



# BAMBO A/S: SAVING COSTS AND THE ENVIRONMENT



**Profile:**  
Bambo A/S is part of the Abena Group, one of Denmark's largest family owned enterprises. The group comprises several production and marketing companies. The production facility has almost 300 employees.

Abena manufacture, sell and distribute private label and branded diapers (nappies) and hygiene products to the wholesale, retail, and institutional sectors.



**Background:**

With the strength of the US Dollar and rising oil prices adversely affecting Bambo's raw material purchase prices and fierce competition from major multi-nationals, Bambo had to look for ways to reduce unit costs to maintain their competitive pricing levels. It seemed as if everything that could be done to save money had already been done.

**Analysis:**

Anpro's analysis showed that Bambo had invested well in plant and equipment and in training of operational skills for the workforce. The diagnosis was that the "family" business had out-grown itself and was now a sizeable enterprise – as a consequence Bambo needed to:-

- increase the management capacity to make the most of these investments and
- create a new organisational structure to cope with its own growth and success.

The Anpro/Bambo project team needed to focus on the core cost drivers in the business—productivity and raw materials. Technical capability was already in abundance at Bambo, but the real key to success lay in unlocking the potential of the people within the business.

**Implementation:**

Bambo's informal 'top down' management culture was radically overhauled and a flatter, team-based organisation structure was created. The restructuring process was supported via teambuilding, management training in goal-setting, communication and problem-solving skills. This in turn was backed up by a tailor-made communications plan, where managers constantly involved people across all areas of the business in the change process.

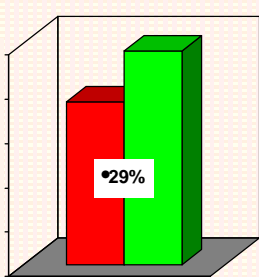
Operational objectives and results were communicated via an on-line factory link program that was already in place. The system originally measured the number of units produced per minute per machine and in total; during the course of the project this was upgraded to report productive time, line speeds and waste on a minute-to-minute basis by shift and individual machine. More importantly, with this information readily available, operators and shop-floor teams could work more effectively together to improve performance.

**Results:**

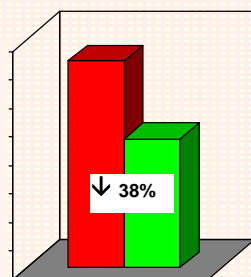
Waste was reduced within the project time frame by a staggering 38%. Operators were trained to ensure that any waste that was generated was disposed of in both an environmentally friendly and cost effective way. Waste that had been costing Bambo 0.07 Euro/kilo to dispose of is now recycled for which a 0.10 Euro/kilo credit is received. Saekko-Bambo also received an environmental award for their efforts.

Without the need for technical investment the historical units per minute output increased by 29% generating significant unit cost reductions and customer service increases. Bambo's MD, Arne Terp-Nielsen, reports a further 15% productivity increase since the conclusion of the initial project. The increased productivity was accompanied by a similar increase in turnover, another key objective for Bambo. This allowed the productivity gains to be realised with no reduction in headcount.

**Productivity (output / minute)**



**Waste (% production)**



Pre-implementation Post-implementation