

# Verbeek Packaging Worldwide (C): The TotPet France Account

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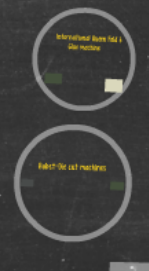
## Introduction

- Bayonne is a packaging company.
- Est. 1963 by current president's father located in NL.
- Specialized in complex-design and innovative packaging of goods.
- Company experienced loss for the first time in 20 years with 7.2% in October 2008.
- This loss forced CEO (Lando) to fire the current VP and appoint Malikan to analyze and take the appropriate action on fixing the issues.

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## External Stakeholders

- Major stakeholders
- New changes
  - Prep Level
  - Contracts
  - Software upgrade
  - Regular order
  - Scheduled maintenance
  - Free replacement and discount
  - Satisfactory reports
- In Conclusion



## Information Flow & Production Control

- Information Flow was failing across the board among all the teams.
- Failed to create a channel to track the workflow of each and every order.
- Firm never faced issues with shortage on raw material inventory.
- Good Production Control with effective inventory management.

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## Recommendations for Improvement

- Address the corporate culture
  - Implement a vision statement
  - Define departments
  - Weekly check in
- On Time Delivery
  - Outsourcing
  - Better inspection system
- Quality
  - Outsourcing maintenance
  - Regular schedule maintenance
  - Specialized to save later
  - Tracking System

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## Impact of Diverse Customer Requirements

- TheCaseSolutions.com
- Randomization in Work orders due to ganging by dev-cvt department.
- Quality reduction due to usage of ancient machinery used by F & G department.
- Partial address and rework on defective packages will make the firm to run in losses.

## SWOT

Strengths	Weaknesses	Opportunities	Threats
<ul style="list-style-type: none"> <li>• Strong brand name</li> <li>• High quality products</li> <li>• Good customer service</li> <li>• Experienced workforce</li> </ul>	<ul style="list-style-type: none"> <li>• High production costs</li> <li>• Limited marketing budget</li> <li>• Inconsistent quality control</li> <li>• Over-reliance on a few key customers</li> </ul>	<ul style="list-style-type: none"> <li>• Growing market for innovative packaging</li> <li>• Expansion into new geographical markets</li> <li>• Partnerships with other industry players</li> <li>• Investment in research and development</li> </ul>	<ul style="list-style-type: none"> <li>• Intense competition from established players</li> <li>• Fluctuating raw material prices</li> <li>• Changing consumer preferences</li> <li>• Economic downturns affecting demand</li> </ul>

## Business & Operational Challenges

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- Quality: Low Quality due to bad Folding and Gluing (F&G)
- Delivery: Failed to deliver the order on time due to lack of coordination in teams
- Cost: Increased the capital amount invested by Bayonne on the packaging with lot reworks and cancellations due to bad F & G



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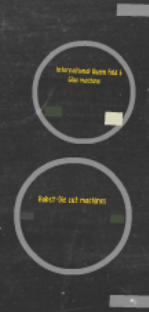
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# Business & Operational Challenges

