

- [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](#)
- [Polisport Plásticos, Portugal](#)

Polisport Plásticos, 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

Abstract

The restructuring process at Portuguese company Polisport Plásticos was designed primarily to improve the processes and methods of production. The main focus was on developing the skills of employees and technological capabilities, aimed at the involvement of all in the constant innovation process, the sustained decisions and the openness to change, and afterwards in the innovative capability of the firm.

Organisational profile

Polisport is an international and legally independent company, based in the northern region of Portugal. The company is 100% owned by Polisport SGPS, a holding that is devoted to transforming the industry of plastics for bicycles and motorcycles (NACE 30920) and has a financial capital of €1 million. The group consists of two companies, Polisport and Polinter which operate in the market for bicycle and motor accessories. Both firms are based in the town of Carregosa, in the municipality of Oliveira de Azeméis, and divided into three production units totalling 19,000 m² of covered area, with 160 employees. This case study is about the firm Polisport, with 110 employees in 2012. The company does not have a works council. The main clients are manufacturers of bicycles, motors and motorcycles. The board members include the president of the board of directors (Pedro Araújo), a member of the board of directors (Maria Araújo) and a representative (Avelino Antão). The company structure is divided into the financial, production/operations, commercial, human resources, purchasing, marketing, IT, quality and logistics departments.

From the very beginning, the company grew by setting high goals and raising them every time. The technologies and production processes applied are: injection moulding, simple injection overlapped extrusion, blow moulding and thermoforming (moulding vacuum).

In 1982, Polisport was created in the form of a society under the name Pedro & Paulo Araújo Plásticos, Lda. and started the production of plastic mudguards. After two years, in 1984, they went to the first international exhibition that took place in Cologne, Germany. In that year, Polisport started moving beyond Portugal, exporting to the Spanish market. Until 1985, Polisport devoted itself primarily to the production of plastic components for motorcycles.

With the opening of new markets and Portugal joining the EU, Polisport needed to diversify its product range, initiating the production of components for bicycles. In 1989, Polisport starts its own moulds production.

In 2012, Polisport exported to about 50 countries.

In 1998, the company established the application of the Quality Management System according to NP EN ISO 9002.

In 1999, Polisport became a listed company and one year later launched a new set of innovative products and technologies, namely, the DGP technology (Durable Gloss Polypropylene) and the first baby seat for cars. In 2005, the firm decided to create a Research, Technology and Development (RT&D) department. In addition, it also created the Logistics and Marketing departments, to support the investment in new products and innovative production methods.

The RT&D department started to produce innovative outcomes for Polisport that won it the first IMDA Award from the Inmold Decoration Association for Best Injection Mould Part in 2008, in 2009, the company received two IMDA Awards from the Inmold Decoration Association for Best Injection Mould Part and Best IMD Durable Product. Additionally, Polisport was awarded with an Honourable Mention from COTEC, Portugal's national innovation system for companies, for being one of the most innovative Portuguese SMEs.

In 2010, Polisport was recognised as the most innovative Portuguese company by receiving the award of PME Innovation COTEC-BPI and won the Portuguese SME Excellence award. One year after, the company won two IF Design Awards: product design for Guppy bicycle baby seat and material design for Corky bicycle water bottle.

The company has three major own brands – Driver, Polisport and Premier – spread over the five continents. Totally focused on the two wheel business, Polisport works for both the bicycle and motorbike industry specialising in plastics.

The main products for the motorbike market are replica plastics for off-road bikes (enduro, motocross and supermoto) but also headlights, hand protectors, body protections and other accessories.

In the bicycle market, Polisport is the leading European producer of baby-seats, setting the standards for the industry. The range of products also includes mudguards, water bottles, helmets and other accessories.

Background to restructuring event

The performance of this SME before the restructuring event was characterised by decreasing sales and turnover. In addition, they needed to extend the scope of their R&D activities oriented towards internationalisation.

The main motivation for the restructuring was based on a fall in turnover, which was mainly caused by the use of non-effective production processes, the need to diversify for destination markets to sell their final products and the need to reinforce the internal R&D capacity and improve the quality of the portfolio of goods and services.

The focus on innovation and development has emerged as a strategic priority, with the emergence of new products, new ideas, new materials, new tools and new processes, which have led to an increase in the volume of business.

Before the restructuring process, Polisport had an ineffective production structure characterised by a lack of technologies to be applied to the injection moulding of thermoplastics with multiple colours, which was a demand from established clients in international markets

Restructuring process

The restructuring process was based on a specific restructuring plan targeted at improving the processes and methods of production. It consisted of two main actions: (i) legal restructuring of the company and (ii) the creation of a research, technology and development department.

