

# Labelad® Labelad & Sandylion Sticker Designs

## Markham, Ontario



Labelad and Sandylion are two distinct companies operating under the direction of Marlen Management Ltd. Labelad is a producer of pressure sensitive labels for commercial applications in industries such as food and beverage, consumer products, pharmaceuticals, etc. Sandylion Sticker Designs is the world's largest manufacturer and distributor of children's stickers and creative products with licensing partnerships such as Disney and Mattel.

### THE CHALLENGE

Each company has seen considerable success in recent years, and as an organization, Marlen executives were keen to take their businesses to the next level, from "Good to Great", which meant significant change was required. The executive team recognized the need for additional resources and expertise to enable effective and timely achievement of their goals.

In January of 2004, Carpédia was invited to undertake an analysis of their sales processes, manufacturing operations, inventory control and product lifecycle management processes at Labelad and Sandylion. Opportunity was identified to reduce operating costs, improve service delivery to customers, increase product sales and improve their current management system for a planned ROI of 3.5:1, and the "Good to Great" program launched in February, 2004.

### THE RESULTS

- Annualized results exceeded the project savings goal by 41%, generating an ROI of 4.9 to 1.
- From a cash flow perspective, the project break-even point was reached 11 weeks earlier than planned.
- Labelad direct and indirect labor productivity increased by 17% & 38% respectively.
- Labelad scrap improved by 12%.
- Labelad sales schedule attainment improved by 17%.
- Sandylion direct labor productivity increased by 10%.
- Sandylion fulfillment productivity increased by 36%.
- Sandylion independent and key account sales increased by 6% and 2%, respectively.

### Specific actions taken to achieve the results included:

#### Labelad:

- Modified the job approval process to minimize idle press machines and operators.
- Combined positions in the production area to maximize resources throughout the plant.
- Reduced downtime on constraint machines by staggering of breaks and modifications to shift structure.
- Developed account planning tools in the sales areas.
- Installed behaviour models and controls to reduce lost time with sales representatives.
- Modified & identified roles, responsibilities and installed accountability in the Labelad front end processes.
- Installed management operating systems in all areas of the business, including problem solving and continuous improvement methodologies.

#### Sandylion:

- Reduced lost time in shift startup through effective pre-staging procedures.
- Improved uptime on machines through improved communication with maintenance and execution of preventative maintenance schedules.
- Developed tools to reduce errors in the picking process in fulfillment.
- Developed line balancing tools on the most common runs on the sheeting machine in the workshop.
- Defined and installed optimal activity and sales performance metrics for all independent and key account sales in Canada and the United States.
- Defined and installed a process for marketing category maximization and product life cycle management.
- Implemented inventory management tools and processes to maximize the balance between purchase price variance and carrying costs.



### THE TESTIMONIAL

MR. KEN BROWNLEE, CEO - MARLEN MANAGEMENT LTD.: "As an organization we have seen a dramatic shift in how we manage our business on a day to day basis and now embedded in our culture is an insatiable appetite for the timely review of meaningful and appropriate data metrics to ensure we are monitoring and driving continuous improvement... The assistance that Carpédia has provided in this project has been instrumental in solidifying our business foundation upon which we can continue to effectively build."

**Carpédia International** is a management firm uniquely focused on helping leading companies implement sustainable improvements in revenue growth, productivity, and asset utilization.

