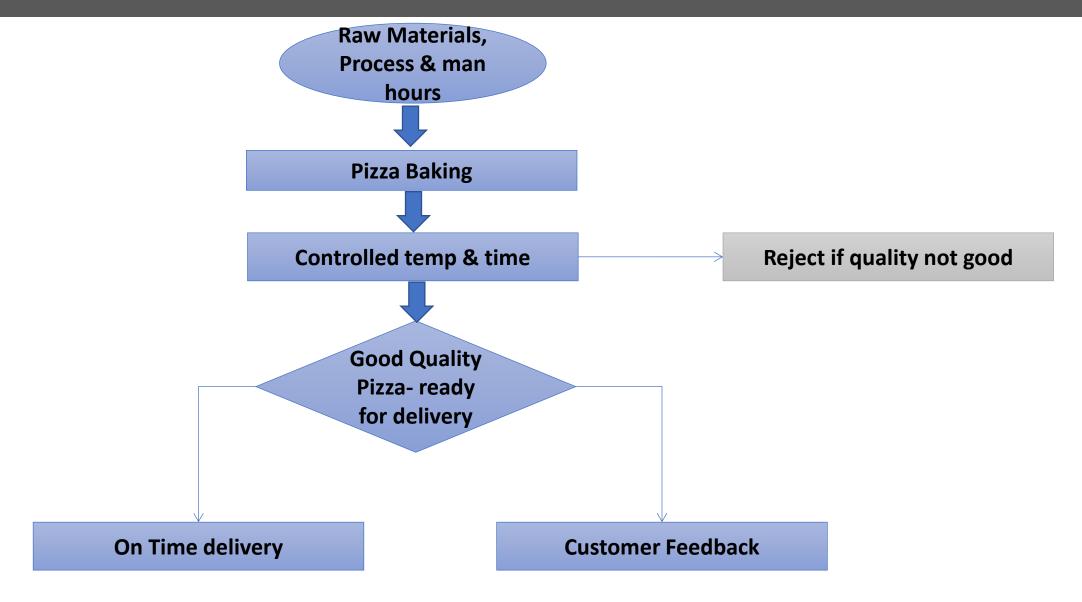


- Burnt and Uncooked pizza scrap in Baking process contributes to 80% of total scrap.
- Scope of project can be limited to Baking process
- By reducing Baking process scrap from 16% to 1%, Pizzamania can achieve overall scrap reduction from 20% to 5%.

## SIPOC – For Baking Process



## **High Level Process Mapping**



## **Project Charter**

Project Title:	Reduction of Scrap% in Baking process from 16 to 1%				
Project Leader:		Project Team Members:			
Name: Nirbhay		1 Adi			
Business Unit: Abu Dhabi Branch		2 Sunil			
Email: Pizzamaniaabudhabi@pizzam	ania.com	3 Ali			
Contact No: 00971 000 000 000		4 Hamid			
Champion/Sponsors:		Master Black Belt:			
Mr. Ali		1. Annamalai			
Problem Statement:		Goal Statement:			
Scrap from backing process is very hithe data January 2021 to June 2021.	gh (@ 16 %) based on	Reduce the scrap from bac	king process from 16%	to 1% by June 2022.	
Secondary Metric		Assumptions Made:			
Number of pizza output per day		80 % scrap from the baking	g process is determine	d based on samples	

## **Project Charter**

Tangible and Intangible Benefits:	Risk to Success:		
Estimated saving =  • \$ 200,000 + \$ 175,000 = \$ 375,000  Other benefits —  • Customer Satisfaction  • Accuracy on delivery time	Nisk to Success.		
In Scope:	Out of Scope:		
Baking process of pizza	All other process and other product		
Signatories:	Project Timeline:		
Project Leader : Nirbhay	Jan 2022 to June 202 ( 6 Months)	2	
Sponsor : Ali	Stages	Start	End
	Define	1st January 2022	31st January 2022
Master Black Belt : Annamalai	Measure	1st February 2022	28 <sup>th</sup> February 2022
	Analyze	1st March 2022	15 <sup>th</sup> April 2022
Finance Representative : Pizzamania	Improve	16 <sup>th</sup> April 2022	31 <sup>st</sup> May 2022
	Control	1st June 2022	30th June 2022

## **Project Phase**



Overview



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Control

## **Operational Definition (Primary Metric)**

Quantifiable. Measurable Y Metric	% Scrap In baking process
In What units is the Y measured?	percentage
What underlying raw data elements are required to calculate the Y metric?	Input – Total number of pizza Total number of scrap due to baking process over period of time
What is the formula to calculate Y?	$\frac{\textit{Number of Scrap}}{\textit{Total Number of pizza}} \times 100$
How do you define each underlying data element used to calculate Y? (In this case: definition of START a END)	Business is running for 12 Hours everyday Start - Morning 09:00 AM End - Evening 09:00 PM
What gages (instruments) were used?	Scrap rate during quality check
Who collects the underlying raw data? How?	Quality team by random sampling
Does the data represent the entire population or only a sample?	Samples
If sampled, what is the sample size? What is the sampling strategy?	Every 50 <sup>th</sup> pizza from continuous oven 1 to oven 4
What period of time does the data represent? (From To)	Past 6 month from Jan – 2021 to June 2021

