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End of the beginning

Colin Day continues to enact positive change and build a sustainable, long-term legacy for Essentra.

IMAGES BEN LISTER

In the five years since Colin took the reins as CEO, and under the collective leadership of Essentra's senior management team, the company has diversified into new end-markets, made a number of acquisitions, extended its global footprint, and undergone significant strategic and management change. "This organisation is completely unrecognisable from the one I stepped into five years ago," he says. "Not only in the name, the branding, or in the way we run the business, but even down to the furniture, the layout of the offices, the carpet, and the colour of the walls."

Essentra is a multi-faceted manufacturing group across a variety of disciplines, with more than fifty factories, in a number of sectors and with numerous different customers. "What unifies us as an organisation is that we are predominantly a manufacturer of high-volume, low-cost components; parts, pieces that go into something else," says Colin.

It might sound basic, but the understated language belies the huge amount of strategic planning that has led to the company's transformation. Notwithstanding this extensive planning however, there have occasionally been executional challenges, as Colin points out. "Our 'Drive for 2020' strategy encapsulates the ambitious objectives we set ourselves and acts as a roadmap for the future direction for Essentra; which we firmly believe will drive long-term value for our shareholders," he explains. "That said, we're not perfect, and we strive to apply every learning to ensure that any issue is short-lived and that we are making continuous improvements." >>



Name Colin Day
Company Essentra
Position CEO
HQ Buckinghamshire, England
Employees 9,000

“We are ultimately less focused on short-term returns, we are more interested in giving the customer a really good finished product, and creating a factory and workplace to be proud of.”

– Colin Day

Underpinning the ongoing change at Essentra is an emphasis on talent management: “We do a lot of work on trying to develop people. People management has really escalated in terms of importance here.”

Change management must be high on that agenda, as the company has radically altered its modus operandi. And after the acquisition of specialist secondary packaging firm Clondalkin Specialist Packaging Division, Essentra has significantly increased its exposure to the pharmaceutical, health, and personal care industries. As Colin explains, “Health and personal care packaging is now our largest global business unit, with revenue of over £400 million out of a total more than £1.1 billion. Our Filtration Products business generates sales of approximately £400 million, with Component Solutions at close to £300 million.”

And there has been significant change over the last year alone. “In the last twelve months we have shut or moved or announced to move something in the order of fifteen sites. By any stretch of the imagination, that’s very ambitious and obviously entails a lot of work.”

Colin is both pragmatic and sensitive when it comes to the human cost such rationalisation can necessitate. “It is difficult, the job losses side. I was recently at one of our sites which is earmarked for closure, and it left quite a deep impression on me. However, we’re a



reasonably complex organisation in terms of what we do, and in order to continue to operate efficiently it’s imperative that this doesn’t result in an overly complex manufacturing footprint, with too many small and inflexible sites with limited scope for growth.”

Colin gains particular satisfaction from creating a business that really pushes the boundaries of what is possible for the customer. “This may sound odd, but we are ultimately less focused on short-term returns,” he says, “we are more interested in giving the customer a really good finished product, and creating a factory and workplace to be proud of.”

A prime example of Essentra’s “fewer, bigger, better” site philosophy is its new Newport venue, which has seen investment of over £10 million and has been supported by the Welsh Government with grant funding. Consolidating the activities of six legacy sites, the Newport facility will be a centre of excellence for Essentra, creating a “global, efficient, modern, high-tech packaging business, which can service customers’ needs on an inter-continental, multi-market, multi-product basis. We don’t believe that there’s a site like it in the packaging industry.”

Customers who have visited the facility, and key suppliers with whom the company has worked closely in collaboration, have been impressed. And with continued innovation, investment in “smarter” equipment and the appropriate manufacturing footprint — combined with possible further acquisitions — Colin sees strong potential for future growth and efficiency improvement.

“The objective is to get Essentra operating like a FTSE 100 company, and grow the business to the extent that we sensibly can. And that includes having the necessary talent and succession planning, so that we have the right team in place to continue that progress.”

Is this the beginning of the end? In fact, Colin sees it as the reverse. “It’s been an exciting journey developing the company over the last five years, but we are probably only at the end of the beginning and there is much more to do.” ■

“The longstanding relationship we have developed with Essentra over the years has, at least in part, been a function of proximity. Our successful cooperation stands as an excellent example of how two international companies can effectively collaborate on a local level.” - John Mitchell, Key Account Director, Iggesund Paperboard



Local mill, WORLD-CLASS PRODUCT

Run by Iggesund Paperboard, the mill at Workington, England, is a perfect example of why choosing a local producer is so beneficial.

Workington is a town of 25,000 residents on the picturesque Cumbrian west coast in northern England.

One of the biggest employers in the industrial town is a local mill producing world-class paperboard. It is, in fact, the only remaining UK mill producing virgin fibre paperboard for the premium packaging market. The mill is owned by Iggesund Paperboard and has been in operation since 1966.

Workington Mill is the home of Incada – a world-leading paperboard used by brand owners from across the globe but even more so in the UK. What makes the mill truly unique, however, is what it does for the local community.

“Today almost 400 people work at the mill but many more families also benefit indirectly via significant supply chain-related contracts. These have enabled engineering and logistics suppliers and others to grow and invest on the strength of Iggesund’s

success,” says Ulf Löfgren, Managing Director of Workington Mill. The result is additional revenue flow to the whole community, both as direct and indirect taxes and as local spending in shops and businesses.

Under Iggesund’s ownership the mill has been systematically upgraded to its current high technological standard. Since the turn of the millennium, about £200 million has been invested in the mill, and perhaps the single most important local impact of the mill is the investment made in 2013 to completely transform its energy supply. A new biofuel boiler costing £108 million has enabled the mill to switch from fossil natural gas to biomass. This move has reduced emissions equivalent to taking more than 65,000 cars off the road.

The fact that Incada is locally manufactured naturally shortens the supply chain for many Iggesund Paperboard UK customers. Having Workington Mill as a sustainable force in the local community is a deal clincher to brand owners throughout the



UK. “Having the luxury of a UK board mill which produces worldclass products fully supports our supply chain flexibility and fits perfectly with our business,” says Robin Paul Parry-Jones, Senior Buyer at the distinguished British confectionery company Thorntons.

Iggesund has also launched a project called Grow Your Income, which encourages farmers near Workington to grow willow as an energy crop for the mill, and to also supplement their own incomes.

From providing direct and indirect jobs to supporting local training and education activities, farming incentives and environmental improvements ranging from major emissions reductions to repairing a footbridge for the neighbouring bird sanctuary, Iggesund’s Workington Mill is proof that ‘Big Industry’ can bring benefits of all shapes and sizes to its local community.

iggesund.com/yourlocalmill