

case study



INVESTORS IN PEOPLE

MTM Labels



- **The business has made a fourfold increase on revenues in ten years; currently standing at two million**
- **Expected to grow to 60 people and 3.5 million turnover in the next five years**
- **Reduced absenteeism, churn and increased morale.**

Background

| | |
|-----------|---|
| Size: | 46 people (including 12 part-time) |
| Sector: | Manufacturing |
| Location: | Chesterfield, Derbyshire |
| Status: | First gained the Investors in People Standard in 2000 |

The organisation

Established for over 30 years, MTM Labels is dedicated to providing innovative solutions to industry for all its label, name plate and product identification needs. It is also a specialist supplier to the emergency lighting industry, with around a third of its work coming from this sector. The company has carved itself an important niche in the industry, producing around 80 per cent of the UK's emergency backlit panels for use in public buildings around the country.

Committed to lifelong learning, MTM's team undertakes continuous training and personal development, to provide its customers with the best professional service at every stage throughout the ordering and production process. The Standard has become closely bound to the company's commitment to its people and has played an important part in revitalising the business.

"Since gaining the Investors in People Standard in 2000, our revenues have quadrupled and our workforce has grown by a third. The Standard has allowed us to build and apply a robust structure, while at the same time enabling us to adopt and benchmark against national best practice."

Ian Greenaway, Managing Director



The challenge

Prior to achieving the Standard, MTM had been struggling commercially and by the mid-nineties the business was finding it hard to make a profit. To stimulate new growth, a renewed approach was required and in line with this, a new managing director was recruited.

Ian Greenaway took over the helm in 1996 and recalls some key areas which needed immediate attention. "When I joined the company, there was no real business framework in place, nor were there clearly defined operational processes. Put simply, we had failed to get our act together and had become very inefficient," explains Ian. "A culture of 'one person one job' had become embedded in our business and our procedures were largely undocumented. This meant that we weren't nearly as flexible as we could have been. For example, unexpected staff absences could have a serious effect on production, because co-workers had not been trained to run different machines. This meant that some orders would go out late. More worryingly, we hadn't truly engaged our people in the business, so there was a lack of understanding of the issues we were facing and little awareness of where we were heading."

Ian believes these factors conspired to damage staff morale, severely denting the confidence of the workforce and reducing its competitive edge. "Our customers were beginning to lose confidence in us and some had begun to look elsewhere. At the time, we were only just breaking even, so this led to a pretty difficult commercial period for the business," says Ian. "Our people had lost confidence in themselves and there was a general feeling that we were failing. We realised we had to act quickly to retain our customers and really get to grips with what was going wrong. We therefore set about putting in place a strategy based around the Standard, aimed at restoring our self-esteem, improving our processes and getting back on track for growth."

The strategy

MTM realised early on that improvements would not come from simply acquiring more machinery and premises, not least because the funds weren't available to do this. Instead, it recognised it had been overlooking its most important asset, its people.

From the outset, the Standard provided MTM with a framework to examine its business and identify areas for improvement in a rational and constructive way. Existing processes and procedures were therefore scrutinised carefully and a gap analysis then performed to gain an understanding as to which areas needed to be improved.

Recognising that communications with its workforce needed improvement, MTM has put in place regular employee briefing sessions every two months, to update its workforce on business performance. In addition, a company newsletter is published twice a year and provides further information on developments in the business. Annual appraisals have also been put in place to provide feedback on staff performance, their role in the business and to address individual development needs.

MTM has also invested in training and developing its people. For example, every screen printer is given external training to NVQ Level 2 standard. Ian also plays an active role in mentoring the management team, whilst also encouraging his managers to take external courses. "One of our managers has recently achieved NVQ Level 5 in management from the Chartered Management Institute and another manager is currently studying for an Open University certificate in management and marketing. This demonstrates the extent to which we have embraced training at a managerial level in our business," explains Ian.

The results

MTM has experienced an impressive financial turnaround since achieving the Standard. With revenues of £2 million, the business has made a fourfold increase on revenues ten years ago. Multi-skilling has improved the business on a number of fronts. Flexible working is fully entrenched in the business as a result, and this has helped to improve staff morale, and has reduced absenteeism and churn. At the same time, this approach has boosted the reputation of the business as a good employer, enabling MTM to recruit from a wider resource pool.

"We have both full time and part time employees, but because everyone has been trained to do a variety of jobs, we rarely have difficulty in accommodating individuals who need to work unconventional hours," says Ian. "For example, employees with children can work hours to suit childcare commitments such as the school run. We also employ people who are beyond retirement age who still want to work but only on a part time basis. The impact on staff morale has been very positive indeed. Our people know they can work hours that suit them, providing they agree these with their co-workers. This means we have exceptionally low absenteeism and churn and have little difficulty in attracting new people."

The business has recently invested in new plant and premises and is prepared for future growth. "We expect to grow to 60 people and £3.5 million in turnover in the next five years. With guidance from the Standard, we now have the processes, structure, skill sets and confidence to achieve this. We could not have hoped for a better outcome."