### Data collection – Descriptive statistics (Before improvement)

#### **Statistics**

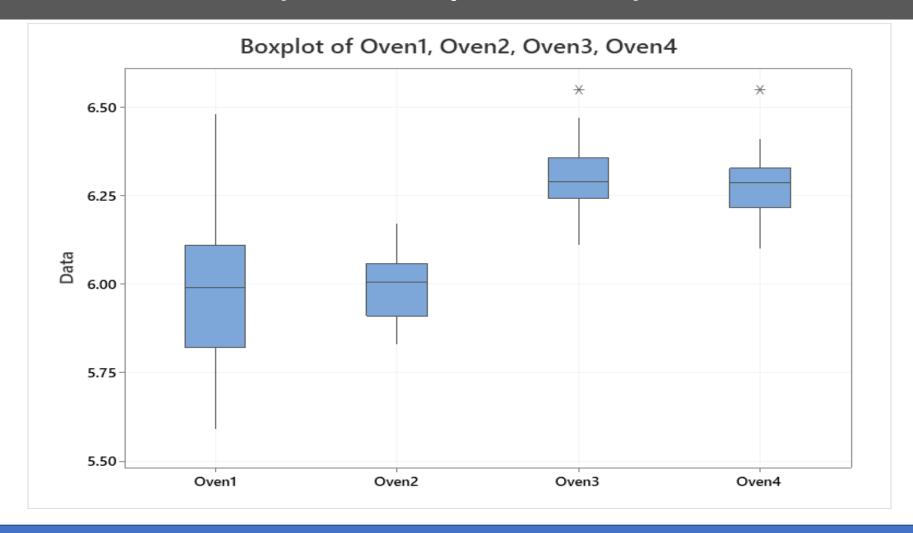
Variable	1 N	√ Mean	StDev	Variance	Minimum	Q1	Median	Q3	Maximum Range
Oven1	40	0 5.9772	0.2146	0.0461	5.5900	5.8200	5.9900	6.1100	6.4800 0.8900
oven2	40	0 5.9918	0.0976	0.0095	5.8300	5.9100	6.0050	6.0575	6.1700 0.3400
oven3	40	0 6.3048	0.0883	0.0078	6.1100	6.2500	6.2950	6.3575	6.5500 0.4400
oven4	40	0 6.2780	0.0920	0.0085	6.1000	6.2150	6.2850	6.3275	6.5500 0.4500

Variable	IQR	Mode	N for Mode
Oven1	0.2900	6.1	3
oven2	0.1475	6.04	4
oven3	0.1075	6.27, 6.28, 6.29, 6.32	3
oven4	0.1125	6.29, 6.32	4

The data contain at least five mode values. Only the smallest four are shown.

- Oven 1 and Oven 2 having mean near to required thickness but the variation is more in oven 1
- Oven 3 and Oven 4 is having mean above 6.04 mm near to USL.
- Even having at higher thickness the variation in oven 3 is less.

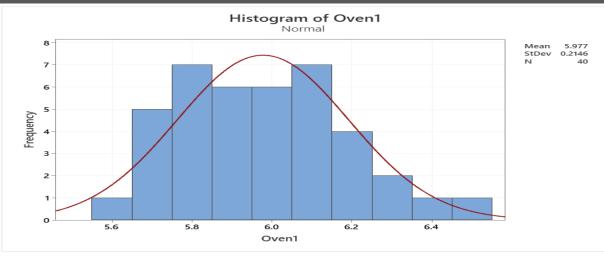
## Data collection – Box Plot (Before improvement)

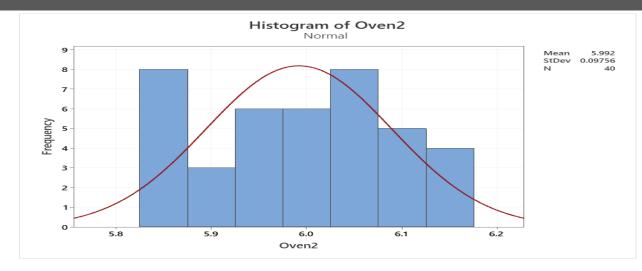


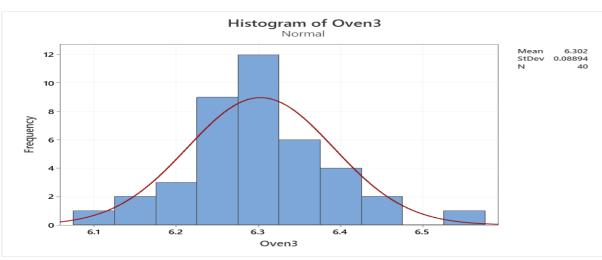
### **Inference:**

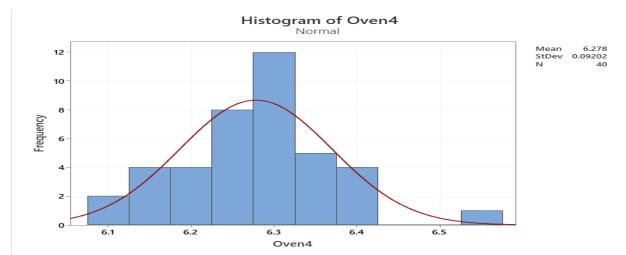
 Thickness of Oven 1 and Oven 2 is near to desirable thickness 6.04 mm and on other hand thickness of Oven 3 and Oven 4 is having above from the expected thickness even some of outliers also present.

