



Optimizing business processes through digitalization and environmental sustainability: the case of MADISH Ltd

“The ILO SCORE Programme has transformed our enterprise by streamlining processes, enhancing resource efficiency, saving time, and boosting employee satisfaction. With the introduction of digital production tracking and renewable energy, we've achieved significant productivity gains. Today, we can monitor our products in real-time, ensuring greater transparency and efficiency across our operations.

Gjergj Leqeja, Founder of the MADISH Ltd

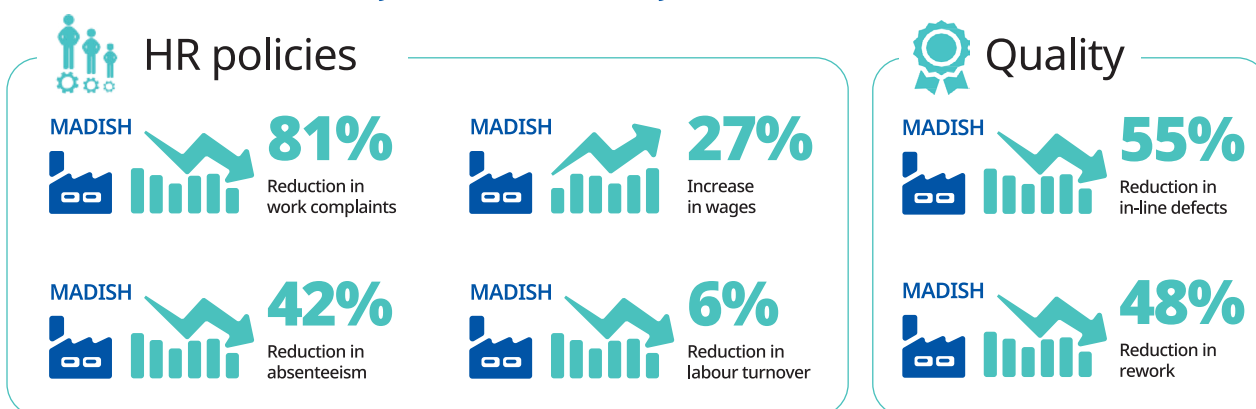
Location	Industrial Zone, Shkodër
# of workers	Increased from 127 to 152 between 2022 and 2024
Year Founded	1996
Products	Underwear, Sleepwear and Workwear
Markets	EU (Italy, Germany, Austria)
SCORE Training Modules Completed	SCORE Basics

Challenges faced prior to SCORE Training Programme

In May 2022, MADISH Ltd applied for the Sustaining Competitive and Responsible Enterprises (SCORE) Programme¹ citing inefficiencies in production which resulted in poor monitoring of quality, high defects, and reworks as one of the main challenges. Machine maintenance was reliant on manual records, highlighting the need for a consolidated internal system for effective tracking and management.

Additionally, the enterprise experienced employee absenteeism especially among women and a high turnover rate at around 10 percent, particularly among workers aged 18-35, who tend to have a higher level of education and often aspire to emigrate.

Results achieved through the SCORE Programme



1. The ILO's Sustaining Competitive and Responsible Enterprises (SCORE) Programme improves productivity and working conditions in small and medium enterprises (SMEs). The key intervention of the programme is SCORE Training, which combines practical classroom training with in-factory consulting. The Training demonstrates best international practice in the manufacturing and service sectors and helps SMEs to participate in global supply chains.

Key improvements and good practices

Empowering workers through better workplace cooperation

After attending the SCORE Basics training, MADISH Ltd launched an “Employee Engagement Program”. As part of this initiative, workers communicate directly with line supervisors at the start and end of production shifts to discuss targets, challenges and results. This information is then transmitted to department supervisors and management.

To further address employee needs, the enterprise introduced an Employee Satisfaction Survey. During the first round (December 2022), collecting 53 responses and leading to the implementation of several key suggestions such as: the establishment of the enterprise software system and shifting to the workweek of five days instead of six days.

The ESS was repeated in September 2023 (79 responses) and September 2024 (102 responses), with results indicating an 81% Employee Satisfaction Index.

