



# ***ITQM***

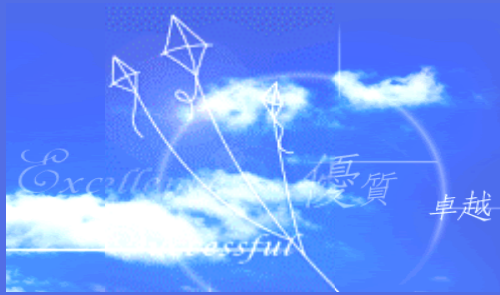
***Helps to (I)mprove your (T)ime, (Q)uality & (M)oney***

*ITQM Company Limited  
17<sup>th</sup> April, 2009*



Your total solution to excellence  
卓越成就 源自優質管理

Inter **TQM**



# Content

1. Challenges from Financial Tsunami
2. Act-N-Achieve<sup>©</sup> LEAN Approach
3. Sharing of Our Success



# Current Challenges

## 1930 Great Depression



## 2008 Financial Tsunami





# Current Challenges

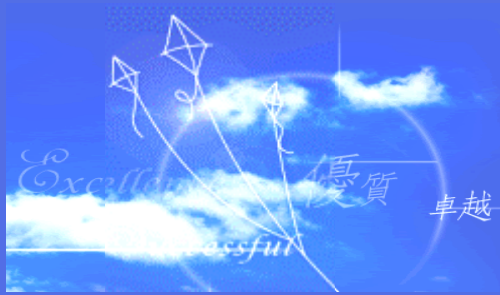
## ● Shrinking Orders

- Over 90% manufacturers suffer order cut
- Total order reduced by average 35%
- 10 to 20% factories will or have closed down

## ● Rising Production Costs

- PRC new Labour Contract Law
- Estimated 17% overall cost increase





# What Should We Do?

## ● Lower Cost

- Be More Cost-Effective

## ● Back to Basics

- Reduce Waste
- Improve Productivity



# LEAN Achievements

Efficiency



30%-50%

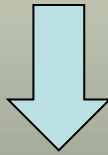
Throughput Time



30%-50%

Corporate  
Benefits

Labour &  
Overhead Costs



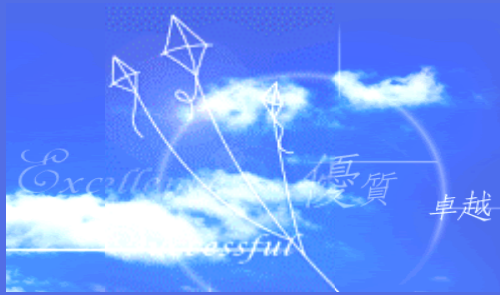
30%-50%

Quality



40%-80%

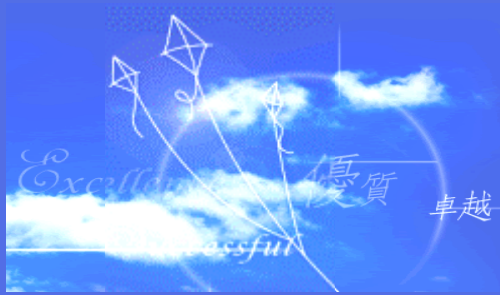




# ***LEAN Achievements***

# Possible?



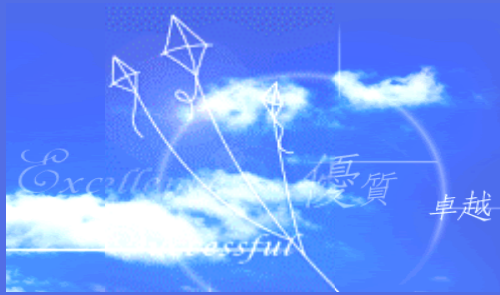


# Toy Manufacturer

## ● Facing Challenges

- Long production cycle (Time)
- High rework / scrap rate (Quality)
- High cost (Money)