## **Data collection – Histogram (Before improvement)**





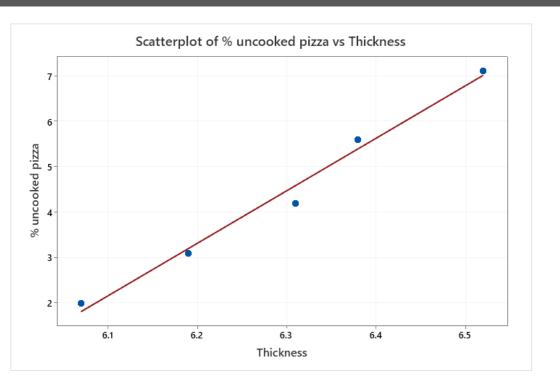


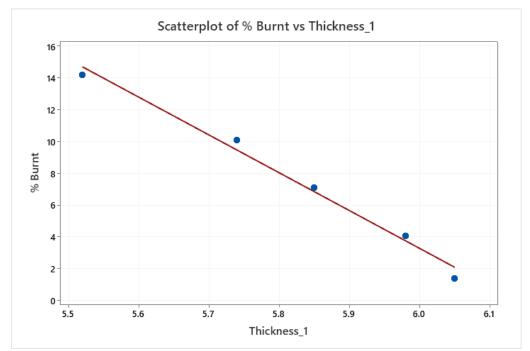


### Inference:

• Data is normally distributed over the mean for all oven

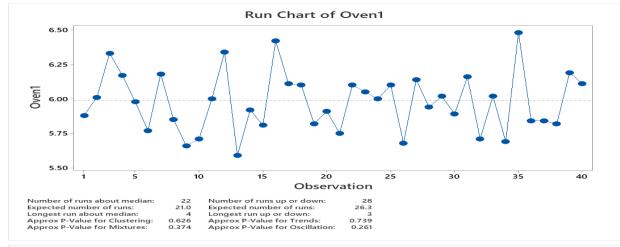
### **Data collection**

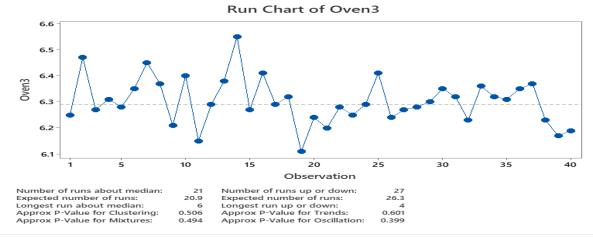


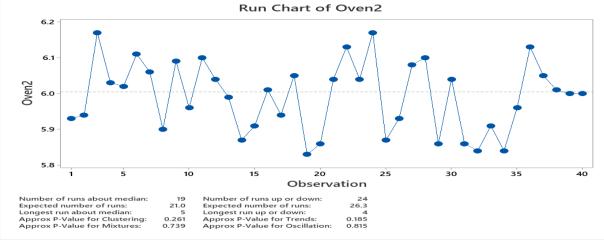


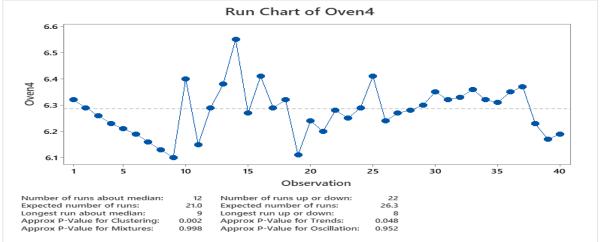
- % Rejections in uncooked with thickness is having strong positive relationship and % rejection in burnt pizzas is having strong negative relationship with thickness.
- Focus of the project will be to control the thickness in narrow range to reduce baking rejections

## Data collection - Run Chart (Before improvement)



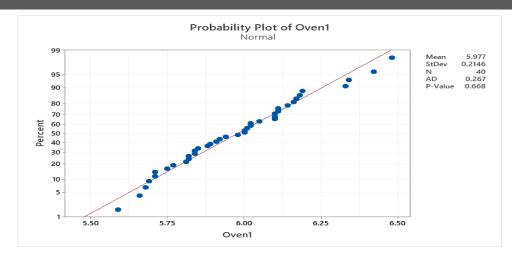


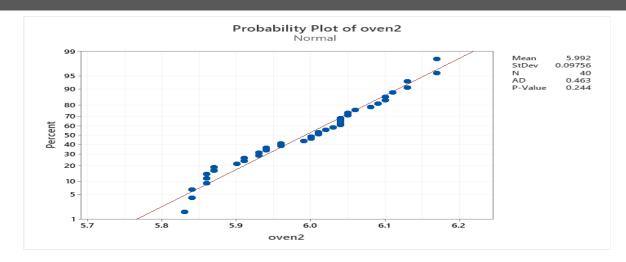


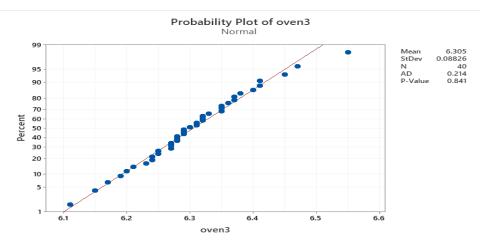


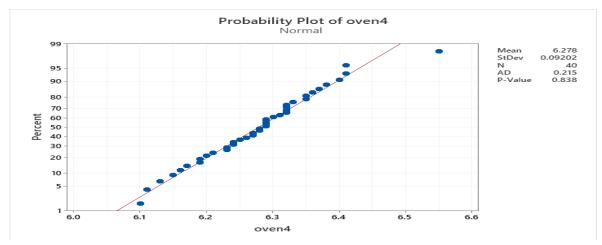
- Oven 1, Oven 2 & Oven 3 P > 0.05 No special causes in the process
- Oven 4 P < 0.05 and having visible pattern and special causes thus data cannot be used for further analysis

