

Workshop Conclusions

SPAIN

Introduction: Storytelling about the experience

-<u>Initial Situation</u>: In 1973 birth of a new icon in the world of children. MICUNA Group was founded in 1973 with the foundation of Francisco García Moreno, located in the town of chair. Its main activity was the manufacture of wooden cribs. During 30 years of its existence has been a trendsetter in the baby furniture industry to bring to market wood cribs, when they were metal cots that dominated the market at the time.

In 1981 it consolidates a leader, and moved its facilities to Sollana, Valencia (Spain), next to the Albufera Natural Park. Now, a total of 35.000 m2, continues with making baby furniture that gave name to its origins, expanding its business with logistics, polishes, melamine manufacturing and management.

National market leader, and currently the fourth leading European company in the manufacture of cribs and furniture for children, is recognized as a company of high quality and safety in their products

MICUNA carries on business at any time contemplating his mission: the child protection. In line with this mission, in MICUNA have very important note values: solidarity, fair competition, safety and welfare of workers, respect for the environment, supporting mothers and working women, quality, safety and respect for the rights of children.

In 2009 the company had 180 employees, and was part of the subcontracted production process and auxiliary, working directly to the furniture industry.

-Problem

In 2009 the company began a restructuring process as a result of less demand and the decline in their sales. It was necessary to reduce costs.

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-Development / actions

The company is considering launching a restructuring process focused on the concentration of its different lines of business with the aim of reducing costs, both fixed and variable.

-Solution

- · Concentrate production to be more productive
- Absorb the auxiliary industry to reduce outsourcing
- Elimination of overtime

• Not renewing the temporary staff and initiating EXPEDIENTE DE REGULACIÓN DE EMPLEO for the reduction in working hours and a system of flexible hours.

-Final situation (current)

The company has reduced its staff by 40%, in line with new "wing situation" and adapting the staffing structure to the current production capacity.

Maybe the storytelling can be addressed to people with different positions in the company. (For example: to the manager/business owner and a worker).

1. Do you think restructuring took place in the right moment? If not should it take place sooner or later?

No, the restructuring should have started a little sooner.

2. Did the employees welcome the process?

Yes, the restructuring process is carried out taking into account the characteristics of the workers and offering different alternatives, such as the reduction in working hours, early retirement, flexible hours etc., which has resulted in the majority of workers have adapted to the new conditions.

3. Are there any benefits for the environment deriving from the restructuring?

The main objective of the restructuring was cost saving, so different actions aimed at achieving this goal have been conducted, and that has also meant an environmental improvement and greater energy saving.

The company made investments aimed at better management of the waste

generated and its utilization, and lower energy consumption.

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4. Did you ensure that all aspects of the process are within the parameters of local legislation?

Yes, the Company undertakes this restructuring process and the environmental investments taking into account regional and national legislation. In addition, as an exporting company that makes children's furniture, we're familiar the different European directives and regulations on safety and environment.

5. Does strategic long-term monitoring of market developments exist?

Yes, the company is involved in various projects and observatories of the technological Institute of furniture, wood, packaging that help us learn about the different future scenarios, the evolution of the market and consumer trends.

6. Do you think that the results are going to be long term ones?

The company takes into account in different scenarios in the long run help to explore the future. Although you cannot predict the future, these scenarios reveal possible futures that are likely to happen and are challenging for the company. It contemplates the possibility that in the long-term the furniture industry will change, so it is necessary to take measures that put the company in the best future scenario.

7. Was training provided to existing staff?

In this restructuring process, it has been necessary to improve the training of the personnel of the company through training. This was a Strategic Plan of training for the workers to acquire new skills and competencies, allowing them to be more flexible and productive.

8. Where any new staff needs created?

At the end of the process the creation of new, not-yet existing jobs has been required, have all been filled with new staff via internal promotion or recruitment.

9. What are your ideas about possible improvements?

The improvements that must be undertaken by each company should be carried out depending on the future scenario in which it is expected to be framing, undertaking

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the necessary investments that may involve a competitive advantage over its competitors.

10. What would be your advice to other companies planning a restructuring?

Initiate the process of restructuring as soon as possible and not wait until it's too late. Make technical improvements and possible investments in the enterprise that result in a reduction of costs and higher productivity.



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