

Sustainable Development in Central America and the Dominican Republic

Company:	Campolac
Country:	The Dominican Republic
Project:	TMF Program: Poverty reduction and environmental improvement. An Integral Sustainable Development strategy.
Year:	2006

THE COMPANY

CAMPOLAC started operations in 1996 with the objective of produce pasteurized beverages. Since 1997, it serves the School Feeding Programme which is financed by the Dominican Government and includes more than 365 schools nationwide.

Up to March 2005, *CAMPOLAC* has been exclusively dedicated to the School Feeding Programme. It was at that time its Board of Directors changes and launches a new project directed towards private markets with a product called *CAMPOLAC* juice, in an 8 ounces presentation, targeted for the popular lower classes. The product had great acceptance in the market becoming recognized not only by its quality, but also by the service provided by retail sellers through the distributing trucks network.

Currently, thanks to the experienced growth, the company has 166 employees and a 32 distributing trucks fleet.



PRODUCTS AND MARKETS

The company's products are the following:

- Pasteurized milk
- Different flavors pasteurized juice.

These products are sold to the governmental sector through the School Feeding Programme and to the private one through supermarkets and retailers.

PROJECT DESCRIPTION

The methodology to implement the Sustainability Strategy in the company started with the conceptualizing of the sustainable development system –at which stage an organizational diagnosis took place to determine its sustainability profile, as well as its options for improvement in the following dimensions: environmental, economic, and social.



Later on, the company's strategic guidelines were defined within the sustainable development frame, and the action plans in each of the dimensions were established – as well as indicators and monitoring mechanisms to guarantee compliance of the strategic established objectives.

Subsequently, training and technical assistance were provided to support the company in implementing the action plans. This way, it was intended to fulfill the transfer of knowledge to the organization; and also, the follow up oriented towards the achievement of the expected results was developed.







PRINCIPALES RESULTADOS OBTENIDOS





Strategies, policies and plans
<p>New approaches were defined within the company's strategic framework:</p> <p style="text-align: center;">COMPANY'S MISION</p> <p>To offer juices and dairy of excellent nutritional value with the highest quality, presentation and good price – made with natural raw materials and accompanied by an efficient and constant service - to generate profitability in harmony with the community and the environment.</p> <p style="text-align: center;">COMPANY'S VISION</p> <p>To be a solid and profitable enterprise in the agroindustry with national coverage, 25% of participation of the juice and dairy market, and with exterior commerce initiatives; always keeping our commitment with employees, the environment, suppliers and the community.</p>

ECONOMIC DIMENSION	
Initial Diagnosis	Achieved Improvements
Accounting Records	
Need to improve some accounting records. Lack of accounting and supplies accounts. Errors in the investments register.	Accounting accounts were redeemed and reclassified. The shareholders' investment register was corrected.
Costs control	
There is no system that allows quantifying their costs by product or business unit.	A classification by costs center was recommended and processes were identified and established for such categorization.
Purchases procedures and storage	
Lack of clear procedures in the register for purchases, warehouse chores and inventories.	Relevant information was defined and established to be included in the purchase order. Procedures were defined and diagrammed to handle purchases and raw materials storage. Procedures were established for products entrance and exit.
Quality control	
Lack of quality control at critical points of the productive process. Quality area personnel are also in charge of other activities of the productive area.	Control points were established for raw materials, production and packing. Quality area personnel are only dealing with quality with just the mixing as extra work.
Production process	
Lack of clarity in the productive process.	The productive process was defined and diagrammed.

Initial Diagnosis	Achieved Improvements
Products' innocuousness	
Need to improve the manufacturing conditions to ensure products' innocuousness.	<p>Risks for the innocuousness of the food were identified and actions were defined for their abatement. Amongst the main implemented actions are the following ones:</p> <ul style="list-style-type: none"> • Sensitizing of the general management, the production management and department head on the importance of promoting among operatives the basic measures for food handling (hand washing, hair and mouth covers, prohibition of jewelry use, amid others). • Decrease of reprocesses as they increase the possibility that the new product may decompose. • Close the holes in the plant's walls to avoid the entry of polluting factors. <p>Additionally, the company has an infrastructure improvement plan that will be implemented according to resources availability.</p>
Sales process	
Need to improve efficiency and efficacy in the sales process.	<p>The commissions' schemes to sales agents and distributor were reconsidered.</p> <p>Rules for returns were established, as well as penalties on commissions due to this cause.</p> <p>Sales and routes statistics were incorporated in decision making.</p>