## **Data collection – Normality plot (Before improvement)**





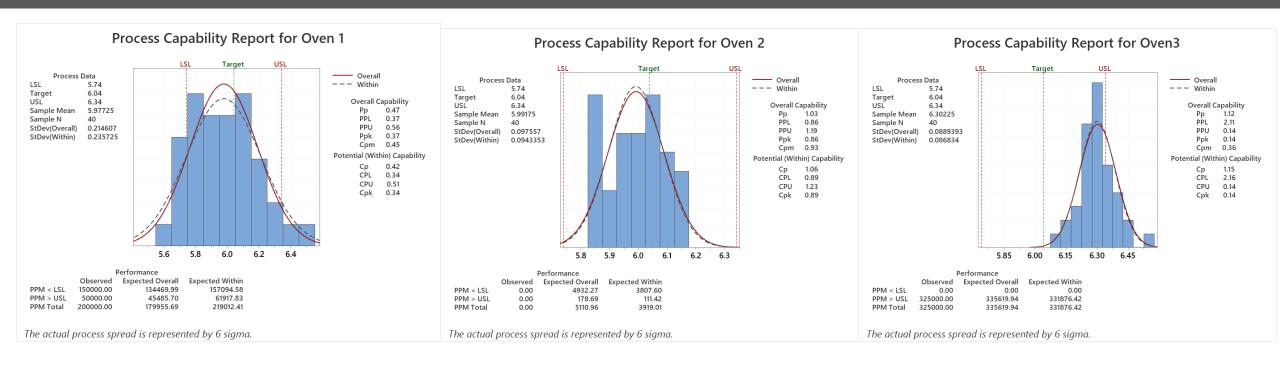




### **Inference:**

• P > 0.05 in all oven thus all the data is normally distributed

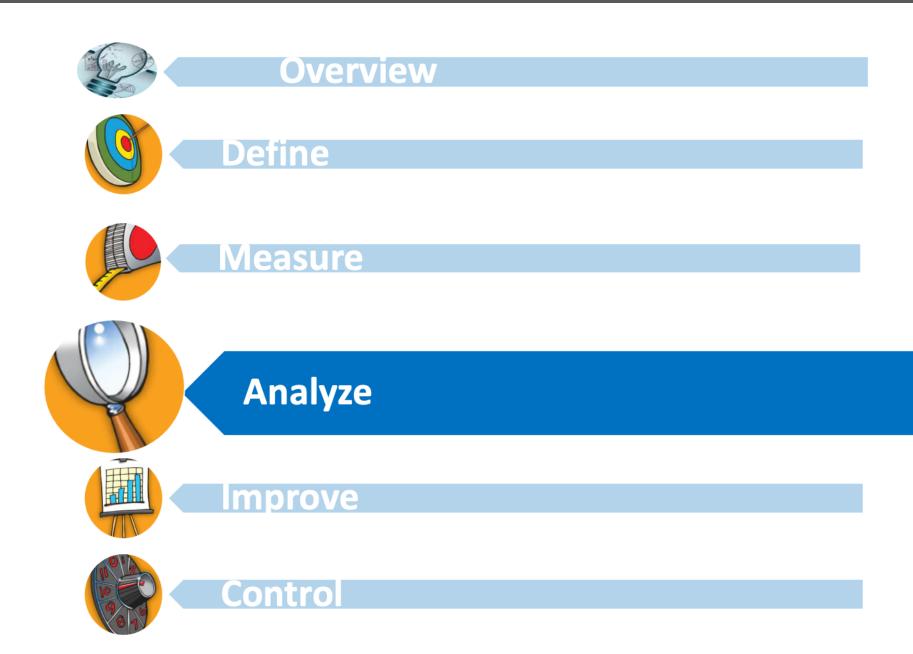
### Data collection – Process capability (Before improvement)



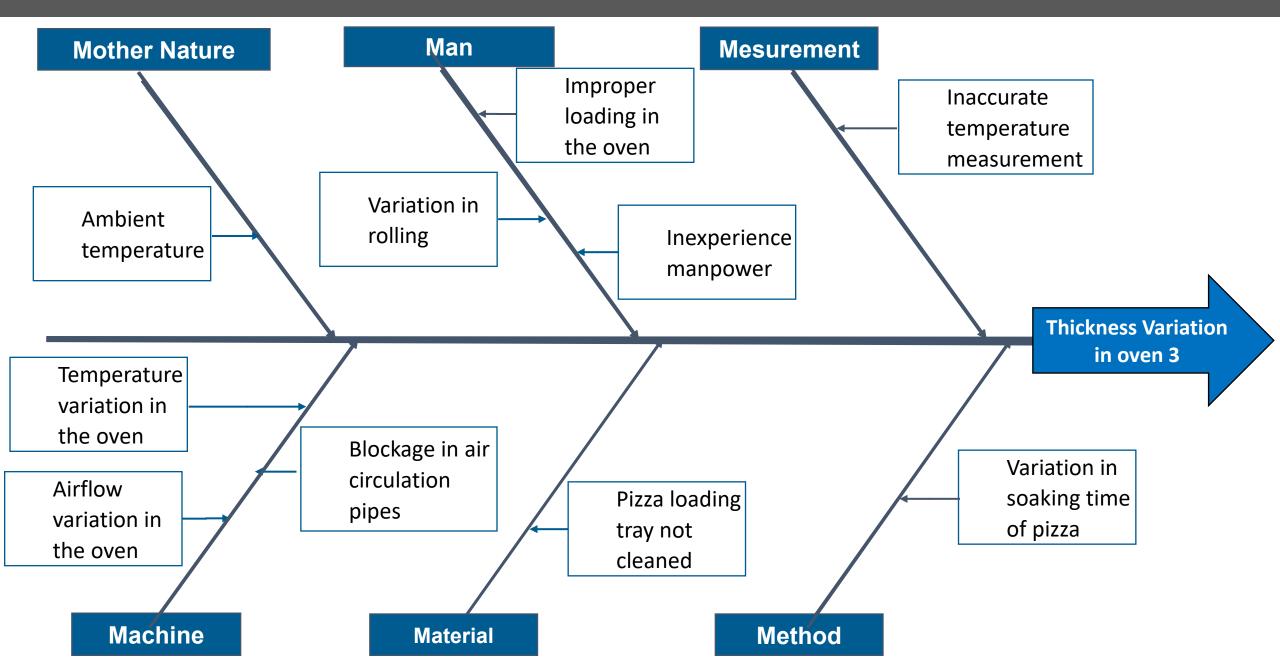
### Inference -

- Oven 1 & 2 CpK is < 1.33, hence processes are not capable. Since Mean is nearer to target,</li>
   variation need to be reduced
- Oven 3 Cpk value is very less in comparison to other oven and most of the collected data is near to upper specified limit, which indicates oven 3 needs improvement.

## **Project Phase**



## **Analysis – Fish Bone Diagram**



## Data Collection – (X-Y diagram)

Output variable	Taste	Delivery time	Uncooked pizza	Burnt pizza	Price	Size of pizza	Net score
Priority (output rating)	9	8	9	9	5	9	
Input variables							
Temperature variation in the oven	9	3	9	9	1	9	353
Airflow variation in the oven	3	3	9	9	1	9	299
Variation in thickness of rolled pizzas	3	1	9	9	1	3	229
Inexperienced manpower loading the oven	3	3	3	3	3	1	129
Improper loading in oven	3	3	3	3	1	1	119
Ambient temperature	1	1	3	3	1	3	103
Inaccurate Temperature measurement	1	3	0	0	0	3	60

### Inference:

• Temperature variation, Airflow variation and Variation in thickness of the pizzas were prioritized for data collection

### Analyse – Hypothesis testing for thickness mean for all oven

#### One-way ANOVA: Oven 1, Oven 2, Oven 3

#### Method

 $\begin{array}{ll} \text{Null hypothesis} & \text{All means are equal} \\ \text{Alternative hypothesis} & \text{Not all means are equal} \\ \text{Significance level} & \alpha = 0.05 \end{array}$ 

Equal variances were not assumed for the analysis.

