

Company: MARROQUINERÍA EUGENE´S
Country: Honduras
Project: Program TMF: Poverty reduction and environmental improvement. An integral, sustainable development strategy.
Year: 2005



THE COMPANY

Marroquinera Eugene's is located in San Pedro Sula, Honduras. It was founded on May 1st 1995, and it produces leather goods.

According to its owner Eugenio Hernández, the company's success is based on the good customer service given to wholesalers – service known for performing according to clients' request and on time. Other key aspects are the variety of leather colors available, and the possibility to work according to clients' specific needs or likes.

As a simple of its commitment to quality, in 2003 the company was awarded the "International Star to Quality" prize in the Gold Category – granted by the Business Initiative Directions (BID).

The company works with 13 permanent plant employees.



PRODUCTOS

Their main products are:



- Wallets
- Belts
- Bags and purses
- Coin purses
- Backpacks and briefcases
- Impressions on leather through burning
- Promotional goods such as business cards cases, key chains and folders.

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 internal and external organizational analysis took place to determine its sustainability profile, as well as its options for improvement in the environmental, economic and social dimensions.



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

Later on, 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; also, the follow up oriented towards the achievement of the expected results was developed.

MAIN OBTAINED RESULTS

Starting diagnosis	Achieved Improvements
ECONOMIC DIMENSION	
<ul style="list-style-type: none"> - Lack of indicators to monitor the company's financial results and make decisions in such aspect. - There is not a defined programming for the design of new models, neither a methodology for innovation in product design. <div data-bbox="310 779 703 1077" style="text-align: center;">  </div>	<ul style="list-style-type: none"> - The company's strategic guidelines were defined within the sustainable development frame. - Personnel were trained on Economic Value Added (EVA) and on the different value drivers which influence the company's financial results. - A tool was implemented to monitor the main indicators related to value drivers (growth, profitability, work capital, investments and financing.) - Saturdays as well as weekdays were designated during low season to maintain the creation of new designs. - In the design process, they will focus – initially – on innovating small leather goods to take advantage of the leather snippets resulting from the making of other products, to become differentiated in the market and to increase the variety and sells of small items.
ENVIRONMENTAL DIMENSION	
<p>Forecasting into a year the savings resulting from the two months of measures application in environmental terms, it is estimated that the company may save USD \$3,700. The detail of each of the implemented measures is explained as follows:</p>	
Efficient use of raw materials and prevention of solid waste production	
<ul style="list-style-type: none"> - Lack of indicators to monitor losses in raw material. - Non-existence of leather use norms - Lack of specialization in the leather cutting process, resulting in wasted material. 	<ul style="list-style-type: none"> - It was possible to estimate that during the 2003-2004 period, the company produced approximately USD \$4,300 in snippets (pieces of leather that may be taken advantage of by the company), and USD \$2,800 in residues (pieces of leather which may not be taken advantage of by the company), only for the making of belts, wallets and coin purses (67% of sold articles). - It was established as cutting norm to give priority to the use of snippets – always vigilant of the quality of the product to be made. - Two people were designed and trained to take care of the cutting of pieces and the use of molds.



- Disorder in the disposition and storage of the leather snippets.





- Waste of materials due to mistakes in the use of the molds.



- A table for snippets was organized – separating them by color and type, rolling them up individually to prevent them from damaging.



- A revision of molds for all articles was done and they were all properly labeled to decrease the risk of errors.
- During the first two weeks of the implementation of the adequate cutting practices, a reduction of 116 lbs of snippets occurred – which means a savings of close tot USD \$500.00 and without the need for additional investments.
- An Improvement Implementation Actions Plan for Cleaner Production was made – as well as a registry to measure efficiency indicators.

SOCIAL DIMENTION	
Occupational Safety	
<ul style="list-style-type: none"> - There is no adequate risks and accidents monitoring. 	<ul style="list-style-type: none"> - A tool to identify risks in the work area was designed. The tool was validated in the dressmaking workshop. Situations, which may cause harm to the personnel's health or the company's assets, were identified. Moreover, it details the place where the danger originates, the equipment, tools and materials involved in the activity. Hazards were ranked based on their risk level taking into account their occurrence rate, their severity, and exposition. - An implementing Health Actions and Occupational Safety plan was designed as to eliminate or diminish accident risks. The plan details requirements to carry on improvement actions, the personnel responsible for it, and the implementation date.
Internal and External Social Projection	
<ul style="list-style-type: none"> - Few possibilities of personnel's development. - Few employment opportunities in the community. - High market demand results in exhausting working days during some periods. 	<ul style="list-style-type: none"> - An Action Plan was set up which takes the following into account <ul style="list-style-type: none"> ✓ Offer family finances courses to the personnel – to teach them to make better use of their income. ✓ Do recreational activities with the employees families, to encourage solidarity, and the enjoyment of spare time. ✓ Program the clearing of the neighborhood with the help of employees. ✓ Analyze the possibilities of indirect employment – through alliances of other leather companies (shoemaking, saddlery) to take advantage of the brand positioning. ✓ Analyze subcontracts with small industries of fine leather goods to support their emergence and consolidation. ✓ Design training documents to train the community – aimed at youngsters and young adults. ✓ Bring trainers from abroad with new techniques to improve national competitiveness. This with the support of NGOs, government entities and the Chamber of Commerce. - A group of employees were trained in the Topic of Social Responsibility, Social Management and Change Management.

PRASE BY Marbel Gradiz
Co- owner

"Since we started this process with CEGESTI, we have seen how waste has decrease and this has favor us a lot because we have taken more advantage of the material, and personnel have been made aware so that they take better advantage of the leather. Awareness on the importance of the environmental issue has been made – since if we neglect the environment, we harm ourselves and our children’s future – so we have to protect as much as possible.

We have learnt that employees are an important part of the company as they are the ones who grant support. Besides, it is good to keep good relations with the community. I deeply thank CEGESTI because they have helped us a lot. Furthermore, I recommend them to other entrepreneurs."



Ministerie van
Buitenlandse Zaken

