

# Lose the waste, boost the profit

‘Lean manufacturing’ has paid dividends for Matcon and adopting it more widely could help the UK to compete more keenly with China, India and other emerging markets

Matcon has recently celebrated its 30th anniversary with a move to new purpose-built facilities in Evesham, Worcestershire, bringing all of its UK-based operations under one roof.

The company specialises in the design and supply of materials handling solutions, using intermediate bulk container (IBC) technology for handling powders, granules and tablets across a range of manufacturing industries, including food, pharmaceutical, chemical and metal powders. Matcon has a worldwide presence and diverse customer portfolio, encompassing both national and multi-national companies.

In 2010, the company achieved record turnover, a success that has come about following a total change of business focus.

For its first 25 years Matcon, albeit successful, was mainly technology-driven with the end user or a third party often specifying the conceptual process solution. In 2006, there was a growing realisation within the business that the systems Matcon design are ideally suited to helping their customers achieve ‘lean manufacturing’ – a

production method whose aim is to eliminate any use of materials or resources that does not add value for the customer.

The change led to a refocusing of the companies’ global marketing and sales team.

“We have always supplied hygienic and simple processing solutions to the food and pharmaceutical industries. The link to lean



**Superior mix:** Matcon have scored success with a modular approach to formulation, mixing and packaging, which allows rapid changeover from product to product



Put to the test: a new facility allows customers to run product trials on Matcon process modules

manufacturing made it much clearer to us and our customers what the true benefits of our technology actually are,” says Charles Lee, group managing director.

Matcon have been particularly successful with their new modular approach to formulation, mixing and packaging of powders, which allows rapid changeover from product to product. Users often find that it makes their operation at least twice as efficient, all without the need for additional operators or space.

The application of lean manufacturing has had other benefits for customers, including significantly lower levels of inventory and work in progress and improving cash flow and profitability.

The emerging economies of China, India

and Brazil now make up a significant percentage of the group’s turnover and 95 per cent of turnover overall comes from abroad. Today’s emerging markets are keenly aware of operational efficiencies. By contrast their Western counterparts concentrate far more on reducing the number of employees and minimising capital spending to maintain value for shareholders.

Although labour rates in most emerging countries are much lower than in the West and it is this ‘perceived’ cost difference that has a substantial negative impact on western investment, most process plants in Asia are fully automated with the best western technology. As such, low labour rates have a minimal impact on their cost base.

Instead, it is their drive towards lean manufacturing which enables products to be manufactured cost-effectively. The failure to improve inefficient manufacturing processes in the UK inevitably leads to job losses as production is moved overseas, a trend that with the correct understanding and vision can be reversed.

Matcon truly believes there is no reason why UK process manufacturing should not be as efficient as the rest of the world. Significantly, the company has noted a lot more ambition to achieve lean manufacturing in the UK in the last 12 months.

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# The right chemistry

Matcon has helped global conglomerate the Aditya Birla Group to add greater flexibility and speed to its food additives operation in Thailand

Matcon, specialist in the design and supply of materials handling solutions, has brought its expertise in 'lean manufacturing' to bear on a project for one of the world's major chemicals companies.

Aditya Birla Chemicals is part of the Aditya Birla Group, a global conglomerate and Fortune 500 company. The group's growth is exceptional: it has seen a 15-fold increase in turnover in the last 15 years.

The chemicals company has manufacturing plants in Thailand, India and China. One of its Thai units produces different grades of phosphate for the food industry for use as additives in minute quantities in most foodstuffs.

Demand is growing so the phosphates unit has scaled up its production and, at the same time, built a flexible manufacturing facility with exemplary hygienic manufacturing and quality standards. The rising demand for speciality recipes meant that flexibility had to be built into the manufacturing operation.

Matcon's 'lean manufacturing' philosophy

inspired the project team to conduct full-scale product testing of critical processes at Matcon's UK headquarters. They included processes such as mixing homogeneity, dosing accuracy and packing capacity, together with rapid changeover and, where necessary, quick clean-down.

Following the successful testing and with Matcon's wealth of experience on similar projects, Aditya Birla Chemicals bought a turnkey system from Matcon.

The system was installed towards the end of 2010 and is now operational. It has the capacity to produce up to 20,000 tonnes annually over three shifts and the ability to change recipes constantly and effortlessly as orders arrive from customers.

"Matcon's global presence and unique technology gives us the confidence of having chosen the right powder processing partner," says E R Raj Narayanan, senior president of Aditya Birla Chemicals (Thailand).

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**Production boost: Aditya has capitalised on Matcon's technological knowhow**