#### **Factor Information**

Factor	Levels Values
Factor	3 Oven 1, Oven 2, Oven 3

#### Welch's Test

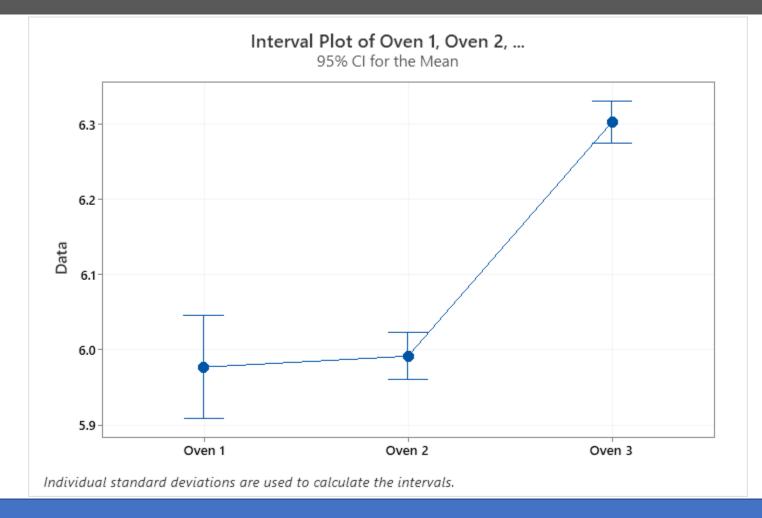
Source	DF Num	DF Den	F-Value	P-Value
Factor	2	72.7867	122.97	0.000

#### **Model Summary**

R-sq	R-sq(adj)	R-sq(pred)
52.13%	51.32%	49.65%

#### Means

Factor	Ν	Mean	StDev	95% CI
Oven 1	40	5.9772	0.2146	(5.9086, 6.0459)
Oven 2	40	5.9918	0.0976	(5.9605, 6.0230)
Oven 3	40	6.3022	0.0889	(6.2738, 6.3307)



- Since p < 0.05, thus not all means are equal</li>
- There is significate difference between oven 1, oven 2 and oven 3
- Oven 3 pizza thickness is much higher than other oven

### **Analyse – Regression analysis**

### Regression Analysis: Thickness\_1 versus Temp, Rolling thickness, airflow

#### **Backward Elimination of Terms**

 $\alpha$  to remove = 0.05

#### **Regression Equation**

Thickness\_1 = 6.8584 - 0.003449 Temp + 0.03252 airflow

#### Coefficients

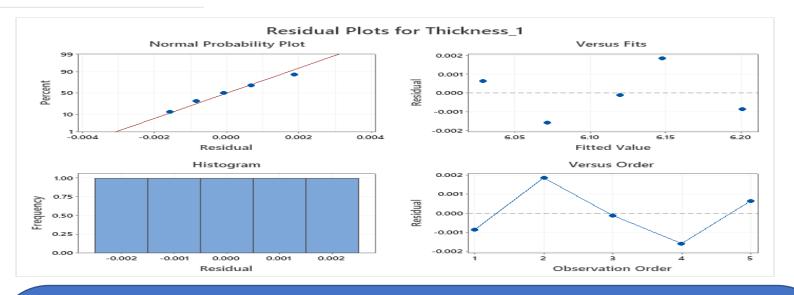
Term	Coef	SE Coef	T-Value	P-Value	VIF
Constant	6.8584	0.0609	112.71	0.000	
Temp	-0.003449	0.000127	-27.06	0.001	4.95
airflow	0.03252	0.00618	5.26	0.034	4.95

#### **Model Summary**

S	R-sq	R-sq(adj)	R-sq(pred)
0.0018781	99.96%	99.92%	98.96%

#### **Analysis of Variance**

Source	DF	Adj SS	Adj MS	F-Value	P-Value
Regression	2	0.017713	0.008856	2510.74	0.000
Temp	1	0.002584	0.002584	732.45	0.001
airflow	1	0.000098	0.000098	27.70	0.034
Error	2	0.000007	0.000004		
Total	4	0.017720			



- All input data (X) are continuous and Output data (Y) is also continuous thus Multiple Linear Regression used
- 8 step validation
  - Overall Regression and individual p value is less than 0.05 in ANOVA Table
  - VIF is also less than 5
  - R-Sq Adj is above 85 %
  - Residual analysis Normality plot shows data is normally distributed, equal variance shows the random behaviour, Residual observation order run chart is OK and Histogram does not shows any outlies
- Since it is passing all the step regression equation is valid and Temperature and Airflow are critical input.

## Summary of Statistically validated Root causes

Temperature and air flow variation in oven is critically important

## **Project Phase**



Overview



Define



Measure



Analyze



**Improve** 



Control

## **Improve**

### **Design of Experiment**

StdOrder	RunOrder	CenterPt	Blocks	Temperature	Airflow	Thickness
3	1	1	1	-1	1	6.19
5	2	0	1	0	0	6.10
6	3	0	1	0	0	6.11
4	4	1	1	1	1	6.06
1	5	1	1	-1	-1	6.17
2	6	1	1	1	-1	6.03

### Factorial Regression: Thickness versus Temperature, Airflow, CenterPt

#### **Coded Coefficients**

Term	Effect	Coef	SE Coef	T-Value	P-Value	VIF
Constant		6.11000	0.00289	2116.57	0.000	
Temperature	-0.13500	-0.06750	0.00354	-19.09	0.000	1.00
Airflow	0.02500	0.01250	0.00354	3.54	0.038	1.00

### **Model Summary**

S	R-sq	R-sq(adj)	R-sq(pred)
0.0070711	99.21%	98.68%	96.87%

### **Improve**

### **Design of Experiment**

#### **Analysis of Variance**

Source	DF	Adj SS	Adj MS	F-Value	P-Value
Model	2	0.018850	0.009425	188.50	0.001
Linear	2	0.018850	0.009425	188.50	0.001
Temperature	1	0.018225	0.018225	364.50	0.000
Airflow	1	0.000625	0.000625	12.50	0.038
Error	3	0.000150	0.000050		
Curvature	1	0.000075	0.000075	2.00	0.293
Lack-of-Fit	1	0.000025	0.000025	0.50	0.608
Pure Error	1	0.000050	0.000050		
Total	5	0.019000			

