



An Australian Government Initiative



CASE STUDY:

BUSINESS REVIEW – Plastic Technology, Reservoir, Victoria

Plastic Technology is a recycler and manufacturer of low density polyethylene film, tubing and bag products. It turns post-consumer and post-industrial waste into resin, which is used to manufacture plastic sheeting for sale as building and barrier film, agricultural film, and commercial and industrial film. Established in 1986, the company currently has 49 staff.

Colin Holmes, Managing Director, explained that the company's 100% recyclable products had a big future, but the key was to improve operational effectiveness.

"The Business Review provided us with a great opportunity at the right time. We were confident that we had the right model in place, but were keen to have fresh eyes and a new perspective on our business. And we were right. We got a lot out of participation in the program.

Paul Smarrelli, Business Adviser for Partner Organisation NORTH Link, has extensive experience in manufacturing and it showed, particularly in the areas of operational and financial efficiency. When we received his report we were surprised and pleased at his level of understanding of our business and the plastics industry in general.

Paul was very easy to speak to. He explained the process and new concepts in plain English and was clear in his recommendations - there was no jargon. He visited us on site for a tour and to meet with the management team. A lot of the information he needed was already available on our internal reporting system, as we'd done the hard yards on that some time earlier.

Some of Paul's suggestions were already on our minds, but having an external expert highlight them made a big difference.



We started implementing Paul's recommendations the week after we received the report.

The main recommendation that Paul made was for us to relocate part of our recycling business from our Campbellfield site to Reservoir, so that all our recycling machines were operating in the same place. This presented us with logistical and staffing issues, which we were able to resolve, but led to significant cost savings and operational efficiencies. Staff are happier, because they don't have to travel between sites for certain shifts, and they boosted their skills sets, with opportunities for multiskilling through consolidated teams. And we are saving the rent on the factory we no longer use.

Our sales team changed its focus away from our established client base. We started to look at new markets for our various product groups and also began approaching different levels of government and industries that may be interested in our environmentally-friendly products. Internally, we restructured our management team and looked hard at our labour overheads, making savings where we could.

This whole process was very positive for us. Paul made some valid criticisms of the way we were operating but he did it in a constructive way. Because of his recommendations we moved quickly to streamline our production and reduce costs. As a consequence, we've been able to reinvest increased profits into the business.

It was a very positive and enlightening experience, and we are already seeing the rewards."

Plastics Technology was provided with a Business Review during 2009 by Enterprise Connect Partner Organisation NORTH Link and Business Adviser Paul Smarrelli.