Building on recommendations from the SCORE Basics training, MADISH Ltd initiated additional enterprise improvement projects related to workplace cooperation, emphasizing the value of employee input in driving growth and sustainability. These initiatives include:

- ▶ Installing additional noticeboards to display the Enterprise Improvement Team (EIT) and share meeting minutes with employees.
- ▶ Enhancing the grievance mechanism by clearly outlining the steps above the suggestion box.
- ▶ Eliminating overtime hours.
- ▶ Setting up dedicated employee workstations.
- ▶ Developing a multi-skills matrix.
- ▶ Drafting clear and detailed job descriptions.
- ▶ Organizing targeted training programs to address skill gaps, with the aim of boosting job satisfaction and employee retention.

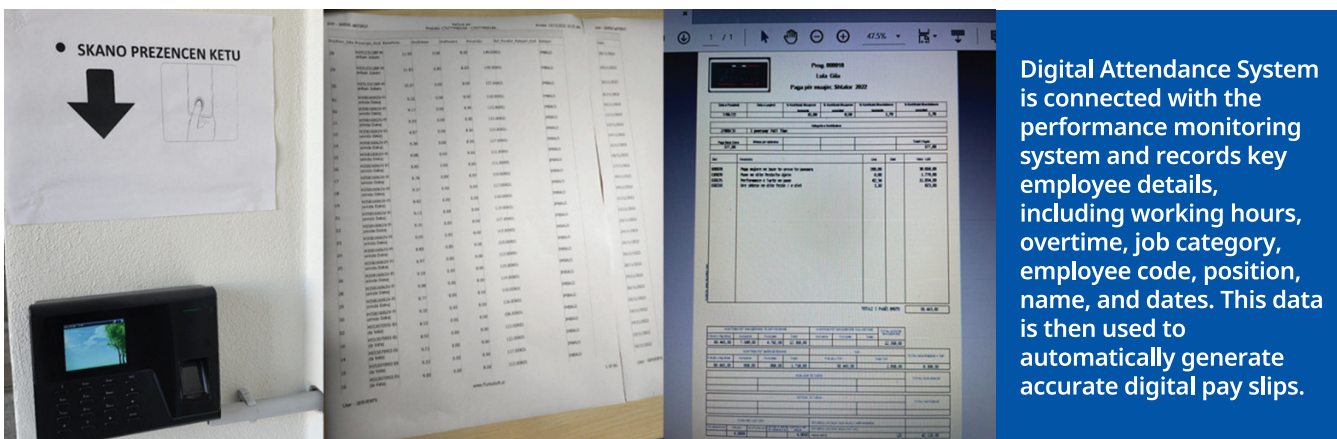
To further motivate employees, the company introduced an annual salary increase scheme, which was transparently communicated to all staff. This scheme ensures compensation well above industry standards and includes both horizontal raises within the same job category (e.g., production workers) and vertical raises for higher-level roles (e.g., line supervisors and quality control managers).

Additionally, delays in monthly bonus distribution were resolved through the implementation of a mobile application. Employees now enter production data directly into the app, ensuring quick calculations and prompt bonus payments. These initiatives have had a significant impact, reducing absenteeism by 42% and lowering staff turnover from 10% to 4%.

“SCORE has helped us transform our HR practices, and it has made a huge difference.

Our labor turnover is now down to just 4%, which is incredible and really shows how sustainable we have become as a business.”

Senada Dema, Human Resource Manager



Digital Attendance System is connected with the performance monitoring system and records key employee details, including working hours, overtime, job category, employee code, position, name, and dates. This data is then used to automatically generate accurate digital pay slips.

[illegible]

Despite investments in modern equipments, the warehouse was hindered by issues such as improper organization, a lack of accurate labeling, and an overload of outdated machines. Under these conditions, finding the right materials was a constant struggle for employees, particularly given the tight deadlines and quick delivery times demanded by clients. The SCORE training, particularly on the 5S module (Sort, Set in Order, Shine, Standardize, and Sustain) gave employees insights into inventory organization. They recognized the significant benefits of maintaining an organized and clean warehouse, including reduced search times and improved inventory turnover for both raw materials and ready-to-export goods. With these new perspectives, MADISH Ltd. employees reorganized the warehouse across two floors to meet the distinct needs of production, one floor for underwear and the other for workwear. This set-up ensured equal delivery times for raw materials to the production lines and for finished goods to the ready-to-export warehouse. Additionally, the 5S methodology was implemented in the mechanic's area on both floors, further enhancing efficiency.

A photograph of a warehouse interior showing numerous cardboard boxes stacked on blue metal shelving units. The boxes are labeled with "18 BROAD CANAL" and "18 BROAD ALMA". The boxes are stacked in multiple rows and columns, filling the shelves. The lighting is bright, and the overall scene depicts a well-organized storage area.