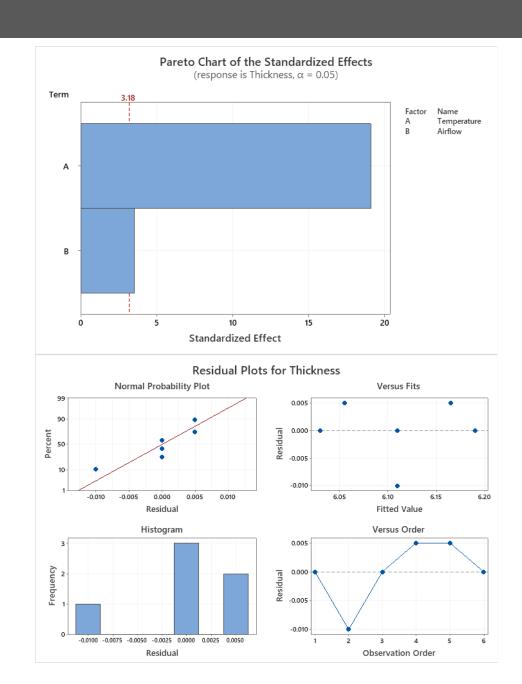
#### **Regression Equation in Uncoded Units**

Thickness = 6.11000 - 0.06750 Temperature + 0.01250 Airflow

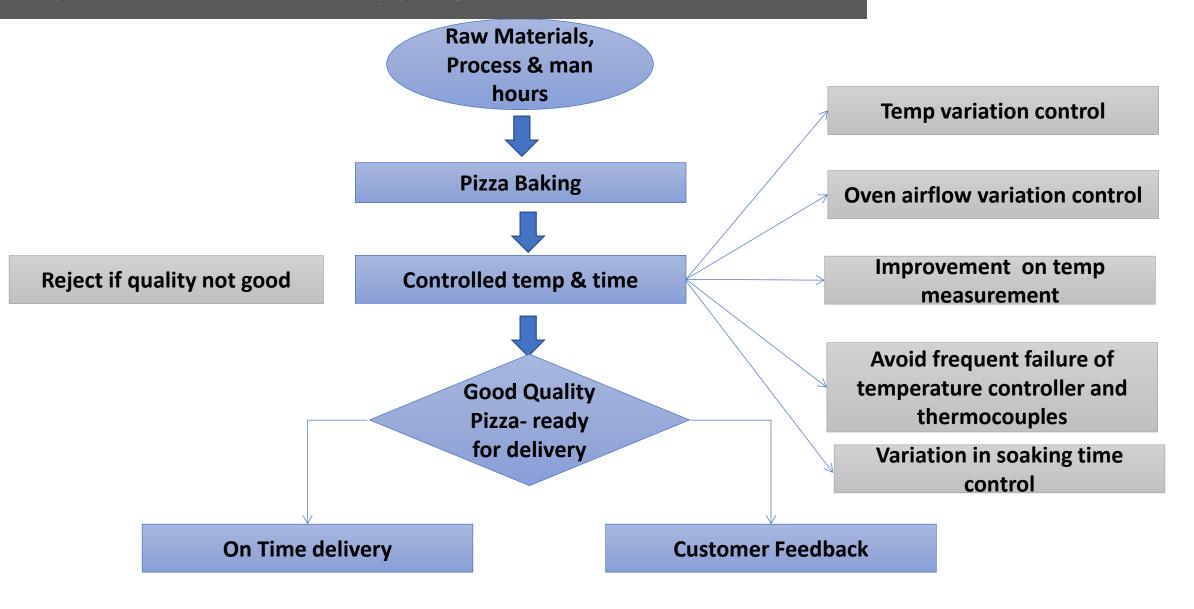
### Inference:

### 8 step validation

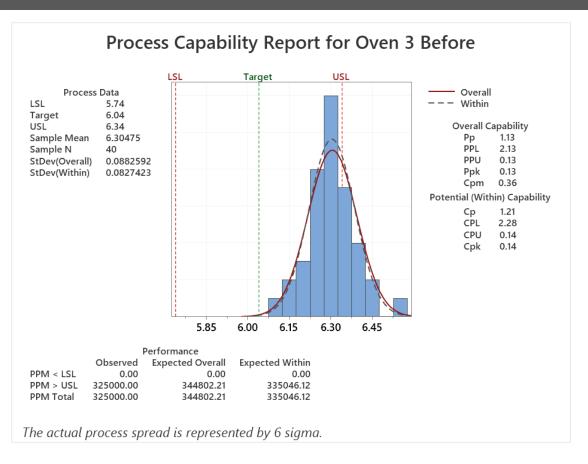
- Overall Model and individual p value is less than 0.05
- VIF is also less than 5
- R-Sq Adj is above 85 %
- Residual analysis Normality plot shows data is normally distributed, equal variance shows the random behaviour, Residual observation order run chart is OK and Histogram does not shows any outlies
- Since it is passing all the step regression equation is valid and Temperature and Airflow are critical input.

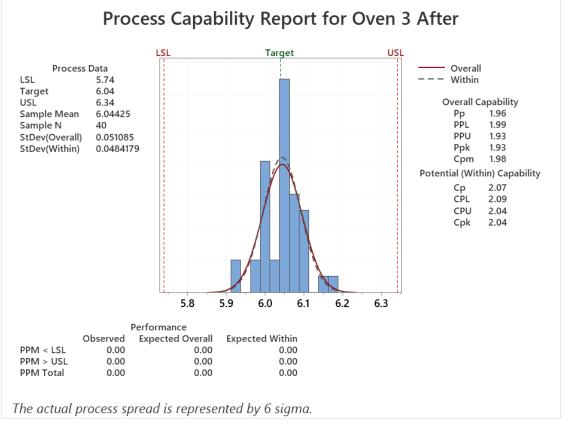


## Improve – Process Mapping (After Improvement)



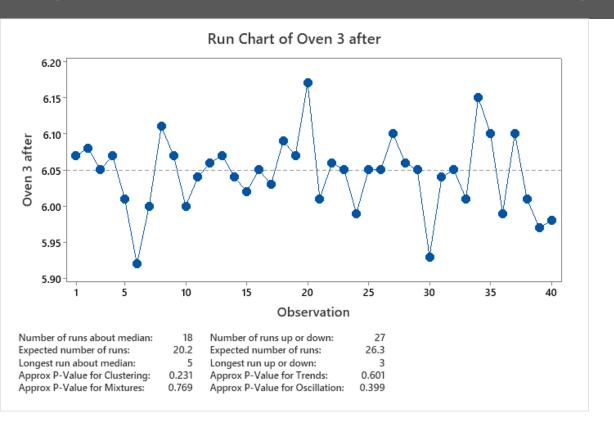
## Improve – Process capability – Before & After Improvement