The change in the legal form enabled the company to acquire an increased bargaining capacity to restructure the RT&D capacity of the company and improve its capacity to innovate. The company was listed on the national stock exchange which created several challenges in terms of accountability of the society and also public dissemination of indicators of the company's financial performance. This strengthened the company's capacity for negotiating with banks, in order to access the needed external finance to promote the international expansion of the company and the reorganisation of corporate R&D activities. Secondly, in 2005 the management team created the department of Research, Technology and Development focusing on innovative activities in terms of R&D.

From 99 employees, Polisport has increased its number of employees to 110 and introduced a series of technological innovations in the production processes, such as injection molding, simple injection overlapped extrusion/blow molding and thermoforming (molding vacuum), the Plastic Decor Plus which allows the decoration of the entire surface of the plastic parts with greater protection and durability, the Inmold Plastic Decals, which enables inmold sticker on the plastic part during injection, the Double Injection, consisting of two different materials used in the same product and the Durable Gloss Polypropylene.

Several changes were introduced at the level of the formal structure of the company, especially at the corporate governance level, by establishing

several leaders (some in-house and some new recruitments) for the areas of logistics, production, marketing, sales, human resources, quality, trading and information systems. The company also created several new areas, such as the Research, Technology and Development department, and through this the need for strengthening the logistics and marketing department also increased.

To address this set of R&D challenges (the need to develop a new set of innovative and more effective production processes and technologies) that was part of the restructuring process, the company implemented an open innovation strategy, by fostering R&D cooperation activities with several scientific stakeholders (spin-offs, academies, R&D laboratories, other firms), identified through collaborative arrangements made possible by joint projects and funding opportunities, licensing patents in the field and opening up to international circuits to explore other innovative channels. In order to get the internal collaborators (workers in the RT&D department) involved in the restructuring process, the firm increased the set of innovation activities, especially the continuous training on innovation.

In addition, the company invested in the reinforcement of the skills of employees and technological abilities, through specific lifelong learning courses, partnerships with external scientific partners, COTEC Portugal – the Entrepreneurial Association for Innovation programmes, oriented towards the promotion of a new culture of corporate entrepreneurship that relies on: customer orientation; innovation and creativity; ethics; flexibility and multiple skills.

Polisport created the Human Resources Department in order to manage and support employees strategically. Since then, Polisport has systematised recruitment and selection, and integration and training processes. They also monitor the organisational climate annually using an employee satisfaction survey. These procedures are important instruments to carry out the continuous innovation targeted at the Polisport business expansion. For lesser-qualified employees, Polisport has a policy to motivate and support employees to complete at least education at high school level.

Concerning the restructuring process, Polisport implemented a set of internal procedures/instruments in order to achieve the ultimate goal to expand through innovation. Such procedures focus on the involvement of the employees in the mission and management policy of Polisport, explicitly including elements relating to the promotion of innovation, like the design and production of innovative products, ensuring safety performance, differentiation and leisure.

To accomplish this, the company invests internally and permanently in the skills of employees and technological capabilities fostering an internal culture. Monthly meetings are organised with the responsible management of the departments in order to discuss strategic indicators, including those that pertain to innovation in business, results and monitoring and setting the correct procedures. As a procedure conducted on an annual basis, a survey for all employees enables comments and ranking the different values of the organisation, opening the presentation of new ideas and knowledge and communication management. Polisport has also developed a platform called 'Network Ideas' for the presentation of ideas by employees. The network is implemented through electronic kiosks at sites open to all employees with access to internal and external information, to call for the launching of ideas.

To meet the clients' needs and expectations with regard to innovative capabilities, and as a step in the restructuring process, surveys are undertaken annually. The surveys are directed at international clients (95%) and national clients (5%).

With the directorate involved in driving the implementation of the department, the employees directly involved in the unit were informed and also consulted regarding the decision in advance; the rest were informed after the decision was taken. In order to achieve optimal employee involvement on the innovation pathway and open innovation schemes, the company undertakes specific activities, such as the presence of employees at conferences and trade shows and face-to-face contact with suppliers and customers both home and abroad, visits at universities to present their products and innovations and exchange innovative capacities.

Challenges and constraints of restructuring

Company listing took place under difficult and challenging circumstances, since it was necessary to improve management information systems oriented to accountability in order to meet the needs and procedures needed to the restructuring in the firm's legal structure. For instance, in terms of structure of the firm, it was created a financial unit and an IT unit, as well as the figure of a Unique Fiscal and the necessary managers and executives. In addition to this, external finance was required to increase the amount of own finance sources. To accomplish this, the company obtained the necessary liquidity from external funding gathered on banks. The conditions required were quite demanding, nevertheless the value granted through the intangible assets of the company based on R&D activities, and the portfolio of innovation applications in the plastic industry, congregated the necessary conditions for expanding the value of the company and getting the condition of listed company.

