

## Providing a Clear Advantage™ to Innovia Films

Case study : Innovia Films







## Continuous Improvement (CI)

Innovia management were well aware of the benefits a continuous improvement culture could bring. Previous forays into the CI journey had proved successful and a robust, positive 'can do' attitude still existed at the company. Indeed, over the past five years the management team had been through several cycles of identifying and driving organisational change themselves.

The desire for continuous improvement was therefore apparent, however the challenge of increasing capacity, cost saving or avoidance and working capital optimisation required the organisation to re-energise its approach to continuous improvement to deliver these goals and objectives in the timescales required.

## Challenges

As with any other industry, the film manufacturing sector is highly competitive. The Board and Senior Management team at Innovia know that in order to maintain their position and meet the various industry challenges both now and in the future, they have to drive business improvement in a different way. They wanted to align the CI activity on

site, directly to the corporate goals and objectives, and be able to continually monitor and evaluate the effectiveness of this activity, but realised that they would need assistance to do this.

With limited internal resource available to support CI, Innovia began the process of identifying an external partner capable of helping them achieve their aims and appointing Continuous Improvement Coordinators to work with them. After exploring several avenues, the board selected us.

We had already proved our CI capabilities, having delivered impressive results on a couple of standalone projects for Innovia in the past. But it was the decision to view us as a strategic partner and the decision to put this relationship at the heart of the continuous improvement process that helped secure the success enjoyed today.

When we visited the Wigton site in 2010 to perform a CI health assessment we discovered that although the BOPP and Cellulose plants had the same management structures, their approach to problem solving and their operating cultures were completely different. In effect the weak cultural ties brought about by both geographic historical separation and different business maturity meant that the

opportunity for shared learning was diminished and similar problems were being solved in two different ways.

## Solution

We proposed a re-launch of CI in the cellulose plant, defining a clear strategy for improvement and a roll-out across both sites. The Lean Management tools and techniques employed would also be used to accelerate current CI activities in the BOPP plant and in other areas of the business.

Central to this proposal's success would be the embedding of continuous improvement into the DNA of the entire company. The Board were already onside, but they would require commitment from all levels of the organisation, from workers at the coalface to associated departments such as finance, HR, supply-chain etc



### Step 1: Setting key targets and objectives

The first stage of the operation was to define Innovia's key financial and capacity targets and objectives desired from the improvement process. This was achieved via our facilitated sessions with a team of Board members and senior management from both the Cellulose and BOPP plants.

Targets and objectives across both sites were defined as follows:

- To increase BOPP manufacturing capacity by 10%
- To reduce Wigton operating costs by 7 figures across both BOPP and Cellophane manufacture
- To reduce Innovia Films (group) working capital by £10 million (approximately 17% reduction)

These objectives were seen as both stretching and challenging and to achieve them would require 'out of the box' thinking from the staff involved and the organisation as a whole.

### Step 2: Organisational Review

Once the targets had been set, cross-functional middle management teams worked with us to ascertain where the necessary savings and performance improvements could be made. The teams comprised representatives from all business functions including manufacturing, finance, engineering, planning, sales, purchasing and warehousing and logistics.

The various teams undertook in-depth, business-wide analyses of both the Cellophane and BOPP operations and cash cycles with the Innovia Films supply chain. Using a variety of business analysis techniques (including Value Stream Mapping), a detailed understanding of the Innovia Films business was developed by the team, coupled with the identification of significant opportunities for reducing cost or working capital, or for increasing capacity.

During the operation the diagnostic team members were required to think differently and challenge their knowledge and understanding of their own functions and of the organisation as a whole, in order to determine the improvement necessary to meet the company's goals and objectives. This active participation in developing the improvement strategies necessary had the desired effect of the individuals believing in the approach and aligning them directly to the relevant corporate objectives.

### Step 3: Strategy / Policy Deployment

The improvement ideas generated via the diagnostic activities were prioritised to determine the improvement plan going forward. Improvement projects were further prioritised based on benefit (customer performance, capacity, cost or working capital reduction) versus the resource required to deliver the necessary changes.

Using this methodology, the various diagnostic teams were able to prioritise which activities the organisation would commit to delivering over the next 3 to 4 year period.

For instance the BOPP diagnostic activity identified 183 potential improvements which were subsequently reduced to 66 projects. Each of the 66 projects was then prioritised, properly resourced and given an owner, a financial target and milestones for completion, which were captured in individual project charters.

All projects were allocated budget savings targets which would feed into the overall Profit Improvement Plan.

This robust governance process was overseen by the organisation's finance department to ensure that projects were chosen and resourced correctly, based on financial impact to the business, (for example cost saving versus reduction in working capital projects).

### Step 4: Implementation

Since the improvement programme had support and involvement from the Board at the outset it meant that any key decisions or requests for investment could be pushed through more easily. The CI process aligned all departments with Key Performance Indicators for project, plant and business into a single strategy.

To ensure day-to-day progress is maintained, we also facilitated the design and implementation of Lean Management Systems across the operational areas. This has included development and deployment of a linked suite of measures, covering Safety, Quality, Cost, Delivery and People, that are subject to stand-up reviews on a daily basis at various levels in the organisation.

Process confirmation has also been introduced, which has deployed a set of layered process audits from operator level to Plant Manager. This approach has been designed to ensure key processes within the business are being followed. The systems implemented assure operational discipline across all areas and have become an integral part of Innovia's operational methods.