ENVIRONMENTAL DIMENSION	
Initial Diagnosis	Achieved Improvements
Water consumption	
Leaks were identified at various points of the water piping system to and from the treatment system.	The water distribution leaks were corrected. It was recommended a periodic revision plan of the water conduction system.
Delays in production due to variation in the public supply system.	A well water cistern was built in the treatment plant with a storing capacity for 150,000 gallons per day, and treatment capacity for 75,000 gallons per day.
Raw materials and supplies management and product loss	
There is material loss at the warehouse due to suppliers packing problems, and to damages caused by the poor conditions of the blades.	<p>The sugar bags that arrive torn are identified and separated and their use becomes a priority (after verifying their innocuousness). Measures are taken to protect the product.</p> <p>Damaged blades are separated to protect raw materials.</p>

Initial Diagnosis	Achieved Improvements
<p>Product is received unlabelled (essences and guava pulp).</p>	<p>Minimal requirements were defined for supplies to be purchased.</p> <p>Supplies were inspected upon being received to confirm that they comply with minimal requirements.</p>
<p>There is a risk that concentrates expire due to lack of labels on the containers.</p> 	<p>Arrival dates are put on the concentrate tanks.</p> 
<p>There is variation risk in the formulation due to problems with the weighing machine for supplies over 20 pounds (the amount of sugar and other supplies is estimated).</p>	<p>A bigger capacity weighing machine was purchased to weight supplies.</p> 
<p>After being pasteurized, the product does not comply with established temperature ranks.</p>	<p>The stopcocks of the cooling system were verified and the plaques of the cooling section were revised.</p>
<p>There are product leaks and loss of containers in the filling machines due to mechanical flaws.</p> 	<p>Maintenance was provided for machinery and a corrective maintenance program was set up.</p> <p>Result: 700 containers were previously lost for every 4,000 portions packed. Currently, only close to 40 units are lost.</p>

Initial Diagnosis		Achieved Improvements	
<p>Risk of losing cardboard containers for beverages due to inadequate location.</p> 		<p>Cardboard containers are given better treatment to prevent their being damaged by water. Result: Cardboard containers loss was reduced.</p> 	
Energy Efficiency and electrical consumption			
<p>There is high energy demand and a low potency factor.</p>		<p>Energy demand is monitored as well as the potency factor to be able to make timely decisions.</p>	
<p>There is energy loss during the loading of the product into the trailers.</p> 		<p>The cool rooms' trailers were united and a ramp system was installed for its loading. This way, the trailers' doors remain open for less time.</p> 	

SOCIAL DIMENSION	
Initial Diagnosis	Achieved Improvements
<p>Need to improve Human Resources management.</p>	<p>Following a work dynamic characterized by “learn by doing”, the counterpart was instructed on the following topics:</p> <ul style="list-style-type: none"> • Practical improvements on the subject of human resources management, considering its diverse sub-systems. • Establishments of procedures. • Design of the Positions' Handbook. • Design of the Welcome Handbook (Induction process). • Advice for the adequate development of the selection process: interview technique.

Initial Diagnosis	Achieved Improvements
Need to develop processes for Human Resources related to selection, training and incentives.	<ul style="list-style-type: none"> ▪ Jointly with the counterpart team, the Human Resources procedures were diagrammed and approved in regards to: recruiting, selection, induction and training. ▪ The corresponding procedures were written. ▪ Instruments and registers to be used were developed and validated.
The company did not have a Positions Handbook.	<ul style="list-style-type: none"> ▪ Instructions were given to design a Positions Handbook for the company; a format for its development was provided and a glossary of general competences was also given as a reference, as well as description samples.
The company did not have a formal induction process.	<ul style="list-style-type: none"> ▪ Besides creating a procedure, personnel was instructed on the guidelines for the Welcome Handbook and the elements it must include.

Phrase by the Entrepreneur

“Excellent technical assistance; we are 100% satisfied with the project. I think that if industries of the Caribbean countries received this type of technical help, the results in the short term at the macro level would be different.”

Luis Segura
General Manager
CAMPOLAC