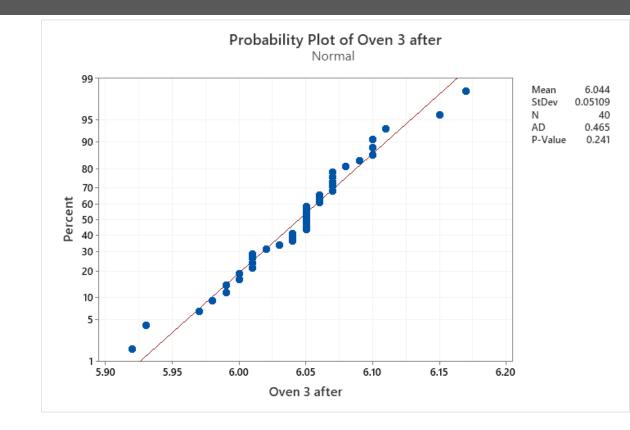




- Before Cpk < After Cpk, which shows process is much more capable after improvement</li>
- There is less variability in system since stdev reduced after improvement
- After improvement the data are normally distributed near the target within specified limit

## Improve – Run chart and Normality Test (After Improvement)





### **Inference:**

 Run chart – process is stable there is no special causes in the process (p value > 0.05)

### Inference:

Normality test – Data are normally distributed

# Improve –After Improvement (Statistical validation for Improvement – Hypothesis Testing)

#### Two-Sample T-Test and CI: Oven 3 Before, Oven 3 after

#### Method

μ<sub>1</sub>: population mean of Oven 3 Before μ<sub>2</sub>: population mean of Oven 3 after Difference: μ<sub>1</sub> - μ<sub>2</sub>

Equal variances are not assumed for this analysis.

#### **Descriptive Statistics**

Sample	N	Mean	StDev	SE Mean
Oven 3 Before	40	6.3048	0.0883	0.014
Oven 3 after	40	6.0443	0.0511	0.0081

#### **Estimation for Difference**

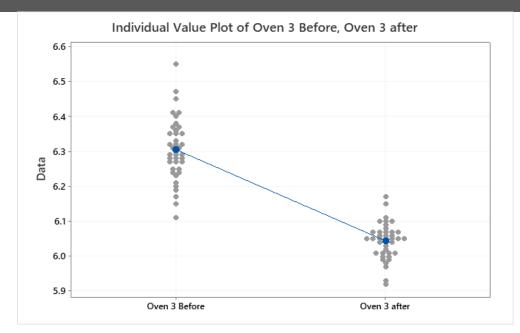
	95% CI for
Difference	Difference
0.2605	(0.2283, 0.2927)

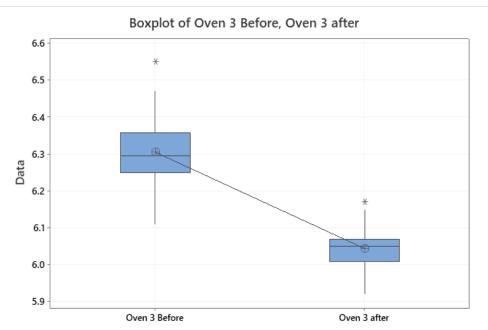
#### Test

Null hypothesis  $H_0$ :  $\mu_1 - \mu_2 = 0$ Alternative hypothesis  $H_1$ :  $\mu_1 - \mu_2 \neq 0$ 

T-Value	DF	P-Value
16.16	62	0.000

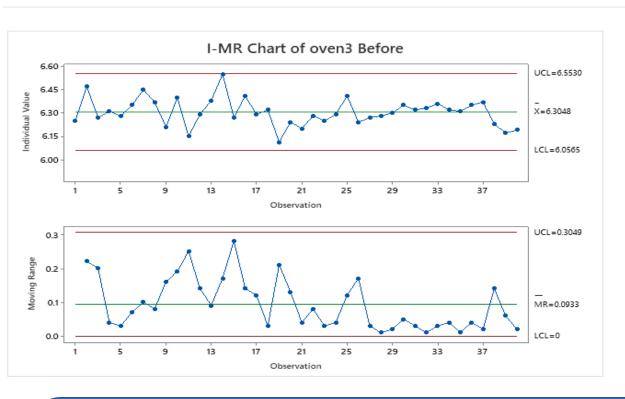
- Since P value is less than 0.05, there is enough evidence to reject the null hypothesis and we can conclude that the difference between the population means is statistically significant.
- It is also visible from the individual value plot & box plot, there is clear difference in mean after improvement which is closer to required thickness

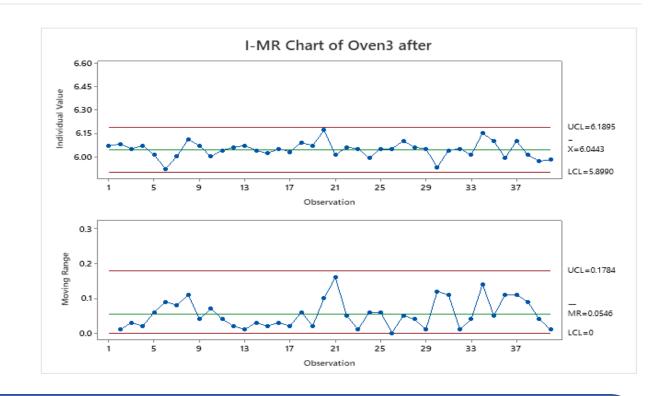




## Improve (Statistical validation for Improvement – I-MR Chart)

#### I-MR Chart of oven3 Before, Oven3 after





- As seen in control chart, before improvement mean was high and there was high variability in the thickness and after improvement, it has achieved to target thickness and less variability
- There is a significant reduction in variation in thickness

