

- [European Industrial Relations Dictionary](#)
- [EurWORK publications](#)
- [Working life country profiles](#)
- [Case studies](#)
 - [Attractive workplace for all](#)
 - [Ageing workforce](#)
 - [Workers with care responsibilities](#)
- [Database of wages, working time and collective disputes](#)
 - [Dispute resolution](#)
- [News](#)
- [Events](#)

The tripartite EU agency providing knowledge to assist in the development of better social, employment and work-related policies

You are here

- [Home](#)
- [Observatories](#)
- [EMCC](#)
- [ERM](#)
- [Restructuring in SMEs](#)
- [Fitecom Portugal](#)

Fitecom, Portugal

- Type of restructuring:
Internal restructuring
- Employees before restructuring:
50-249
- Employees after restructuring:
50-249
- Nace/Sector:
Manufacturing
- Country:
Portugal
- Date:
01/06/2012
- Keywords:
Greening

Abstract

Fitecom, based in Portugal, manufactures textiles and wool products. The main motivation for restructuring was the need to become environmentally friendly, reduce energy consumption costs and recycle waste. The goal of the restructuring process was to implement an integrated system of environmental management alongside lean management practices to improve productivity. It was important to involve employees in the waste-reduction efforts, to increase their sense of responsibility and inclusion. The acquisition of specific and specialised know-how and employee training were also part of the restructuring plan.

Organisational profile

Fitecom, a legally independent/corporate company, was founded in 1993 by three professionals (they are still the owners) with knowledge and expertise in the field of textile engineering, with a financial capital of €450.000,00, having started its activity after buying the building and equipment of an historic textile factory of Covilhã, centre region of Portugal. The company's main activity is the manufacturing of wool/textiles (NACE 13202).

The president of the board of the three directors is Engineer João Carvalho, with a share of 51.14% of the capital, a former professor of textile engineering at the University of Beira Interior (UBI) and consultant for a project involving textile engineering at the same university. He owns two other companies related to agriculture and wine production. The company has also a member of the board of directors who owns a 33.31% share, a financial director with a 15% share, a general assembly president and a general assembly secretary, having the remaining 0.55% share. The company has a major stake in a Portuguese company, Sociedade Têxtil da Beira Interior, S.A., with a 99.92% share of the capital with 55 employees.

Nowadays, there are 120 employees at Fitecom. The region is traditionally known for its manufacturers of textile and wool and historically it has

strong unions related to this specific sector. The workers are unionised in local trade unions and Fitecom has representatives who are responsible for the dialogue with the trade unions and represent the interests of the group.

Fitecom is organised in five main departments according to the production process and supply value chain, namely: spinning; carding; weaving, finishing and dyeing.

The main export markets are France, UK, Denmark, Germany and Spain, covering about 90% of exports.

The main products and fabrics are 100% wool, wool and polyester, wool and lycra, and the firm has an annual turnover of €10.5 million.

The main distribution channels are agents located in several countries, such as: France, the UK, Denmark, Germany, Spain, Sweden, Finland, Netherlands, Italy, Norway, the Czech Republic, Switzerland and Turkey. The company produces about 2.5 million meters of fabric per year.

The type of clients that Fitecom deals with is mostly composed of final distributors and retailers that operate the textile and clothing industry.

The business performance before the restructuring event was characterised by a pattern of stability in terms of sales' evolution until 2009, and by an increase both in sales and turnover, after 2010. Furthermore, the number of employees increased from 104 in 2006 to 120 at the time of the interview (summer 2012).

Background to restructuring event

In 1999, the company implemented an investment plan, which included the building of a new plant and the replacement of almost all technological equipment. This new building started operating in 1999, in a 16,000 m² area, using high-tech machinery.

These changes are part of the restructuring event that Fitecom had implemented as part of a specific internal restructuring process. This type of restructuring was guided by an internal reorganisation that did not result in the reduction of the number of employees, but in a reorientation of industrial and commercial activities, targeted at innovation and diversification in products, resulting in the adoption of new production processes and the implementation of quality standards.

The organisational culture of the firm is based on the continuous improvement of quality, design and price, and also on the development of partnerships with the main customers, aiming to promote the success of the involved parties.

The quality of the product is the main competitive advantage of the firm. To achieve this, Fitecom has a modern laboratory, with the latest technology, in order to control the phases of the supply chain value, which ranges from the raw material to the distribution of final product.