For the second restructuring action, the creation of a RTD Department, the main challenges faced were the need for organising training and coaching activities for the involved team in this unit in the areas of the company's innovation priorities, the spur of open innovation schemes in order to promote partnerships for the development of new technologies in the plastics moulding and the adoption of day-to-day RTD practices related to technological surveillance and IP. Additional staff needed to be recruited, and specific training provided, that would meet the objectives of innovation and creativity and pursue the processes to apply for quality control according to the normative NP4557:2007, for the quality management system NP EN ISO 9001:2008. Other constraints that emerge from the previous mentioned challenges were the costs derived from the procedures of application to the quality norms and the time consumed in such activities.

Restructuring advice and support

During restructuring the company received financial support from bank loans and public subsidies.

Regarding the public funding, Polisport has participated and continues to participate in several national and international R&D cooperation projects. The company established partnerships with domestic and foreign partners to carry out RDI activities, including design, mould making and prototyping, like universities, technological centres or other organisations of Science and Technology (examples of these include the University of Aveiro, the University of Beira Interior, the Institute of Mechanical Engineering and Industrial Management (INEGI), the Centre for Excellence and Innovation in the Automobile Industry (CEIIA), the Innovation Pole Innovation in Polymer Engineering (FCI) and the IMDA, In-mold Decoration Association, an association of companies around the world). These partners were identified and approached by previous established contacts and previous projects with R&D stakeholders, namely projects consultant, suppliers, university contacts among others. Besides R&D contracts, these arrangements were possible due to external funding that subsidized the research activities (seven framework projects, interreg projects and national framework projects).

The company participated in several EU innovation funding initiatives like the REDOMIC project, which aimed to foster innovation and interaction between industries and universities, the Star-NET Technology Transfer which aims to establish a consolidated structure to support SME sector of surface transport, promoting their participation in the transport theme of FP7. The project teams usually embrace employees, suppliers and customers.

Outcomes of restructuring

Regarding the set of measures dedicated to restructuring R&D processes inside Polisport and in terms of major outcomes from those, it is important to mention the return on investment (ROI) of RDI activities which was 4 times in 2010. Investments in RDI led to increased sales and reduced operating costs, for example, the technology developed by Polisport, called IPD allows the decoration of plastic parts at the time of injection itself, and finished getting ready for the customer and thus eliminating costs with additional operations.

The results of these activities allowed the acquisition of new customers, for example, KTM, Husqvarna and BMW.

The share of sales of products and services protected by IP rights in the firm's total turnover represented 11% in 2006, 12% in 2007, 26% in 2008 and 30% in 2009. In addition, the value of intangible assets measured in the form of intellectual property was € 2,215,944, in 2010.

The restructuring of R&D inside Polisport brought other restructuration processes, such as the restructuring of internal information systems that have contributed to the reliability, speed and adequacy of information; they migrated from ERP to other softwares like Primavera, M3 and Hibrix. In 2009 began the project KAIZEN, which led to the restructuring and optimization of internal processes. Afterwards, in 2010, the company restructured the department of Conception, Development and Industrialization with the implementation of the figure of the Project Portfolio Manager and the Project Manager. Nowadays, Polisport has the figure of a Bicycle Product Manager and of the Moto Product Manager that coordinate the respective teams.

The guidelines for future action relative to the restructuring process can be summarised by the following:

- Attraction of new international clients located in emergent economies, specially, Brazil, Russia, India, China, Angola and Eastern Europe;
- Diversification of the products portfolio, exploring scope economies, that is, by using the same technological installed capacity for producing new sub products, with a focus on new technologies for moulding plastics (for example, applications for the sports industry and child transportation safety);
- Promotion of corporate entrepreneurship practices based on in-house creativity contests;
- Upgrading of the open innovation circuits, especially with leading international laboratories or research centres linked to the science and technology network;
- Development of platforms both for technological surveillance and competitive surveillance, for reinforcing the competitive advantages; and
- Promotion of external and internal spin-offs, by using the project development methodology.

The major achievements with the focus on the RTD activities were mainly the decrease in average production costs; the solving quality and function patterns of the products (solving substitutions problems derived from complex and extra labelling); the improved resistance and products' durability; the use of environmental friendly technologies; and the increase in products' usability.

To achieve the above mentioned outcomes, Polisport motivates and involves the employees in the restructuring planning and the restructuring processes directly. To do so, employees, at the end of each year, are involved along with the top management of the company, in a meeting where the company strategic goals for the next year are presented focusing on aspects (indicators, achievements, market, etc.) of last year. Besides this, top management also encourages and actively participates in regular meetings with the employees where the ideas launched in Ideas Network meetings and projects by industry product are analysed and discussed.

