

ES Solutions @ Color Ad Packaging Ltd.

A WEM partnership case study

Color Ad Packaging has been manufacturing high-quality packaging products for clients across North America since 2000 – including Lindt Chocolates, Godiva Chocolates and Loblaw's - and is Canada's largest producer of popcorn bags. A change in ownership and management in 2011 coupled with an upswing in customer order volumes resulted in the increased visibility of profit-squelching waste that had been occurring. After discussions with WEM, the new management team decided that successful profitability solutions could only come from high-quality operational data. The first step would be to deliver the Essential Skills training that would support workers in identifying, developing and communicating those improvements.

When Color Ad's newly-minted management team first reviewed the company's performance they were puzzled. On the plus side of the ledger was double-digit growth over the previous decade, a strong and extensive customer base and a need for 100 new workers fuelled by increased order sales. And yet both the printing and the bag-making sides of company operations were experiencing unaccountable - and unacceptable - levels of waste. As VP of Information Technology & Communications Alan Poirier observed: "On the press side we were looking at waste levels of 10 to 15% and on the press side it was up to 35%. And this is material that's thrown away, so it was extremely important to get that waste down."

As their analysis continued the team began noticing the way skills levels varied widely among their workers: some were extremely skilled while others were only marginally so. The management team knew that if worker skill levels were sub-par, this would impact their ability to collect and communicate good production data. "Good decisions come from having good information," explains Poirier, "Without that information flowing up from the floor, you have absolutely nothing to work with."

As often happens, it was an Essential Skills awareness-raising presentation from Workplace Education Manitoba that helped Color Ad's team understand that their workforce had Essential Skills gaps that were directly affecting the technical operations. Discussions with WEM led to a partnership as management realized that profitability improvements hinged on their workforce first being able to competently and reliably collect, input and communicate about the daily production data.

With that, he says, WEM's team went to work. Tasks were analyzed for the Essential Skills required, workers were assessed for their Essential Skills levels and instructional sessions were customized and timed to fit into ColorAd's production schedule. Some workers were taught rudimentary computer use while others needed document use strategies to be able to better comprehend and use Color Ad's standard operating plans (SOP) and policies. There was also instruction in the writing, oral communication and thinking skills required to phrase the much-needed feedback, comments and suggestions that would assist management in developing solutions. Particular emphasis was given to teaching the skills needed to enter information correctly into the company's enterprise resource planning software: the nerve-centre for company data. For those workers struggling to use the ERP program itself, Essential Skills instruction helped prepare them for the technical software training.

As the workers' skill levels began to improve, so too did the consistency and quality of production data. "So all of a sudden we could start tracking our waste a heck of a lot better than we had in the past," exclaims Poirier. "Once we could start tracking it accurately we could look at it and say okay, here are the areas that are starting to have an impact on business and here is why we're seeing waste. We had a granular view now of the workflow and processes and you need that granularity in order to be able to make decisions."

As skill levels rose, so too did the quality of information and communication coming from the plant floor. It followed, then, that the rest of the company could benefit from similar successes. "Ideally," says Poirier, "the plant needs to talk to the office and the office needs to talk to sales and sales needs to talk with graphics and all the departments need to know how to communicate with each other." The scope was broadened to include basic computer skills for office staff and an internal company blog was created so that the various components of the operation could exchange information and build awareness. Management itself requested diversity training to communicate more effectively with workers representing a variety of cultural backgrounds.

"We were just amazed to learn about WEM and the level of quality and commitment that businesses can receive," says Poirier. "The other benefit from all this is that we could then see what the ultimate capacity of the plant was: and it's fairly high. And when you can achieve decent levels of productivity then you can justify further levels of capital expenditure in new equipment."

In fact, confidence in the restructuring progress has led the new owner to commit to keeping the business in Winnipeg and investing another \$23 million in equipment purchases. "These are all investments that we felt were justified in a large sense as a result of the training that our staff received from WEM. It's been invaluable and it's paying off!"