The company operates in the wool markets for daily garments and uniforms. In these markets, Fitecom intends to foster the value added by its product, by taking into account the consumer's profile, adding functionalities to its textiles, besides the parameters of technical performance needed for this sort of applications that are already provided by the firm.

To accomplish this, Fitecom is certified by several product trademarks, such as the license by 'Australian Wool Innovation' for the production and commercialisation of 'Woolmark' products, the certification Öko-Tex, the recognition for the 'Lycra Assured' programme licensed by Invista, the license by Advansa for the application of 'Teflon' finishing, is permitted to use the trademark Trevira - Clasixx and the license for the production and commercialisation of 'Coolmax' and 'Thermolite' products, aimed at medium and medium / high quality markets.

In addition, internationalisation activities to expand markets were also one of the main goals of the company in the restructuring.

The goal of the restructuring process was to implement an integrated system of environmental management and lean management practices, and thus progressing the company in terms of financial sustainability, energy consumption and textile waste management. For instance, from the waste that is mainly textile, 66% went to landfills and 34% were reintroduced in the process. Carding was the department that was responsible for the majority of waste and residuals, whereas the spinning and the winding departments are the ones responsible for recycling the wastes and residuals, by reintroducing them in an efficient way into the production process. Furthermore, Fitecom observed that the departments of spinning and carding were the main energy consumers, especially the spinning equipment that operates on a continuous basis.

The main motivation for restructuring was the need to become environmentally friendly and reduce energy consumption, costs derived from the misuse of energy and bad use of wastes that could be recycled and reintroduced in the supply chain value to improve performance standards.

This process was urgent, mainly because the company needed to reduce energy consumption costs, based on a previous analysis. Fitecom was interested in becoming an environmentally responsible and eco-efficient company. Furthermore, the company intended to provide better in-house working conditions, and a work environment that motivates and provides healthy conditions for their internal and external stakeholders.

Restructuring processes

The restructuring event was initiated in 2007, through a project with a national financing support, called 'PRERESI – Industrial Wastes Prevention', and it resulted from a board decision in order to create a team, at the company level, responsible for the development of a set of

activities defined by the team leading the project (National Institute for Residues and National Institute of Engineering, Technology and Innovation). Although the subsidised project ended in 2010, the procedures of the restructuring are still going on. Fitecom was contacted to join the project since the company is a reference company in national terms in its sector and is also a partner of the Technological Centre for Textile and Clothing (CITEVE) that was involved in the partnership. The team involved was informed and also consulted before the process started, as the worker's union was not involved.

This team involved the directorate of the company, engineers and a collaborator from accounting. In addition, there were technicians from CITEVE that were responsible for gathering data and mapping the process.

This process was part of the national plan for the waste and residues prevention from the Ministry of Economy and Innovation, aiming to implement a coordinated plan for Fitecom.

In this context, the company board developed a plan for the restructuring event with a set of instruments that are presented hereafter.

The company developed a set of programmes to improve the environmental performance of processes and products in the form of an environmental management system, a life-cycle analysis and designs for environmental and eco-efficiency certification. The goal was also to increase employee responsibility and inclusion, by involving them in joint efforts for waste reduction. Another premise besides this was that lean manufacturing influences financial performance through improving organisational processes, eco-efficiency and labour and productivity of the assets.

The process entailed an initial phase, the contextualisation of the specific scenario of Fitecom, where the plan was designed and organised, the team selected by the board of directors from the company and the goals transmitted to the team and the process mapped. The second phase was about identifying opportunities of intervention, it was about listing problems, such as the extreme amount of wastes produced and not treated, the lack of know-how from workers to perform accordingly, or the costs associated with the non-use of wastes, for example. The third phase covered the process of understanding the problem and searching for pathways to solve it, by establishing a causal approach and defining opportunities. The fourth phase was about the development and valuation of solutions and the last phase covered the decision process, implementation and monitoring.

The process that was developed over a one year period was then initiated in the company, by taking a set of actions, namely mapping the production processes, covering three types of operations, namely the principal, the auxiliary and the end of the line. The principal operation covers the product transformation units, the auxiliary covers the quality control and the end of the line covers waste and residue handling.

Other actions taken were the mapping of the waste in terms of fibrous residues, plant and land waste for the units that produce the waste, namely batch preparation, spinning, carding and winding. After this, the team identified the major causes for vegetal and fibrous waste generation.

