

Production innovation German style

In the rapidly changing global business environment, the need for manufacturing companies to develop more efficient manufacturing processes is acute. The goal of innovative production methods is to maximize the competitive edge from technology development, thus contributing to customer value and profitability. Germany is the world leader in production system innovation.

To provide member countries with an opportunity to investigate such systems in Germany, the APO organized a study mission on Production Innovation, 15–19 September, to Hannover. The five-day mission was comprised of nine visits to companies, business associations, and institutions where 10 participants representing the private sector, NPOs, and government examined innovative production concepts and their applicability in Asia. The guide was APO resource speaker Hisazumi Matsuzaki, a management consultant from ChuSanRen (Central Japan Industries Association).

The mission kicked off with a visit to Volkswagen headquarters in Wolfsburg. Volkswagen is the world's third-largest automobile manufacturer in terms of unit production. "We could observe almost every theory of mass production in practice: material flow, inventory control, automation, robots, etc. The plant was so huge that the plant tour route was more than 7 km. It was the biggest plant that I've visited," commented Assistant Manager Yoon Eng Tong, Nanyang Polytechnic, Singapore.

At the headquarters of Solvay Fluor, the world's leading supplier of fluorine compounds and fluorine chemicals, Innovation Manager Dr. Johannes Eicher defined innovation as "the process by which an enterprise converts the creativity of its employees and partners into added value, both faster and better than its competitors." Solvay Fluor's strategy for innovation is based on partnering with external organizations including customers, suppliers, universities, and start-ups under a scheme called InnoCentive, a concept combining innovation



Dr. Eicher introducing Solvay Fluor's innovation strategy

and incentive. It also operates an internal online suggestion scheme called Innoplace.

The visit to Hannover Fabrik (factories), an association of 18 companies, highlighted the importance of collaborative efforts in achieving innovation. PZH GmbH (Hannover Center for Production Technology), a Hannover Fabrik member, invited the mission to its offices and explained that it provides free laboratory and office space along with strategic coaching for universities and entrepreneurs in optical technologies, software for production technology, production development, and consulting and engineering for up to five years. The final destination was Fagus-Grecon Greten GmbH, a 98-year-old company that originally made wooden clogs but expanded into measuring systems for fire prevention and finger-jointed wooden parts. Fagus-Grecon Greten has three principles for maintaining its competitive edge: improvements in operations; continuous education; and idea management with zero faults.

The mission confirmed that while qualitative differences exist in productivity systems between Europe and Asia, improvements could be achieved by learning from each other. 🌀