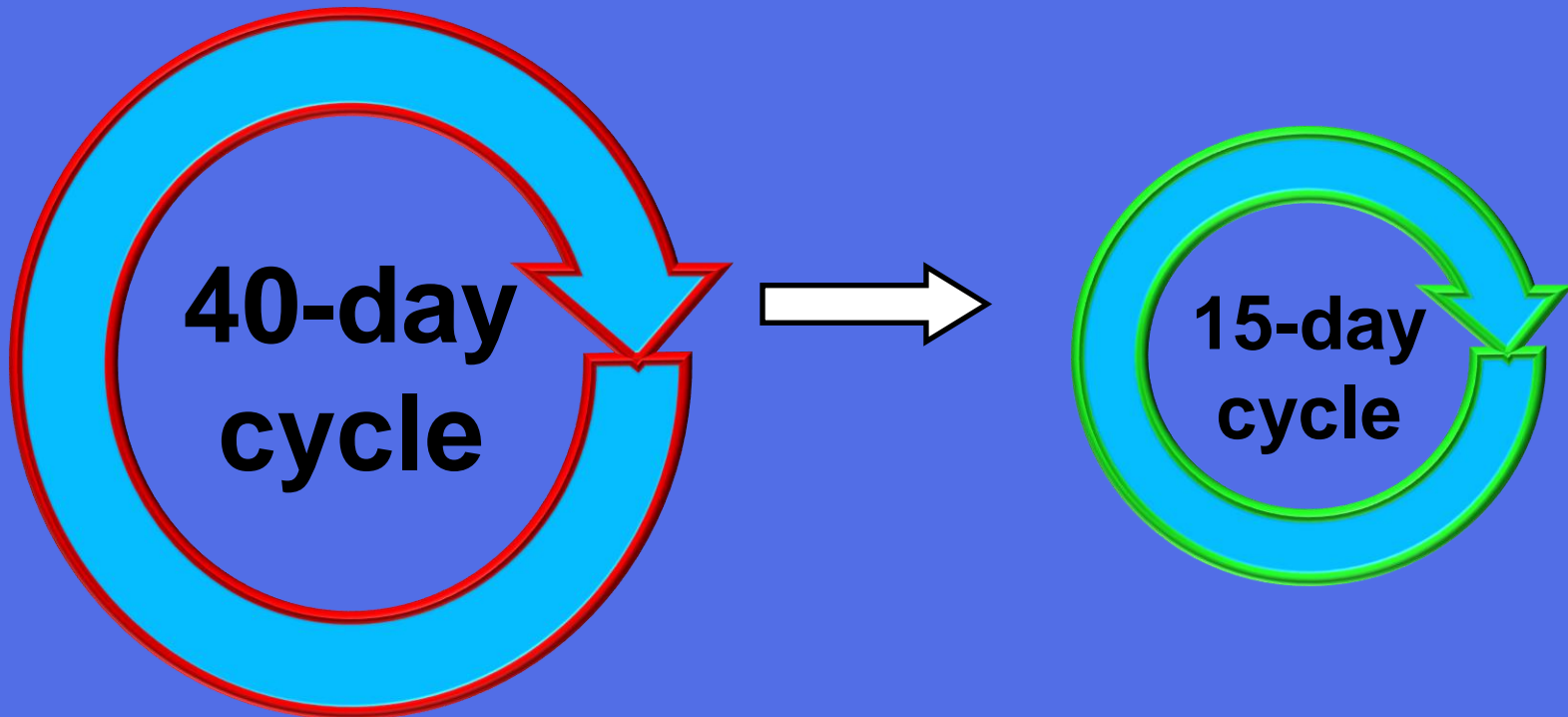


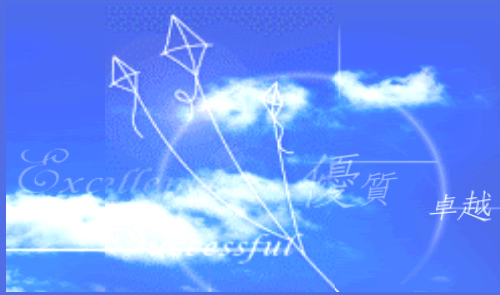


# Toy Manufacturer

## ● Production Cycle Time

- Compress cycle from 40 days to 15 days





# Toy Manufacturer

- **Single Minute Exchange of Die (SMED)**
  - Reduce exchange time from 5hrs to 15 mins





