

ENGG 4061

Final Project – 2009

Rap-up Ltd is a medium-sized Australian company located in Mascot. The local business is in packaging design and manufacture, with a turnover approaching \$100 million. Its immediate customers are the food retailing industry. The major customers are multi-national food companies producing in Australia. The company is organised into four Divisions – production (150 staff), technical/quality (15), marketing and sales (50), and corporate services (12). The last of these is responsible for financial control.

The company is looking at a loss of \$7 million at the end of this financial year. In addition, it has been coming under increasing pressure with static turnover and declining profits over the past 3 years. This is as a result of competition from bigger packaging firms, cheaper and/or higher quality imports, particularly from China, the requirement to meet new environmental standards and difficulty in keeping up with rapid technological changes. A new CEO with extensive experience of the food packaging industry in Europe– Françoise Lescaut, was appointed 6 months ago to address these problems.

In addition to the problems above, the CEO has identified the diminishing brand value of Pap-up Ltd. The previous conservative management has built up \$20 million in reserves and a good credit rating, but there are rumours in the market that this might make the company an attractive take-over target.

You have recently picked up stories of a new start-up company about to be launched from the University of South Australia, based on nanotechnology which provides packaging with a food safety monitor. In addition, two staff members from the Technical/Quality Division have developed, largely in their own time, what is potentially a radical new approach to manufacturing smart packaging. But it will require money and time to realise it.

Francoise has already committed the company to an aggressive strategy to become local market leader through a combination of rapid product and service innovation and substantial improvement of its supply system, though some in the company doubt that can be achieved. She has already canvassed a range of possible strategies, including identifying and purchasing appropriate market-close (ie ready to implement) technologies, and extensive penetration of Asian markets. She has made it clear she admires 3M's approach to innovation.

As Deputy Manager of the Technical/Quality Division, you have been assigned by the CEO to establish a task force to identify how Rap-up Ltd can develop and implement an appropriate strategy. The fact that you have just completed a course on innovation management influenced her choice. Your CEO is looking for new approaches. Your manager was reluctant to release you from your regular responsibilities, and has expressed hostility towards a female CEO.

Your task is to prepare a report detailing how you will establish the taskforce, to develop a ten-point strategy for the firm and to identify the major components, targets and time lines of an implementation plan. The CEO requires a preliminary report on her desk within 4 days. It should have a 1-page executive summary and be a maximum of 6 pages in total. Relevant concepts and data should be referred to where appropriate.

DUE Wednesday 10 June 4pm TO rj@aciic.eng.usyd.edu.au

Subject of your email should be: ENGG4061 Final Project followed by your name and SID No.

Also put your name and SID No in the footnote of your report. Happy innovating!!