

From Slum to Star Factory: A Journey towards a Global Level Manufacturer

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Abstract

Thai Metro Industry (1973) Co., Ltd., is a family-owned Thai SME company with 40 years experiences of manufacturing chain for industrial and motorcycle used. Initially, there were more than 400 employees producing low cost ordinary quality chains supplied to the export and domestic markets. The company was established in 1973 with US\$ 1.3 million of capital investment. As of present, the major products are transmission chain with the brand ICM and motorcycle chain with the brand SK. Total production is 2 million feet per annum out of which 40% export to Japan and ASEAN. A total sale is US\$ 3.3 million annually with 100 employees in 4200 sq.m. factory. Major domestic customers are Siam Kubota, Thai Kawasaki Motorcycle, TATA Steel (Thailand), Toshiba (Thailand), Bangkok Expressway PCL., BFC, Thai President Food PCL. Major overseas customer is Kubota Co., Ltd. in Japan. The economic downturns in 1997 propelled the company into serious deficit with large amount of loan to the bank. In order to revive the business and increase competitiveness to sustainable position, the company has embarked on a long and difficult journey towards quality excellent. A series of techniques, namely, 5S, suggestion system, ISO 9000, Toyota Production System (TPS), and Lost Reduction Process (LRP), have been applied consecutively. Strong commitment from executive, managers, supervisors, and fully collaboration from operators are the key ingredients for success. Lead time reduction of 82 % and more than 80% of productivity improvement are among favorable outcomes of the quality and productivity improvement initiatives. With the support from Thailand Automotive Institute (TAI), Thai Metro entered the TPS program with pilot line for several high volume products. The initial achieved targets were 50%

reduction of WIP and lead time, 30% reduction of working space, and 30% improvement of effectiveness.