PRODUCT DEMONSTRATION · FOOD & DRINK MANUFACTURING

Finding the margin that's hiding in the batch records.

> **This page is a worked demonstration on representative production data, not a specific client result.** Every figure below is illustrative — its purpose is to show the kind of margin leakage the Batch Margin Audit surfaces, and how, from records a manufacturer already holds. The published, independently verifiable evidence is on page 2.

The situation

A representative mid-sized food & drink producer — chilled sauces and ready meals, batch production across a handful of SKUs. **The margin data exists** — fill weights, ingredient issues, yield logs — but it lives in spreadsheets and ERP exports no one analyses at batch level. So loss is real, but invisible.

What the audit ran on

12 weeks of existing batch records, six SKUs. No new hardware, no sensors, no ERP migration. The audit reconstructs theoretical vs actual cost per batch, then ranks where pounds are leaking — by SKU, line and shift.

WHAT IT SURFACED

Three leakage hotspots — invisible in the raw spreadsheets.

01 **2.1%**
AVG OVERFILL · TOP SKU

Weight giveaway on the highest-volume line

The top SKU filled an average of 2.1% above its labelled target — free product, given away on every unit. Invisible because no one compared average fill to target across the run.

02 **6 pts**
YIELD GAP · ONE SHIFT

A yield gap concentrated on the night shift

One SKU ran at 90% actual vs 96% theoretical yield — and the loss clustered on a single shift, pointing to a process, not a recipe, problem. Invisible because yield was only ever reviewed as a monthly average.

03 **4%**
OVER-ISSUE · KEY INGREDIENT

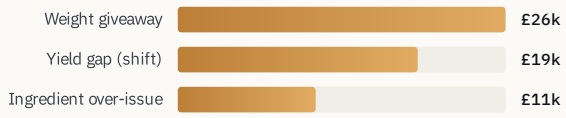
A high-cost ingredient issued above standard

A premium ingredient was issued ~4% over the recipe standard on a subset of batches — small per batch, material across the quarter. Invisible because issue records were never reconciled to the BOM.

~£55k

illustrative recoverable margin / year, identified in this worked example — roughly 1% of cost of goods, with no capital spend. The top three hotspots account for most of it.

RECOVERABLE MARGIN BY SOURCE · ILLUSTRATIVE



Figures representative — actual recovery varies by operation and product mix.

HOW IT'S DELIVERED · THE DISCOVERY SPRINT

SCOPE
Fixed, focused
One audit, one quote — no open-ended programme and no ERP project.

INPUTS
Data you hold
Existing batch sheets and exports. No hardware, no new sensors.

TIME
Weeks, not months
From records to ranked leakage report in a short, fixed window.

OUTCOME
A number first
The opportunity quantified in pounds before any build is scoped.

Illustrative demonstration. Figures on this page are representative examples of leakage the Batch Margin Audit is designed to surface and do not describe a specific client engagement or guaranteed outcome.

IS THIS A REAL PROBLEM?

It isn't hypothetical. It's measured, current, and getting worse.

How to read this page. Page 1 is an illustrative demonstration. Every figure below is drawn from published industry sources, cited at the foot of this page — so the scale of the opportunity can be checked independently. Supplier and analytics-provider figures are self-reported and attributed as such.

+4.4%

UK food & drink production costs rose in the year to December 2025, squeezing already-thin margins.

FOOD & DRINK FEDERATION

4×

Food-manufacturing insolvencies are now around four times their 2019 level.

FDF · INDUSTRY ANALYSIS

5–12%

Typical net margin in food manufacturing — which is why a single point of cost leakage matters.

SECTOR BENCHMARKS

WHAT THE INDUSTRY DATA SHOWS

01 Weight giveaway is real, and operators create it deliberately

A frozen ready-meal exporter was found to have raised fill weights by **4–6 grams per pack** to avoid underweight complaints — deliberate, invisible giveaway straight off the margin. The pattern in our demo (drift building across a shift) is the documented norm, not an edge case.

INDUSTRY CHECKWEIGHER-SUPPLIER CASE STUDIES (SELF-REPORTED) · SUPPLIERS REPORT A 1% CUT IN GIVEAWAY SAVING TENS OF THOUSANDS PER LINE PER YEAR

02 Yield sits well below theoretical — and no one can locate the loss

A typical food plant runs at **45–60% OEE** (actual output against theoretical), so most leave yield on the table. The recurring blocker, named across the literature, is precisely the demo's point: manufacturers know loss exists but can't tie it to batch, shift, recipe or pounds. Analytics providers report recovering **1.5–2.1% of raw-material value a year, at zero capital spend** — making the ~1% in our example conservative.

KAIZEN INSTITUTE (OEE BENCHMARKS) · FOOD-ANALYTICS PROVIDER BENCHMARKS (SELF-REPORTED)

03 Manufacturing waste is large — and mostly avoidable

WRAP attributes around **16% of all UK food waste to manufacturers**, and finds that **over half** of manufacturing and retail food waste is avoidable — a ~42% reduction is achievable, worth millions to businesses, with avoidable waste now quantified by manufacturing sub-sector. Two-thirds of all UK food waste was edible.

WRAP — UK FOOD WASTE STATISTICS & FOOD-SURPLUS QUANTIFICATION (GOLD-STANDARD, PUBLICLY CHECKABLE)

WHERE TALOS FITS

Most of this leakage is "solved" by buying hardware — checkweighers, line sensors, a full MES — i.e. capital expenditure. **The Batch Margin Audit surfaces the same leakage from records you already hold, before the capital decision** — so you know what it's worth, and where, before spending a pound on kit.

Sources. Food & Drink Federation, State of the Industry (Q4 2025). WRAP — UK Food Waste & Food Surplus Key Facts; Food Surplus and Waste Quantification (manufacturing & retail). Kaizen Institute — OEE in food manufacturing. Checkweigher-supplier and food-analytics-provider case studies (self-reported; cited as illustrative of scale, not independent measurement). Net-margin figures are sector benchmarks. Page 1 figures are illustrative and do not describe a specific client engagement.

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