

EXECUTIVE SUMMARY

This Management Field Research Project analyses the persistent problem of increasing direct manpower cost in Perfectly Pressed Juice Company operates in Kingdom of Bahrain. Increasing direct manpower cost became the main problem which continuously incurred losses and accumulated to loss of USD 97,668/- in 2021. The investors are continually invested in the company with expectation to enhance its profitability and expand it in the Gulf region. The process of the company is labour intensive and as a result persistent problem of high direct manpower cost led to the heavy losses.

Author analyzed the financial and operational information maintained by the company and further conducted interviews with stakeholders to understand the problem of increasing direct manpower cost and the related problems to identify the performance gaps. With the support of employees in production division, sales division, and management author conducted a brainstorming session to identify the root causes of the associate problem and documented by using a cause and effect diagram. With the analysis of several root causes Author identified three main areas the problem exists which increases the direct manpower cost of the company.

Identification of the key areas of problem, labour productivity, production scheduling, and layout planning helped to build the study framework through which the literature of related functional areas found. The literature was discussed and analyzed by previous authors relevant to similar issues and situations. Therefore, finding solutions for the problems by analyzing and discussing literature provided a systematic approach to build the perfect solution to reduce the direct manpower cost of the company.

Project main objective is to reduce the direct manpower cost of the company which is supported with the specific objectives set by the author as key achievements of this project. The main objective of the project set as reducing the direct manpower cost contribution of a production unit from its current amount of 43% of sales price to 25%. This is planned to be achieved while achieving the other objectives of each project components. Increase per man day production from 48% of its benchmark quantity to 72% by increasing 6 bottles per man day. Reduce production scheduling time by 78% to save 442 minutes a day. Reduce internal transport time by 68% which save 280 minutes per day. Some of the solutions can be achieved internal resources while others need external support and total

cost estimated USD 46,985/-. Responsibilities have been assigned to various parties with in the company to finish the project efficiently.

Problems can be resolve by adopting various solutions, however a solution should be financially feasible and generates attractive benefits to the company if it is to be regarded as a good solution. Author conducted a cost benefit analysis after gathering all relevant costs of the project and expected financial benefits to the company. This project is expected to generate USD 176,265/- in the first year and project cost is only USD 47,525/-. This shows a 2.70 benefit cost ration only considering financial benefits. Further this project generates several qualitative outcomes which is important in developing effective production team.

Solutions to the problem has been discussed in a convincing way by stipulating the importance of historical studies conducted and discussed by various scholars which is the literature related to the problem and solution, further output of the solutions are also linked with the discussions to highlight the importance of solution. Further the Author has provided some recommendations which are important in achieving the main objective the project to reduce the direct manpower cost of Perfectly Pressed Juice Company making this project is a remarkable milestone of the company business journey.