

Sustainable Development in Central America and the Dominican Republic

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

THE COMPANY

Taller Corporativo del Mueble is a company that manufactures and sales home furniture. It was founded in July 2004 by Mr. Luis Rodriguez Lovera, an entrepreneur who decided to establish a new company taking advantage of his knowledge in making furniture and the experience he acquired with his siblings when jointly they created, two decades earlier, the *Acuario S.A.* enterprise.

Taller Corporativo del Mueble has 20 employees and it is located in the Herrera Industrial Zone, Santo Domingo, the Dominican Republic.



PRODUCTS AND MARKETS

The company's main products are dining and living room sets, with standardized models; it also produces other articles on request.

The most used raw materials for the making of the furniture are: pine, MDF (or compressed wood), foam, mahogany, and tapestry fabrics.

The products' sale is done wholesale through distributors and department stores.

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.








MAIN ATTAINED RESULTS


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>We offer wooden and upholstered furniture distinguished by its innovating design, its good quality and competitive price.</p> <p>We work to generate economic value, create favorable human relations and satisfy the integral needs of our employees and the community.</p> <p style="text-align: center;">COMPANY'S VISION</p> <p>Achieve a sustained growth on our sales, through innovating products and an efficiency model and shared profitability that benefits all who collaborate with this company.</p>

ECONOMIC DIMENSION	
Initial Diagnosis	Achieved Improvements
Accounting management	
<p>Need to improve the accounting system.</p> <p>Personal and company accounts are mixed.</p> <p>Need to improve the control forms.</p>	<p>Accounts receivables control forms were improved, as well as the bank controls (checks and deposits) with the objective of establishing a minimal basic accounting to have information that facilitates management decision making.</p> <p>Management was advised on the importance of keeping separate accounts between the proprietor and the business, coming to the agreement of separating the records and keeping independent accounts.</p>
Purchases management	
<p>Lack of a list of suppliers that may grant credit to the company.</p>	<p>A list was set up which includes the main raw materials suppliers that grant credit to the business.</p> <p>The purchases planning improved.</p>
Cash management	
<p>Petty cash is quite high.</p> <p>A personal credit card is used for the company.</p>	<p>A policy was established so that the petty cash is only used for casual purchases with a set maximum amount.</p> <p>A corporate credit card was set.</p>
Inventory management	
<p>Lack of registers for raw materials inventory.</p> <p>Lack of finished product inventory (Journal).</p>	<p>A notebook or Book was set where the logs for raw material and finished product are registered.</p>

ENVIRONMENTAL DIMENSION	
Initial Diagnosis	Achieved Improvements
Order and cleanness on premises	
<p>There are no good practices to keep order and cleanness on premises. This results in: an inadequate work environment; waste of time due to the difficulties to find tools and materials; and material loss due to damage and/or because of the difficulty to locate them.</p> <div style="display: flex; flex-direction: column; gap: 10px;">   </div>	<p>Training was provided to all operatives on the topic of the 5 S's. During the activity all employees made a commitment to collaborate with order and cleanness at their work place.</p> <div style="display: flex; flex-direction: column; gap: 10px;">   </div>
Raw materials management	
<p>There are no clearly defined controls. Workers have free access to auxiliary materials like sandpaper, glues, and diluters, amongst others. The little control increases the risk of generating materials waste and damage to the work tools.</p>	<p>There is a purchase and delivery register to production of expendable materials. Materials were set at a place with more control. The re-ordering point for the purchase of each kind of material was identified.</p> <div style="text-align: center;">  </div>

Initial Diagnosis	Achieved Improvements
<p>The templates used as cutting guides are made of different materials like cardboard, plywood and cards. Some are not in good conditions and it is unknown if they are complete. Neither is there an order on how they are grouped or stored. There are no codes to identify to which furniture or to which of its part they belong.</p> 	<p>Templates were made with long lasting materials. Templates were identified with the name of the set, of the piece and of the furniture.</p> <p>Templates were organized under criteria that facilitate their identification.</p> 
<p>There are neither statistical records for production, nor for returns and their causes.</p>	<p>Production times were defined according to the type of product. A daily production control by work station was established. These indicators bring information that can be used to identify internal problems and correct them on time.</p>
<p>There are delays in production and defect risks in products due to lack of spare parts for machinery.</p>	<p>A minimal inventory of spare parts for machinery was established (power saw, blades, sharpen guillotine blades, etc.)</p>
<p>The dosage for diluters for the final finishing rests on the painters' expertise which may have consequences on the quality of the finished product of the furniture, especially on the shade tones of the pieces of a whole set.</p>	<p>The kind of paint applied was changed resulting in savings of operation time and improvement in the quality of the finished product.</p>
<p>It is unknown howmany pieces of furniture are made weekly.</p> <p>It is unknown the capacity the plant could have.</p>	<p>Statistical production records are kept, as well as for returned products and the reasons for it.</p> <p>Indicators to do follow up to the company's performance were established.</p>

SOCIAL DIMENSION	
Initial diagnosis	Achieved improvements
Health and Occupational Safety	
<p>The cutting, polishing and varnishing of the wood results in pieces of waste wood, sawdust, and dust that end up on the floor. Cleaning of the work stations is not a daily practice; only superficial cleanings at the end of the week.</p> <p>The accumulation of waste products, especially in the carpentry area obstructs persons and materials transit.</p> 	<p>A routine and deep cleaning programming was implemented at the work stations.</p> 
<p>Breathable particles that remain suspended in the work environment are generated which – by being breathed or in contact with the skin – may produce respiratory diseases, skin allergies and annoyance in the eyes.</p>	<p>Equipment for personal protection is being provided for workers in the polishing, paint and carpentry areas to develop their operations.</p> 
<p>Lack of measures to control fires, existing risk at the plant due to the type of materials used in the productive process.</p>	<p>General management was sensitized on the importance of having fire extinguishers with adequate location and maintenance conditions.</p>

Initial diagnosis	Achieved improvements
<p>Human Resources Management</p> <p>Need to strengthen the managerial capacities to promote human resources.</p> 	<p>Following a work dynamic characterized by “learn by doing”, general management was instructed on the following topics:</p> <ul style="list-style-type: none"> ▪ Practical improvements on the subject of human resources management, considering their diverse sub-systems. ▪ Need to improve the sub-systems’ information, instrumentation and personnel’s motivation. <p>As a result of this process:</p> <ul style="list-style-type: none"> ▪ Management was recommended to take care of the profile of the persons the company includes, at least verifying work and personal references, and if possible a criminal record check up. ▪ The importance of the personnel’s induction processes, and trial period were highlighted as it is in these processes that the new collaborator’s potential will be defined. ▪ Personnel’s training process is considered vital, so a small study to detect needs will be executed twice a year. ▪ Guidelines were provided to carry out assessments to personnel on a periodic and daily basis. ▪ A series of diagrams were made and approved which detail each of the previous points.
<p>There are no assessment instruments to monitor personnel’s performance.</p>	<p>Some relevant variables were defined; and a new instrument for the corresponding evaluation was designed.</p>

Phrase by the Entrepreneur

“The design of the project’s consultancy is truly excellent. The main benefit of this process has been the motivation it has generated. Previously, we had spoken of the improvements the company needed to make, but now we have the motivation to do it”.

*Luis Rodriguez
General Manager
TALLER CORPORATIVO DEL MUEBLE*