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Before



SECOND FLOOR WAREHOUSE

Outdated machines were removed, and new storage shelves were installed, significantly enhancing organization. The reorganization of the warehouse tripled storage capacity and freed up over 60 square meters of space. As a result, search times decreased from 15 mins to 4 mins.

After



Before



5S is implemented fully in mechanic room reducing machine repair time from 2 hours to 20 mins.

After



Before



Applying 5S and visual management, has contributed to reduction of searching time with 25%.

After



Optimizing production process to improve efficiency and reduce defects

The SCORE Training significantly contributed to process optimization within the enterprise. A new placement of machines in the two production lines ensured the realization of successive production steps. The new machine alignment ensured a reduction in cycle time by 35%. This realignment maximized both quality and efficiency in production lines, ensuring each worker operates at their optimal capacity. In addition, standard operating procedures (SOP) are developed and assigned to all workers in the production lines. SOPs have enabled enterprises to reduce the reworks and defects significantly. MADISH Ltd is considered the enterprise with the lowest defect rate operating in the Shkodra region, with less than 1.1 %.



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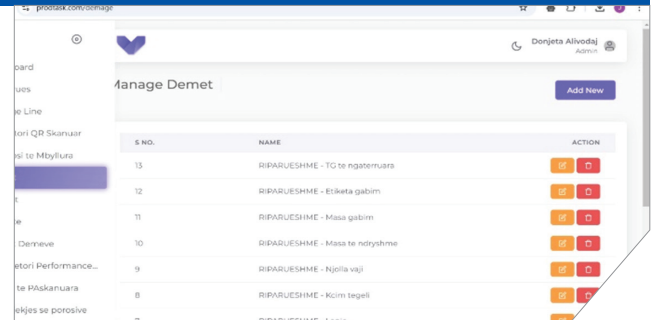
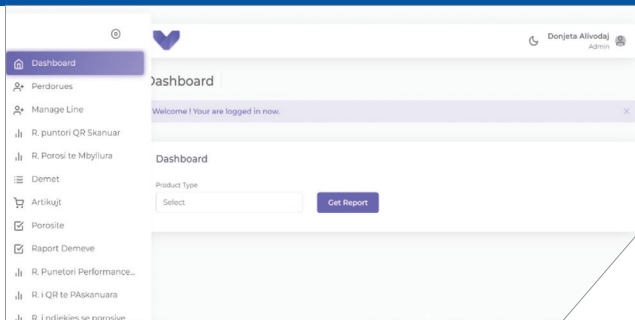


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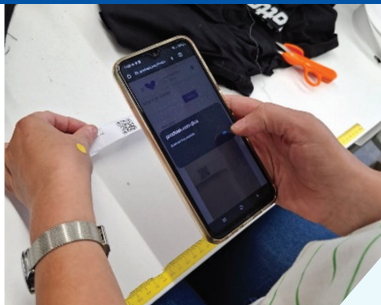
Enhancing quality control and tracking mechanisms through digitalization

Using the knowledge gained from the SCORE programme, MADISH Ltd established an enterprise software system. This software allows MADISH to track products in real-time, from raw materials entering the factory to finished goods being shipped to customers. Employees enter data at each production stage using an easy-to-use app on their phones or workstations. This system has fully digitalized the tracking of goods, repairs, defects, and deliveries. By using the software, employees have also gained valuable digital skills, breaking the stereotype of low-skilled workers in the clothing manufacturing industry.

After



After



Using the knowledge gained from the SCORE Programme, MADISH Ltd established an enterprise software system significantly enhancing workflow and data generation for daily tasks. Through a dedicated mobile application, employees record real-time details of orders, products, and completion times, achieving a 95% reduction in tracking time.

“With the support of the SCORE trainers, MADISH Ltd successfully launched the first fully digitalized tracking system. This innovation brings us closer to the highest European and international standards.”

Jona Leqejza, General Manager and Chief Operations Manager

Transition to 100% Solar-Powered Operations

In line with SCORE Enterprise Improvement Plan, aimed at reducing energy costs and complying with clean production standards, MADISH has invested in solar panels that generate 100% of the enterprise's electricity needs. This initiative positions MADISH as an industry pioneer in adopting green energy.

After



MADISH Ltd projects a full return on investment within four years.