

## CASE STUDY

# How a European Nutraceutical Operation Strengthened Performance and Built a System for Sustainable Growth

### Client

A European nutraceutical production site struggling to restore capacity after a prolonged pause in operations.

### Challenge

The company's challenges stemmed from a lack of structured management, with siloed operations, no clear KPIs, and rising demand creating delays and inefficiencies.

### Solution

Following an initial diagnostic, four critical areas were addressed to restore and scale performance: operational performance management (OPM), production capacity, end-to-end supply chain flow, and warehouse efficiency.

### Results

- Production capacity increased by 22% by midyear, surpassing the 12% target by a wide margin, with the year-end goal of 40% now within reach.
- The end-to-end supply chain flow improved, with product availability meeting demand rising from 75 percent to 89 percent.
- Warehouse efficiency accelerated, with lead time from production release to shipment reduced from 15.3 to 7.2 working days.
- Operational performance management (OPM) maturity rose from 16 percent to 61 percent, reflecting stronger routines, clearer ownership, and more effective issue resolution.
- The combined improvements are expected to contribute up to 4.8 million euros to EBITDA.

## From Siloed Operations to Synchronized Performance

A European nutraceutical production site paused fermentation for several months after building up sufficient inventory. When operations resumed, the team expected a smooth return to previous output levels. Instead, they found themselves stuck. Despite implementing a dedicated internal improvement project, production was unable to return to its previous capacity level.

Leadership knew something had changed, but they could not identify precisely what. More importantly, the existing ways of working were not helping to resolve it. That was the starting point of a broader improvement effort, one focused not just on fixing a process, but on building effective, formalised, and structured structures, management rhythm and practices, and daily behaviours to scale performance effectively and sustainably.

The company partnered with TBM to design and implement effective processes, reduce inefficiencies, align multidisciplinary communication, develop managerial skills and capabilities, and embed management practices that enable teams to consistently boost performance, streamline operations, and unlock the capacity needed to meet increasing demand.

## Siloed Operations and Rising Demand

As production continued to underperform, it became clear that the core issue was not technical. The company had the right expertise and capable staff, but performance was not being managed in a structured way. There was no operating rhythm that coordinated supply, production, and warehouse execution. As Robert Vrugtman, TBM Europe's Managing Director of Operations, described, "They realised—we have no management practices that constantly push the envelope. At least not a system that is fit for purpose."

Operations functioned in silos, with decisions often made in isolation. There was no regular cadence for managing performance, nor were there clear KPIs to guide daily focus. Even when opportunities were identified, there was no shared structure for follow-up and escalation. This gap in operational discipline was holding back improvements in three key areas: production capacity, end-to-end supply chain flow, and warehouse efficiency.

At the same time, customer demand was on the rise. Delays in availability led to longer lead times and put pressure on delivery commitments. Some clients, frustrated by the changing timelines, began placing full-year orders early to secure a spot, creating additional challenges for planning and visibility. The company needed a management system that could stabilise execution, boost confidence across departments, and support growth without adding complexity.

## Building a Structured Management System

Following an initial diagnostic, four critical areas were addressed to restore and scale performance: operational performance management (OPM), production capacity, end-to-end supply chain flow, and warehouse efficiency.

### **Operational Performance Management (OPM)**

Implemented tiered meetings, short-interval control, and visual KPI tracking to create a daily routine and foster cross-functional alignment. Managers and supervisors were trained to lead with data, prioritise actions, respond to deviations effectively, and ensure accountability through consistent routines.

### **Production Capacity**

The team improved schedule adherence, standardised cleaning practices, and incorporated plan-versus-actual tracking into shift operations. A structured loss analysis process allowed for quicker root-cause identification and follow-up, leading to sustained output increases within existing constraints.

### **End-to-End Supply Chain Flow**

A formal planning model clarified roles across supply, demand, and scheduling. Weekly demand and production alignment meetings were established, supported by an availability barometer that linked forecast accuracy to actual capacity in real time. Decision-making became more proactive and based on capability.

### **Warehouse Efficiency**

Value stream mapping pinpointed process delays and flow disruptions from release to dispatch. Six key flows were standardised, task ownership clarified, and supervisors received control routines to enhance material movement and shipment readiness.

Each initiative was developed collaboratively with the company team and reinforced through hands-on coaching on the floor. Training extended beyond the classroom. It took place at the moment of execution, where managers, supervisors, and operators could implement new practices in real time with direct support.

Teams were engaged in designing the management system from the outset, which fostered a strong sense of ownership. They didn't just adopt new methods; they helped create them. As individuals saw their ideas reflected in the system, their dedication increased. They became proactive participants in leading change, not passive observers. The outcome was a higher level of engagement, greater accountability, and a performance culture capable of thriving beyond the project.

## Greater Capacity, Flow, and Confidence

Over ten months, the company achieved measurable improvements in all four focus areas. Performance exceeded initial targets, supported by better execution routines and more connected decision-making. Capacity increased without extra capital investment, while service levels and responsiveness improved throughout the supply chain. Most importantly, the team now operates with greater clarity, control, and ownership, backed by a management system they helped design and maintain.

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The engagement has since extended into a new quality-focused workstream, reflecting a shared commitment to continuous improvement. With a stronger foundation now in place, the teams are building on the momentum, focused not just on results but on sustaining the way of working that made them possible.

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