

TOOTHPASTE BOXES

Proctor and Gamble had a problem. They sometimes shipped empty Crest toothpaste boxes without the tube inside. This challenged their perceived quality with the buyers and distributors.

Understanding how important the relationship with them was the CEO of the company assembled his top people. They decided to hire an external engineering company to solve their empty boxes problem.

The project followed the usual process: budget and project sponsor allocated, RFP, and third parties selected. Six months (and \$8 million) later they had a fantastic solution - on time, on budget and high quality. Everyone in the project was pleased. They solved the problem by using a high-tech precision scale that would sound a bell and flashlights whenever a toothpaste box weighed less than it should. The line would stop, someone would walk over, remove the defective box, and then press another button to restart the line. As a result of the new package monitoring process, no empty boxes were being shipped out of the factory. With no more customer complaints, the CEO felt the \$8 million well spent.

He then reviewed the line statistics report and discovered the number of empty boxes picked up by the scale in the first week was consistent with projections, however, the next three weeks were zero! The estimated rate should have been at least a dozen boxes a day. He had the engineers check the equipment; they verified the report as accurate.

Puzzled, the CEO travelled down to the factory, viewed the part of the line where the precision scale was installed, and observed just ahead of the new \$8 million dollar solution sat a \$20 desk fan blowing the empty boxes off their belt into the bin.

He asked the line supervisor what that was about. 'Oh, that,' the supervisor replied, 'Bert, the kid from maintenance, put it there because he was tired of walking over, removing the box and restarting the line every time the bell rang.'