

'GOOD HOUSEKEEPING' GUIDE APPLICATIONS IN COMPANIES

SBA
Sustainable Business Associates

DELTA PROGRAMME
DELTA Palestine

BETTER LOGISTICS HELPS IN ECONOMISING RAW MATERIALS ALAWDA, A SWEET AND SALTY BISCUIT FACTORY IN GAZA

WHAT IS THE 'GOOD HOUSEKEEPING' GUIDE?

This Guide is a simple management tool developed by GTZ/P3U and SBA. It contains Checklists and describes common sense measures that companies can take related to 'good housekeeping'.

These measures can help companies to reduce their production costs, enhance product quality, and minimise the impact of industrial operations on the environment.

IN BRIEF

Because of a factory reorganisation, less attention was being put on logistics. While visiting the factory, an Engineer from the Ministry suggested to use

a simple logistic structure to reduce the loss of raw materials and minimise the generation of waste. These actions helped Alawda save money on the purchase of raw materials.

THE CHALLENGE

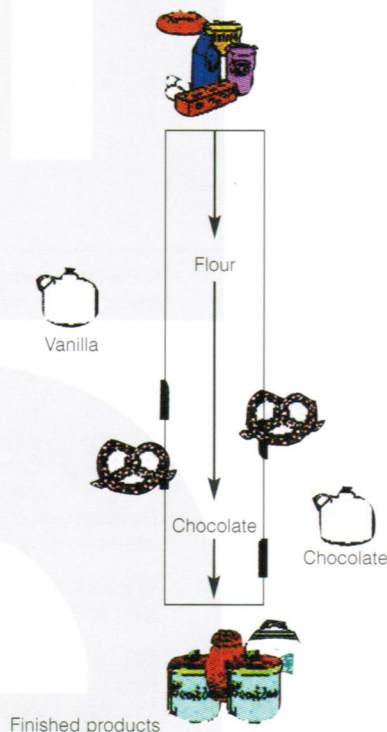
Much attention needs to be put on the raw materials used in biscuit production because of the high price (eg.cocoa powder) and expiration dates (eg. for butter). These components need to be kept secure from water leakage, from heat, and possibilities that the packaging will be damaged. During a period of internal change in this factory, the focus was on the production line machines, and less so on the stock of raw materials and finished products.

APPLICATION OF THE 'GOOD HOUSEKEEPING' GUIDE

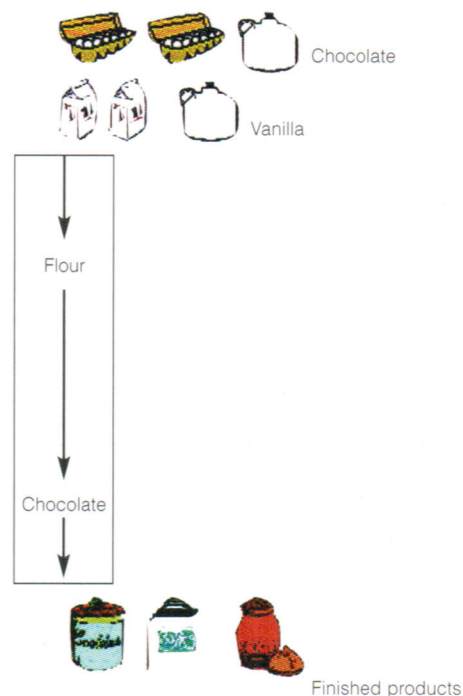
By using the Guide's Checklist on logistics, Alawda's managers became more aware of the need to stock raw materials in designated areas and ensure that the contents are secure to avoid losses due to accidental spillage or passing the expiration date. In this case, instead of having a long internal brainstorming about the new organisation, the Guide was used as a management tool to find solutions in a quicker way.

ACTION TAKEN WITHIN THE COMPANY

THE PROBLEM



THE IDEA



ECONOMIC RESULTS

Investment cost	2 days to organise the new logistic structure
Annual savings	10% of raw material purchases
Payback	immediate

ENVIRONMENTAL RESULTS

The factory owner was not really convinced of the opportunities of 'good housekeeping' until he reached the waste area and saw that a lot of raw material was being thrown away. Wastes are often the result of bad habits in logistics, stocking of material, etc. Waste first has to be bought as raw material, sometimes at a high price. Managing the stock of raw materials can bring savings on purchases, limit the use of resources, and reduce the generation of waste—thereby reducing the impact on the environment.

LESSONS LEARNED

Production management begins with purchase and ends with wastes and customer satisfaction. 'Good housekeeping' practices are a first step towards modern management. As small companies 'grow up', there is a need to adopt more structured ways of organising processes. Better logistics, for instance, can save on expensive raw material costs and improve product quality. Managing the stock of raw materials and ensuring sound logistics for finished products also mean savings and reduce the impact on the environment. Having high technology production is useless if raw materials are damaged before they can even be used.

COMPANY

Alawda, Gaza, Palestine; food sector, a sweet and salty biscuits factory; 75 employees.

FOR FURTHER INFORMATION

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WHO IS SBA ?

SBA, Sustainable Business Associates, is a non-governmental organisation (NGO) that is working to engage industrialists in 'eco-efficiency' with the aim of minimising environmental impact and improving business productivity. To pursue this aim, SBA has initiated the DELTA Programme to sensitise industrialists to new business risks and opportunities, and to provide them with the management tools and training to move towards sustainable development.

WHAT IS DELTA?

DELTA stands for Developing Environmental Leadership Towards Action.

Chapter 30 of Agenda 21 (an outcome of the 1992 United Nations 'Earth Summit') indicates that business & industry have a critical role to play in achieving sustainable development goals. After an initial awareness-raising phase, the DELTA Programme focused on structuring industrialists in 'business & environment' networks (DELTA Networks) in 10 countries of the Mashrek & Maghreb. These Networks are composed of key industrialists interested in taking a proactive, leadership role on environmental issues. The DELTA Networks are practical, working structures for industrialists to obtain information & contacts, exchange experiences, develop environmental

know-how, and gain access to practical management tools that can offer 'win-win' options based on eco-efficiency.

SUPPORT TO DELTA

 The DELTA programme is supported by the European Commission (LIFE), the Swiss Agency for Development & Cooperation and other international organisations.

WHERE ARE THE DELTA NETWORKS?

DELTA Networks are operating in: Algeria, Egypt, Jordan, Lebanon, Libya, Mauritania, Morocco, Palestine, Syria, and Tunisia.