

Industrial Upgrading Aims at Developing Own Brands

Taiwan's traditional industries have upgraded their operation model threefold. There have been several stages, including OEM (Original Equipment Manufacturer) focusing on fine quality, ODM (Original Design Manufacturer) emphasizing customization, and CDM (Collaborative Design Manufacturing), which integrates R&D and marketing, employing platforms to accelerate industrial development and create own brands.

As the industrial environment changes, most traditional manufacturers are unable to keep niche basing on existing operation models and therefore adopt upgrading and transformation instead. Based on the value added products and services, a new high-value business model has become a necessary revolution. Concrete practices include turning a product-oriented approach into a service-oriented approach, shifting the focus of the industry value chain upstream and downstream, increasing customer friendliness, emphasizing product functions, and providing the right of use. Different practices are applied to different enterprises respectively.

The major mission of MIRDC is to assist manufacturers from upstream and horizontal providers in carrying out collaborative R&D value-added services, and applying marketing channel value-added services to downstream providers. Taking the fastener industry as an instance, MIRDC provides fastener manufacturers with assistance

in cross-industry collaborative design, such as fasteners developed with the electronic industry for 3C products, and screw heads developed with the building industry for green building materials.

As for the marketing value-added services, the focus is to build a relationship of mutual trust with the clients. The hosted inventory service is one of the instances. With MIRDC's assistance, the Chun Yu Group has established a shelving management service system, which enables the company to process the shelving operation of fasteners as soon as clients place an order through the system. MIRDC also assisted Anchor Fasteners Industrial Co. to introduce the tally & delivery service, which enables the company to deliver fasteners and separate fasteners into different loads according to different processing steps.

Through the model of service-oriented manufacturing, the fastener industry increased by 10% and successfully expanded value of exports to more than NT\$ 4 billion. However, the ultimate goal of the services is to assist manufacturers in highlighting differentiated competitiveness so as to transform the original model of order and manufacturing. Through the value-added services, clients' dependence on the companies will be reinforced and customer loyalty will be enhanced.