The next set of actions covered the acquisition of specific and specialised know-how and employees' training. In a first phase, this covered just one delegate from the company and later several workers, from the five departments of Fitecom plus accounting.

The training was in situ training, training on the job, organised meetings with the leading team and selected key persons from Fitecom.

The next actions covered the tasks of analysing the most effective economic, eco-efficient and environmentally-friendly solutions, in order to increase awareness of the importance of tuning and efficiency of the pitch for minimising losses and material waste and afterwards for recovering a part of the production costs.

The main measures/solutions included the careful monitoring of stocks of materials and products, the implementation of a monitoring system of an inputs/outputs process and the adoption of efficient housekeeping and verification practices. It was decided to establish a detailed production procedures manual to avoid losses in the allocation of resources due to bad practices and to separate the waste by class and degree of dangerousness that can affect the recycling of waste. In addition, it was decided to proceed with the installation of flow controllers and the use of returnable packaging, as well as introducing the computerisation of the administrative services and the selection of supplies in order to reduce the variability of containers. Fitecom started to replace the raw material used by one of improved quality, containing less contamination and reused shorter fibres in the production of thicker yarn.

Another initiative that the company decided to implement was about starting to control the production process to reduce the number of nonconforming products. Furthermore, to improve financial performance it was decided to reuse the waste out of the production process, to conduct a periodic review of the revenues achieved with all these measures, to use automated systems for the determination and distribution of chemicals, to recover chemicals for reuse. In addition, to reduce water consumption and wastewater production, the company started using machines that use less water. They also replaced overflow washes by drain/fill washes, reusing the washing water (for example reusing the water from washing lighter colours; the last rinse can be used in first washes, etc.), changing the colour management to optimise the number of washes and implementing the use of reactive dyes with high fixing percentages and reduced salt.

Challenges and constraints of restructuring

The main challenges are related to the implementation and monitoring of an integrated system of environmental management in Fitecom that can be summarised as follows. The management needs to establish a surveillance plan in order to perform a periodic review of the revenues achieved with all these measures. It needs to control the production process to reduce the number of nonconforming products, to establish a detailed production procedures manual to avoid wastage of resources due to bad practices and to train the employees in areas such as: tuning and maintenance,

environmental management practices. In addition, as major challenges stem from the implementation of the plan, the firm needs to bring all employees on board and make them accept the decisions made in the introduction of the environmental management process, to rethink daily routines marked by this policy and change attitudes and behaviour.

Restructuring advice and support

This restructuring event is part of the project 'PRERESI – Industrial Wastes Prevention'. The implementing team involved the management of the company, engineers from the production departments and a collaborator from the accounting department. In addition, CITEVE helped by gathering data and mapping the process. This process was part of the national plan for the waste and residuals prevention from the Ministry of Economy and Innovation and the goal was to implement a coordinated plan for Fitecom. This project was supported by a financial initiative from the national EU funds, called Prime.

This is a continuous process, initiated in 2007 and that is an evolving situation and still going on. The company is also collaborating in R&D projects with the local university and technological centres in the treatment of residues and the reuse of the same.

Outcomes of restructuring

The major outcomes of the process were an increase in the resource profitability, the implementation of preventive measures and technologies that allowed for a textile waste reduction of approximately 27% as a whole, and of 50% of the sludge, a reduction in the consumption of water, energy and products and a decrease in the overall waste level.

At the management level, a training plan was established for workers to internalise the company's waste minimisation policy as being a key issue and a priority for the company due to economic, environmental and corporate factors. Part of the strategy also included informing consumers about the company's environmental policy, in order to improve financial performance, by reducing costs and increasing sales and turnover. There was an increase after the process and the same happened with the employment levels, as it was possible to contract more employees due to the expansion of sales and production, by adding value to the products and making better use of the resources and achieving an increased competitiveness.

Through this methodology Fitecom was able to reduce costs, increase environmental awareness in-house and with clients and other stakeholders level and decrease time waste.

An additional outcome of the process at Fitecom was the development of an integrated management system that created policies geared towards improved hygiene, health and safety applied to all workers, in order to avoid professional accidents derived from the new practices and increase competitiveness.