# Toy Manufacturer

- **Spray Painting Improvement**
  - Reduce scrap rate by 58%





# Toy Manufacturer

## ● Cost Reduction

■ Saved by **¥2,000,000/order** in spray painting





# *Auto Parts Manufacturer*

## ● Facing Challenges

- Shortage of labour
- High labour cost
- Poor quality
- Blind faith in long production line



# Auto Parts Manufacturer

## ● U-Shape Line

- Transform from 50-worker straight line to 12-worker U-shape line





# *Auto Parts Manufacturer*

## ● 2-Step Solution

1. Balance production line
2. Implement standardization

## ● Our Achievements

- Assembly quality improved by 80%
- Headcount reduced from **300** to **120** with **same output**



# Opportunity

## ● In Pearl River Delta Region...

**Machinery:  
State-of-the-Art**



**Management:  
Room for Improvement...**





# Opportunity

I'm small, but I can travel!



Over "a mile" of transportation

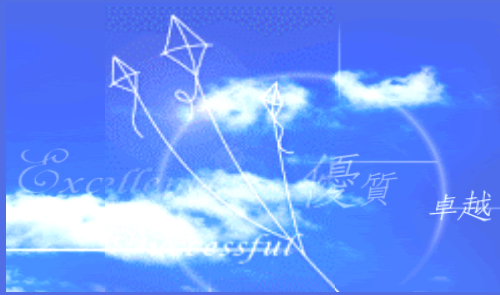


Raw material



Packaging





# Act-N-Achieve<sup>©</sup>

## ● ITQM's 7-Step Approach to Achieve LEAN

(1) Set Target with Management

(2) Transform Mindset

(3) Life Examples for Training

(4) On-Site Coaching

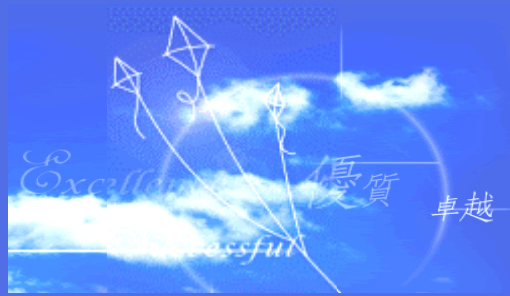
(5) On-Site Monitoring

(6) Evaluate Effectiveness

(7) Implement & Follow-Up

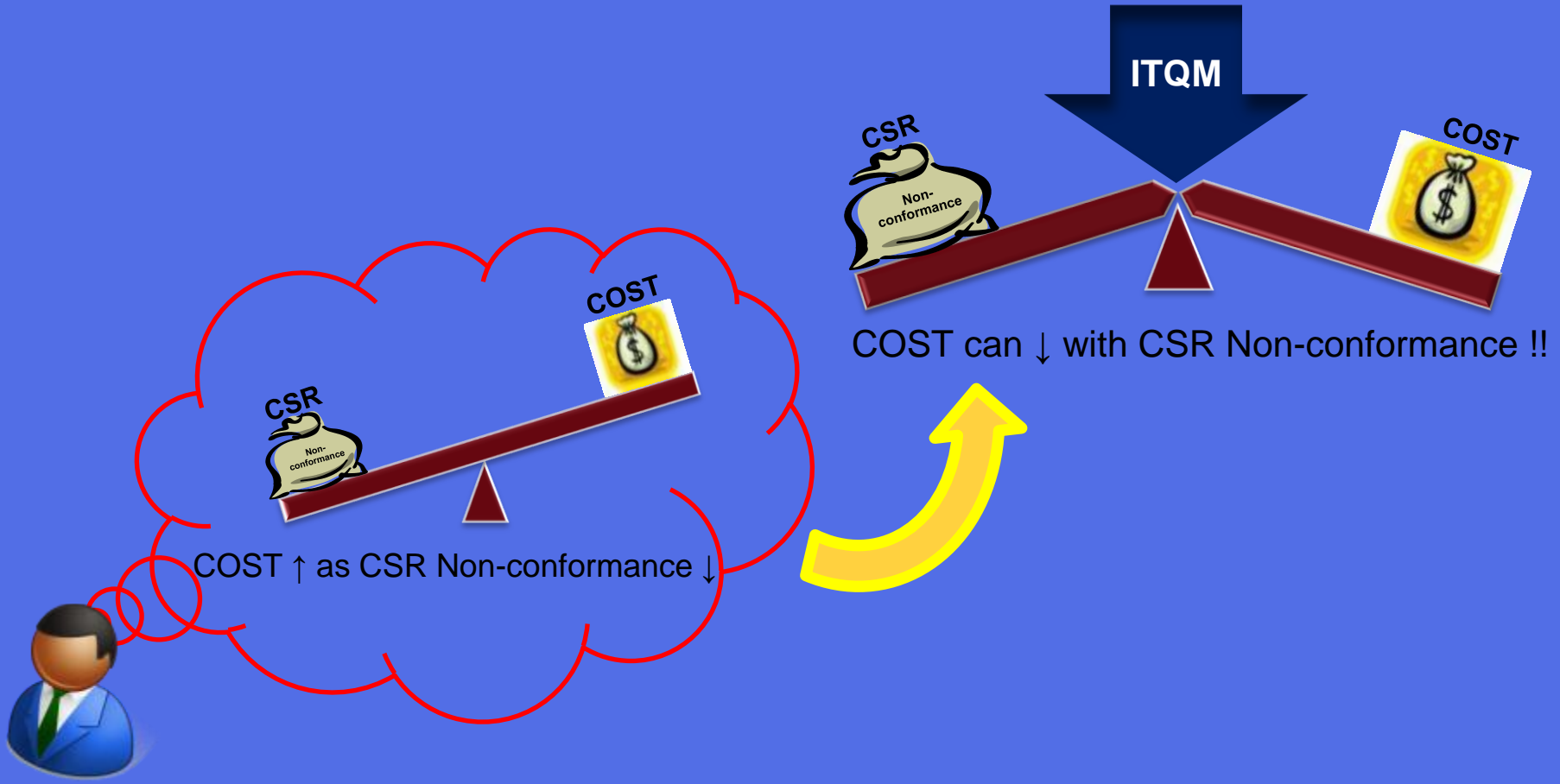


# Act-N-Achieve<sup>©</sup>





# We break the rule





# Our Deliverables

# ITQM

Improve →

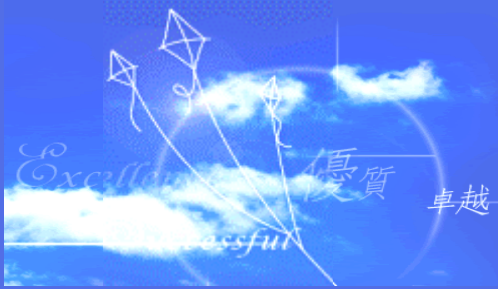


# Nature Selects, Fittest Survives

## ● Darwin's Theory of Evolution

- “It is not the strongest nor the most intelligent of the species that survive, but it is the one that is ——”





# ***The Most Adaptable to Change!***





# *Economic winter is arriving...*

**Are You Ready?**

