

AUTOMATION FORMULA TO FORTUNE 500

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NO RESEARCH, NO INNOVATION EQUALS TO NO FUTURE

Business Today talks to Tan Sri Dr Lim Wee Chai, Executive Chairman and

Founder of Top Glove Corporation Bhd on his views and opinions of Industry 4.0

Industry 4.0 or better known as Industry 4.0, is slowly but surely gaining momentum and is the talk of the town today among all industries including small and medium-sized enterprises (SMEs). At present, businesses have to admit that the “Fourth Industrial Revolution” is already taking shape thus, many are worrying about the uncertainty of the future where machines will replace most jobs of today.

The founder and leader of the world’s largest glove manufacturer, Tan Sri Lim shares his insights on the company’s Industry 4.0 journey and why SMEs should embrace this new wave.

With the ever-increasing pace at which technology progresses, adopting digital transformation is imperative to ensure that every corporations, be it small or big can keep up with the rapidly shifting market trends and demands, Lim opines.

“Top Glove has always been a strong advocate when it comes to continuous improvement and innovation. The company will fully embrace Industry 4.0 as it will bring us to the next stage in the evolution of manufacturing industry,” Lim says.

“These technologies have already made their mark in the world and are being used extensively in different fields and areas. This is the future, and it is inevitable.”

If one does not want to stay stuck in the past, they have to be ready for what comes next and start learning how to integrate new technologies into business processes, connect digitally with clients and embrace industry 4.0. These are the wise words of Lim for enterprises.

“If SMEs are able to embrace Industry 4.0, it will definitely change the way they reach their markets and capability in reaching more customers, thus increase demand for their products.”

Going into Industry 4.0 there are many benefits as well as risks in the adoption of full automation in manufacturing. It requires companies to think laterally, uniting industries and disciplines that have already been defined in a precise way.

When asked on the penetration of Industry 4.0 and whether Malaysia is ready for it, he says at this present time there is no clearly defined international standards on the matter. It differs not only by country but by industries as well.

However, Lim says Malaysia has 11 technology pillars as stated under the National Industry Forward Policy and they serve as a good guideline for companies to effectively and efficiently drive their transformative efforts.

“Industry 4.0 is a journey towards new technology, new cultures and new concepts of doing businesses. We need to adapt to the world and need to change to stay competitive. Malaysians are highly adaptable, thanks to our melting pot of cultures and mindsets,” he further adds.

A news report quoting the International Institute for Management Development in November 2018 said Malaysia has been placed at 22nd in the World Talent Ranking for 2018 compared to 28th the year before, ahead of Japan, which the Government wants the nation to emulate.

Lim says Malaysia is getting better in developing its pool of talents and thinkers. The Government has also shown commitment to support the country in moving towards Industry 4.0 through various initiatives under the National Policy launched by Prime Minister Tun Dr Mahathir Mohamad on 31 October 2018.

In 2017, Top Glove received assistance from the Government through a grant from the Malaysia

Digital Economy Corporation (MDeC) which was invested in the implementation of Industry 4.0 test cases at its factories.

Besides that, Lim said MDeC also offered the company technical and financial assistance which was invested in the development of a business case for an industry 4.0 proof of concept at Top Glove factories.

OUR JOURNEY

Top Glove started its pilot projects on Industry 4.0 about four years ago, after which it managed to conceptualise the promise of digital transformation, and formally began its earnest journey in 2017.

“We are great enthusiasts of new technologies in the areas of manufacturing and always strive to be early adopters. Our tech savvy team has already picked up cloud systems, Internet of Things (IoT), autonomous robotics, and artificial intelligence,” Lim reminisces.

“We started to embrace industry 4.0 even before the Government announced the new initiative in October last year. We are not the first but would say we are the first few to do so,” he says proudly.

At present, Top Glove's automation progresses for production lines stand at nearly 80 percent and it aims to achieve 90 percent within the next two to three years. The company will continue to learn, adapt, test, fine-tune, and improve.

Top Glove's recent announcement on the implementation of automation was not only to reduce the dependency on labour especially foreign labour but also, to produce consistently high quality gloves at an efficient low cost.

"The reality of the market today is that labour costs will continue to rise while costs for technology becomes more affordable as it continues to evolve and become adaptive and capable.

"In the pursuit to a future-proof Top Glove and to ensure it remains sustainable, it is essential for us to keep up and embrace automation and, make digital transformation an integral part of the company's strategy," Lim asserts.

Machines and software can achieve high repeatability and reliability which are desirable traits in producing consistently high-quality gloves that leads to a more lean and efficient production resulting in savings which can be reinvested.

However, Lim admits that to be fully automated in glove manufacturing is not possible at the moment hence, manpower is still very much needed.

"Nevertheless, we will continue to invest in automation and digitalisation towards the next breakthrough in technology. As we always say, no research, no innovation equals to no future"

PREVENTION IS BETTER THAN CURE

"There will always be challenges and risks in any businesses. However, we will continue to focus on internal factors within our control to minimise the effects," Lim comments. Prevention is better than cure and we will continue to pay attention to detail, diligently identify risks and precisely plan strategies for the company.

Among other challenges the company needs to face are training and upgrading the skill set of its employees on an on-going basis to ensure they are well-positioned to embrace any changes in the work environment which technological advances will bring.

"We need to secure the right talents to drive its automation and digitalisation initiatives, as it calls not just for new skill sets, but also transformative thinking and mentality".

Asked whether automation will result in job losses, Lim says technology is an empowerment tool to improve the operations and working conditions of our factories. It replaces tasks which are repetitive and decreases the occurrence of human error in the manufacturing process. Mainly factory workers will be replaced by automation. However, this allows us to redeploy our labour force to other areas where they are needed.

The company's dedicated and capable corporate Learning and Development Department has a huge role in this regard to educate and upgrade the workforce in picking up digital skills, allowing them to adapt and thrive in new technologically advanced and digitalised work environments.

"It's no longer a case of big fish eating the small fish, but the fast fish eating the slow fish"

“Relevant staff at all levels are assigned to attend trainings both externally and internally to deal with maintainance. We also invite trainers to Top Glove to impart their knowledge to the workforce”.

Moving forward, Tan Sri Lim says Top Glove plans to invest and build more smart factories to further strengthen and enhance its glove operations. The company aims to invest RM10 million in Industry 4.0 technologies for each factory it builds.

“Top Glove aims to build one to two factories a year. While we continue to improve, we will ensure we invest intelligently in the right technology to avoid excessive expenditure. At the end of the day, it all comes down to how the company can effectively invest to improve customers’ experience”.

The company aspires to increase global market share to 30 percent by FY 2020 and become a Fortune Global 500 company by 2040. Automation and digitisation will help improve production yields, quality, and efficiency towards the goal.

Tan Sri Lim’s advice to manufacturers who wants to embrace Industry 4.0 is, always compare business with the Olympics.

“It is a survival of the fittest. Agility, flexibility, and adaptability are important traits to have in any industry. It’s no longer a case of big fish (big companies) eating the small fish (small companies), but the fast fish (agile, adaptable companies) eating the slow fish (slow moving companies),” Lim concludes.