We have also assisted Innovia Films in the practical delivery of the various improvement projects. This support has ranged from the application of Root Cause Analysis and Total Productive Maintenance to increase capacity, to the training and mentoring of relevant personnel.

### **Step 5: Organisational Sustainability**

To give the plans developed by the management teams the best chance of success a review process (overseen again by the finance department) was implemented to monitor progress against the project charters on a monthly basis. These sessions provide the opportunity for the senior manager of an area, i.e. Plant Manager, to review overall progress of the area's improvement plan, whilst allowing the project managers to escalate any issues they feel require senior management support to overcome. This governance process ensures that Innovia's commitments are delivered whilst the organisation's approach to daily monitoring and review (SQP) and process confirmation (LPA) ensures day-to-day performance is maintained and stabilised.

## Key Services provided

### **Development of improvement strategy with the Board / Senior Executive Team to target**

- Cost avoidance / cost reduction
- Releasing capacity
- Working capital reduction

### **Strategy / Policy deployment**

- Management team alignment
- Detailed business analysis to determine business-wide opportunities
- Project generation, quantification, prioritisation and selection
- Structured governance process to monitor and review improvement projects and activities

### **Lean management system implementation**

- Visual system (supported by layered reviews) to monitor shiftly, daily, weekly and monthly plant performance (Safety Quality, Cost, Delivery, People )
- Process Confirmation to ensure safety and business-critical processes are adhered to

### **Implementation Support / Building capacity to lead change**

- Training , coaching and mentoring of people at all levels
- Practical implementation support across all areas of the organisation

### **Management mentoring support**

- Support to develop the required behaviours necessary for change
- External audit review of processes and management systems

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## Mentoring and Support

Throughout all stages of the improvement process, our specialists have worked closely with the management team across the entire organisation to ensure that Innovia's business requirements are met. The strong ownership of the Board continually puts a spotlight on the continuous improvement process and ensures that it is at the heart of what everyone does.

Effective policy deployment is essential to achieve the set objectives, so we have provided training and mentoring where required to bridge any skills gaps within the CI and project management teams and assist in the smooth implementation of policy. Such training has led to the reinstatement of a CI manager at the Cellulose plant.

It is testament to picme's ability to engage employees at all levels of the organisation that departments beyond the operational areas are also working to improve their processes. Improvement activities within such areas as Human Resources, Purchasing and Sales Order Planning have uncovered duplication in tasks and stimulated a willingness to question the status quo in order to improve efficiency. All are striving to 'be the best they can be' and streamline activities in their own sphere of influence.

## Why our approach works

We know that the key to successful and sustainable continuous improvement lies in strategic partnership with an organisation and the engagement of people at all levels. Our specialists understand the challenges facing industry

and our practical down-to-earth approach enthuses employees and allows managers to feel ownership of projects rather than being forced into them.

Our methodical attitude of focusing on areas which will benefit the business overall secures the commitment required at Board level to effect the necessary policies and resources to ensure successful outcomes. We challenge the way things have always been done, make organisations think differently about their internal processes and provide the structure, training, support and skills so that companies can continue the improvement journey with confidence.

## Results

- Project plans developed to deliver 7 figure cost savings over the next 2 to 3 years across both the BOPP and Cellulose plants (first year savings delivered on budget)
- Project plans developed to deliver a 10% increase in overall BOPP plant capacity (first year projects delivered to plan)
- Project plans in place to deliver a 7 figure working capital reduction in the Wigton supply chain (year 1 savings delivered on budget)
- Daily monitoring and review process (SQP) deployed at Plant Manager and Departmental Manager level across site
- Process confirmation using layered process audits deployed in all departments across site at Plant Manager, Department Manager, Supervisor and Chargehand levels

'Our work with Innovia Films demonstrates just how much can be achieved when we work as a specialist strategic partner. The management team at Innovia already understood the benefits of continuous improvement and we're delighted that we were instrumental in helping to realise their business goals and objectives.'

**Jason Barclay**  
picme



‘Engaging the picme team to refocus our efforts, starting at Board/Executive level, has worked extremely well and I now feel that we have a process which will be sustained, has the buy-in of all the managers and an ever-increasing number of people throughout the organisation. We now have all of our departments working to daily KPI’s with good visual displays and stand-up meetings which are focused, to the point and with actions for further follow-up, all feeding into the plant and business KPI’s. picme has pulled all parts of the business together, We’re now sharing information, we have the same rigours and common goals. I feel that we do now have an excellent, sustainable process thanks to the efforts of the team and their valuable expertise and guidance.’

**Dave Dewis**

Manufacturing Director. **Innovia Films**

‘I can’t rate the team highly enough. The strategy and structure they proposed to improve processes within the HR department has already brought significant time savings, which ultimately translate into cost savings for the business.’

**David Oldham**

Human Resources Manager.  
**Innovia Films**

‘What sets the team apart from other consultants/facilitators I have worked with in the past is their ability to engage at all levels of the organisation and their pragmatic and down-to-earth coaching style which suited our business. They remained focused on achieving the financial targets within challenging but attainable timescales. picme’s input was far more than simply going through processes; their positive engagement with the various teams gave staff a sense of ownership and a desire to ensure their participation and contribution were recognised and valued.’

**Dominic Heaton**

Finance Director. **Innovia Films**



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To find out more about our Clear Advantage™ programme,  
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