Among the fundamental principles of this policy were the identification, evaluation and prevention of risks to safety and promotion of health in the workplace (physical, chemical and biological), the preventive/corrective planning of programmes and their risk assessment measures for all the company's activities, as well as for occupational hazards in general, the information and training on risks to health and safety, as well as protection and prevention on measures and the planning of appropriate monitoring programmes.

Commentary

The new environmental innovation cycle pursued by the company allied with new practices of human resources management focused on the development of skills and competences required at this, made it possible to reposition Fitecom competitively as a leading SME in the field, due to the high quality of the product, aligned with a high concern with eco-efficiency, environmental and energy waste reduction issues. Waste prevention can be achieved through innovative changes in products, processes and operations.

The firm implemented several restructuring measures, such as changes in procedures and management, in controlling and monitoring parameters, substitution of products, changes in technology, changes in the composition or product packaging and the reuse of waste generated in the company.

The employees were positively affected and motivated through the involvement in the changing mission of the company, such as the constant training in the areas of expertise and in environmental practices, the hiring of new workers and the expansion of the business, characterised by parameters targeted at high levels of quality and safety. The restructuring process altered the entire *modus operandi* of the company concerning environmental practices in the production process.

This demonstrates that the residuals prevention must be part of a plan and must be understood by the firm as a whole. Furthermore, the sustainability and performance (eco-efficient, environmental, economic and social) of the company depends upon the minimization of wastes and residuals and the maximization of efficiency in processes and operations.

In order to achieve the success planned from the goals previously defined, all stakeholders (board, administration, executive management, workers, suppliers, clients, etc.) must be in tune, for which internal communication is vital. For instance, clients were indirectly involved: they not

only functioned as drivers of such a process, especially clients from countries like France, the UK, Denmark, Germany, Sweden, Finland, Netherlands, Norway and Switzerland, who were extremely oriented towards environmentally sound production processes, but also as targets of the company's policies in this regard. Internal communication allows changing either at the beginning or at the end of the process, identifying and motivating the team, spreading procedures and updating and ensuring a balance between several areas.

Author

Dina Pereira, UBI and João Leitão, UBI, IPP and CEG-IST

Information sources

Interviews

João Carvalho, President of the Board of Directors and Luis Costa, Accountancy, Fitecom, Lda

Company address

Parque industrial do Tortosendo,

Lote 1, 6200-750 Tortosendo

Company website

www.fitecom.pt

Secondary sources

<http://www.einforma.pt>

Media

Project PreResi, financed by PRIME.

Project GESTINN, financed by Interreg Sudoe.

- [European Monitoring Centre on Change - EMCC](#)
 - [About EMCC](#)
 - [European Restructuring Monitor](#)
 - [About the European Restructuring Monitor](#)
 - [Restructuring events database](#)
 - [Restructuring support instruments](#)
 - [Restructuring related legislation](#)
 - [Restructuring case studies](#)
 - [ERM publications](#)
 - [European Jobs Monitor](#)
 - [Labour market research](#)
 - [Case studies](#)
 - [Future of Manufacturing in Europe \(FOME\)](#)
- [European Observatory on Quality of Life - EurLIFE](#)
- [European Observatory of Working Life - EurWORK](#)

Quick links

- [Legal information](#)
- [Data protection](#)
- [Environmental policy](#)
- [Cookies](#)
- [Subscriptions](#)
- [Multilingualism](#)

- [Templates for Eurofound reports](#)
- [Eurofound style guide](#)
- [Management Board extranet](#)
- [Map - how to get to Eurofound](#)
- [FAQ](#)
- [Sitemap](#)

Social media

- [Find us on Facebook](#)
- [Follow us on Twitter](#)
- [Follow us on LinkedIn](#)
- [Subscribe to our YouTube Channel](#)
- [Subscribe to our RSS feeds](#)

Contact us

Eurofound, Wyattville Road, Loughlinstown, Co. Dublin, D18 KP65, Ireland

Phone: (00) 353 1 2043100

E-Mail: information@eurofound.europa.eu

Press: media@eurofound.europa.eu



[MEMBER OF THE NETWORK OF EU AGENCIES](#)



[EUROFOUND ACHIEVES EMAS REGISTRATION](#)



Eurofound is an agency of the European Union

- [Access to internal documents](#)
- [Financial information](#)
- [Archives](#)
- [Information centre](#)
- [RSS feeds](#)

© Eurofound 2023

[Top](#)