## **FMEA**

						FAILUR	E MODE AND EF	FECTS	ANAL	YSIS							
Item: Model: Core Team:	Oven Current	eering), XX (Produ	uction)	. VV (C	Responsibility: Prepared by:		Mr. Ali Mr. Ali			-	FMEA number: Page: FMEA Date (Orig):	Oven1234 1 of 1 12/06/2022 Rev: 1		1			
Process Function	Potential Failure Mode	Potential Effect (s) of Failure	S e v	C I a s s	Potential Cause(s) / Mechanism (s) of Failure	O c c u r	Current Process Controls	D e t t e	R P N	Recommended Action (s)	Responsibility and Target Completion Date	Actions Taken	Action S v e	n Results O c	D e t	R N	
	Oven Temp too high Oven Temp too	Short cooking time	3	N/A	Incorrectly set temp and inaccurate	3	Temp controlled by thermostat	5	5 4		Train staff to set correct temp			1	1	5	5
Pizza Baking process		Cooking burn  Longer cooking time	3	N/A N/A	thermostat  Incorrectly set temp and	3		5		<ul><li>2. Calibration of thermostat</li><li>3. Add alarm, if temp is not as per specified</li></ul>	Ali / 12/07/2022	Control measure in place	1	1	5	5	
		Undercooked	5	N/A	inaccurate thermostat	2		5	50	limit.			1	1	5	5	

## Overview



### Overview



Define



Measure



Analyze



**Improve** 



**Control** 

## Control – 2 sample t-test after improvement for % Scrap

**WORKSHEET 10** 

#### Two-Sample T-Test and CI: Oven 3 Before Improvement, Oven 3 After improvement

#### Method

 $\mu_1$ : population mean of Oven 3 Before Improvement  $\mu_2$ : population mean of Oven 3 After improvement Difference:  $\mu_1 - \mu_2$ 

Equal variances are not assumed for this analysis.

#### **Descriptive Statistics**

Sample	Ν	Mean	StDev	SE Mean
Oven 3 Before Improvement	6	19.88	7.98	3.3
Oven 3 After improvement	6	4.883	0.376	0.15

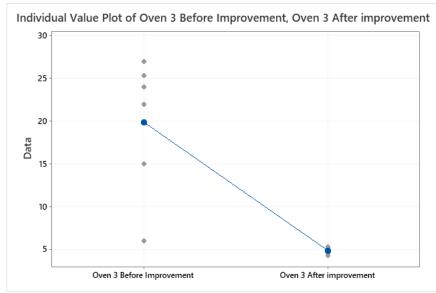
#### **Estimation for Difference**

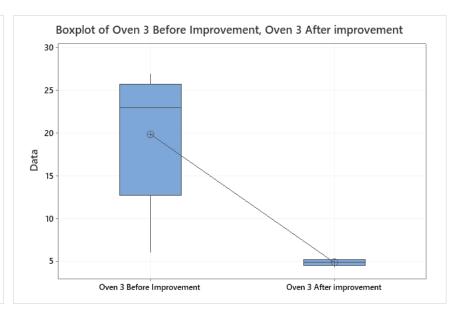
	95% CI for
Difference	Difference
15.00	(6.62, 23.38)

#### Test

Null hypothesis  $H_0$ :  $\mu_1 - \mu_2 = 0$ Alternative hypothesis  $H_1$ :  $\mu_1 - \mu_2 \neq 0$ 

T-Value	DF	P-Value
4.60	5	0.006

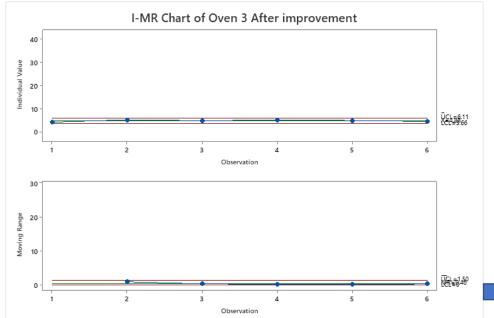




- Since P value is less than 0.05, there is enough evidence to reject the null hypothesis and we can conclude that the difference between the population means is statistically significant.
- It is also visible from the individual value plot & box plot, there is clear difference in mean after improvement.

## **Control – Control Chart for % scrap Before & after improvement**





### **Inference:**

There is significant improvement on scrap reduction after improvement



## **Control Plan**

	CONTROL PLAN											
Prototype		oduction										
Control Plan Number - PizzaMania-001-2022				Key Contact/Phone - Mr. Ali / Owner of Pizzamania/ 00971 XXXX XXXX			Date(Orig) - 12/06/2022		Date (Rev.)			
Part Number/Latest Change Level - <b>Oven</b>				Core Team - Mr. Ali & Team				Customer Eng. Approval/Date - N/A				
Part Name/Description - Thermocouple, Heating Element, Bricks & Temperature Controller				Organization/Plant Approval/Date - 12/06/2022			Customer Quality Approval/Date (if Req'd) - <b>NA</b>					
-				Other Approval/Date (If Req'd) - <b>N/A</b>				Other Approval/Date (If Req'd) - N/A				
				Chausata					Methods			
•	Process Name /	Machine,	1	Characteri	istics		Product / Evaluation /	Sample				
	Operation Description	Device, Jig, Tools, for Mfg.	No.	Product	Process	CTQ ?	Process Specification / Tolerance	Measurement Technique	Size	Freq.	Control Method	Reaction Plan
1	Thermocouple	Calibration unit	1a	Fixed in proper place for measurement	Temperature Measurement	Y	Measuring temperature	Calibration	NA	Twice in a day	Temp Stability study	Conduct the detailed study before replacing the thermocouple
2	Heating element	Coil	1b	Located in furnace	Temperature inside furnaces	Y	Heating up to define limit	NA	NA	During AMC	Life cycle study	If life cycle not as per required timeline , seek the better quality product
3	Furnace bricks	Bricks	2a	-	-	N	good in shape	visible check for any broken bricks	NA	Daily before starting Furnace	Visible Monitoring	None
4	Temp Controller	Regulator	3	Regulator knob to adjust the temp	Controlling the temp inside the furnace	Y	Controlling temperature at given tolerance	Alarming if temperature controller not working	NA	Automatic alarm system	Calibrating the controller	Replace the controller

### Conclusion

### **Results after improvement**



 Project has achieved its intended results after improving thickness by identifying the variation cause and reducing scrap rate.