## TheCaseSolutions.com

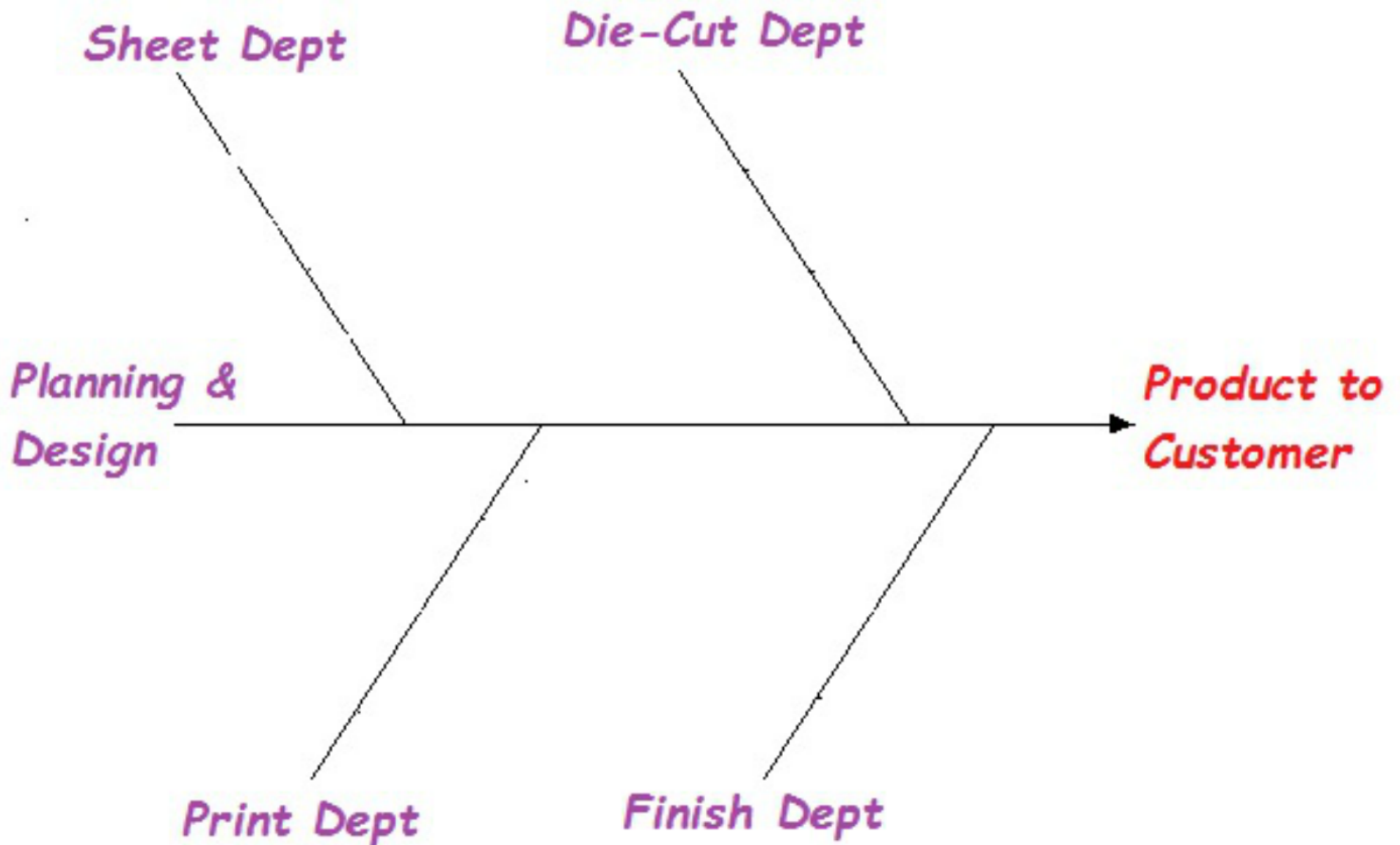
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# Impact of Diverse Customer Requirements

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- Randomization in Work orders due to ganging by die-cut department.
- Quality reduction due to usage of unclean machinery used by F & G department.
- Partial deliveries and rework on defected packages will make the firm to run in losses.

## SWOT ANALYSIS

Primary factors for Bayonne Packaging

# SWOT

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### Strengths

- Beautiful product designs
- Variability available for design production
  - In house design creation
- Ability to use complex blanks systems
- Commitment from Dave Rand (President) to create more profit and solve problems
- Neil Rand: Expertise in specific departments-100% perfection rate

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### Opportunities

- New customer markets: Manhattan money
- Potential to create regular customers by bulking orders on purpose rather than ganging orders out of convenience
- Invest in a tracking system such as those used by UPS so that customers are secure in what process their product is in

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### Weaknesses

- Disconnected corporate culture with lack of communication between departments
- Lack of on time delivery of product which creates a fear in customer
- Product quality: 6% defect rate with 1% rejected by customers
- No vision statement or structure
- Schedules: not followed by any departments
- Maintenance of Machines: not followed by any departments

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### Threats

- Dependability of company as a whole
- Resistance to change from employees
- Neil Rand: using familial associations inappropriately
- Word of Mouth: reputation declining
- Other printing companies with better communication and processes



# Recommendations for Improvement

## Address the corporate culture

- Implement a vision statement
- Rotate departments
- Weekly check in

## On Time Delivery

- Outsourcing
- Better inspection system

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## Quality

- Outsourcing maintenance
- Regular schedule maintenance
- Spend now to save later
- Tracking System