As an additional outcome of the restructuring process there is, also, a systematic policy of selection and allocation of financial and human resources for projects and innovation activities, as the company integrated innovation as mandatory into the strategy of the same, after the creation of the director and department.

As part of the project called 'Policompete' implemented by the company, it developed the integration of management competencies, job descriptions, responsibilities matrix and performance assessment, denoting direct effects on employees' management. Also, this brought direct effects on staff, as mentioned previously the sense of involvement with the firm's policies and mission and the career policies and progress, based

on achievements. In addition, the restructuring made possible the implementation of a policy of selection and recruitment targeted at adjusting each employee to specific projects or innovation activities.

In this sense, Polisport launches new products every year, develops new technologies and partnerships. As direct result from this, Polisport registered six national patents and one European patent. Surveys are conducted annually to employees, which include aspects to consider in setting strategy. The analysis of the surrounding conditions and skills of the company has inputs from various departments, leading to the definition of strategic objectives for the organisation.

The organisation developed a plan framed in innovation strategy, formulated, documented and communicated as 'RDI Policy' for that the company invests internally in the skills of the employees and the technological capabilities fostering an internal culture that values customer orientation, innovation and creativity, ethics, flexibility and versatility.

The objectives are translated into specific projects with the corresponding budget allocation, timing of RDI projects and definition of chronological milestones (milestones) to obtain partial results. The objectives of innovation incorporate a research study, sometimes developed in partnership, resulting in a project, focused on technology trends, market needs and capital gains in order to achieve different products and markets. Human resources are, then, allocated by the scope of each project and taking into account their skills.

Every year, a training plan is prepared in accordance with the objectives and gaps observed between current and ideal skills for a particular function: such competencies can include skills related to innovation and can thus direct the training to correct these shortcomings and improve performance. Employees receive regular training in areas relevant to innovation, including innovation management, project management, RD&I strategy, creativity (for example, TRIZ and Innovation Game, a tool that aims at stimulating creativity, sharing ideas and building an action plan for opportunities that are presented to the company), entrepreneurship, leadership, cooperation and conflict management.

In conclusion, the major outcomes of the process were characterised by the increase in the number of partnerships with R&D partners (for example, universities and spin-offs), in the IP portfolio (for instance, patents and trademarks), in total sales and turnover, in the market share in international markets and direct and indirect effects for employees, namely a human resources policy targeted at career progress by achievements, staff numbers increased from 99 to 110, targeted and specific training applied to the goals of the employee and department.

After starting the restructuring process, the Polisport has received several awards and public recognitions regarding innovative technologies and production processes, such as the first IMDA Award from the Inmold Decoration Association for Best Injection Mold Part (2008), two IMDA Awards from the Inmold Decoration Association for Best Injection Mold Part and Best IMD Durable Product and an honourable mention from COTEC, for being one of the most innovative Portuguese SME (2009), the recognition for being the most innovative Portuguese company of Portugal by getting the PME Innovation COTEC-BPI award and the Portuguese SME Excellence award (2010) and two design awards: Product Design for Guppy bicycle baby seat and Material Design for Corky bicycle water bottle (2011).

The company implemented also international standardised norms for Quality and Innovation: NP EN ISO 9001:2008 and NP4457:2007.

Commentary

The main focus of the restructuring processes was on developing the skills of employees and technological capabilities, aimed at the involvement of all in the policies of constant innovation, the sustained decisions and the openness to change, and afterwards the innovative capability of the firm. Polisport's strategy regarding the restructuring process was based on a value proposition, that is, innovation and development. The value proposition considers that the sale of innovative products (products with higher margins) contribute to increasing the productivity of sales and product leadership.

In turn, the hallmarks associated to boost the innovation Polisport brand awareness, which involves attracting new customers and thus increase sales. The innovation trajectory developed by Polisport that is based on open innovations schemes, needs firstly to spur internal collaborators innovation environment in order to promote creativity and develop new products and new technologies, under the scope of the application of the corporate entrepreneurship concept. Polisport should proceed with a focus on innovation, by releasing continuously new products, new technologies, marketing campaigns, and quality certification. To accomplish this, it needs to continuously search for new partnerships with clients and suppliers and promote the coaching of human resources through the development of their core competences and creativity and innovation skills.

Author

Dina Pereira, UBI

João Leitão, UBI, IPP and CEG-IST

Information sources

Interviews

Pedro Araújo, CEO of Polisport

Inês Brandão, Director of Human Resources of Polisport Group

Inova Mais (Partner consultant of Polisport)

Company address

Polisport Plásticos

Av. Ferreira de Castro 818

Fontanheira,

3720-024 Carregosa

Portugal

Company website

<http://www.polisport.com/>

Secondary sources

Barómetro de inovação, COTEC:

<http://www.barometro.cotec.pt/website/successpractices/case/cid/54>

Project REDOMIC

- [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](#)