

3.1 THE INDUSTRY

The tyre industry in Malaysia started in 1962 when Dunlop (UK) Ltd set up the first factory in Petaling Jaya, Selangor. Currently Malaysia have 4 new tyre manufacturers and many retreading companies. The four tyre manufacturing are DMIB Berhad (Dunlop tyre), Goodyear (GY), Sime Tyre International (STI) and Silverstone (SS).

Of the ASEAN countries, Indonesia is the biggest tyre producer, producing up to 50,000 units per day, followed by Malaysia at 38,000 units per day. Thailand produces up to 35,000 units per day and Philippines 12,000 units per day. Most of the production are for domestic consumption.

For the first eight month of 1995, 7.3 million units of tyres were produced in Malaysia. The main market is still focus in domestic market ie 80 %. Table 1 and Exhibit 2 shows the Malaysia tyre market share for 1993.

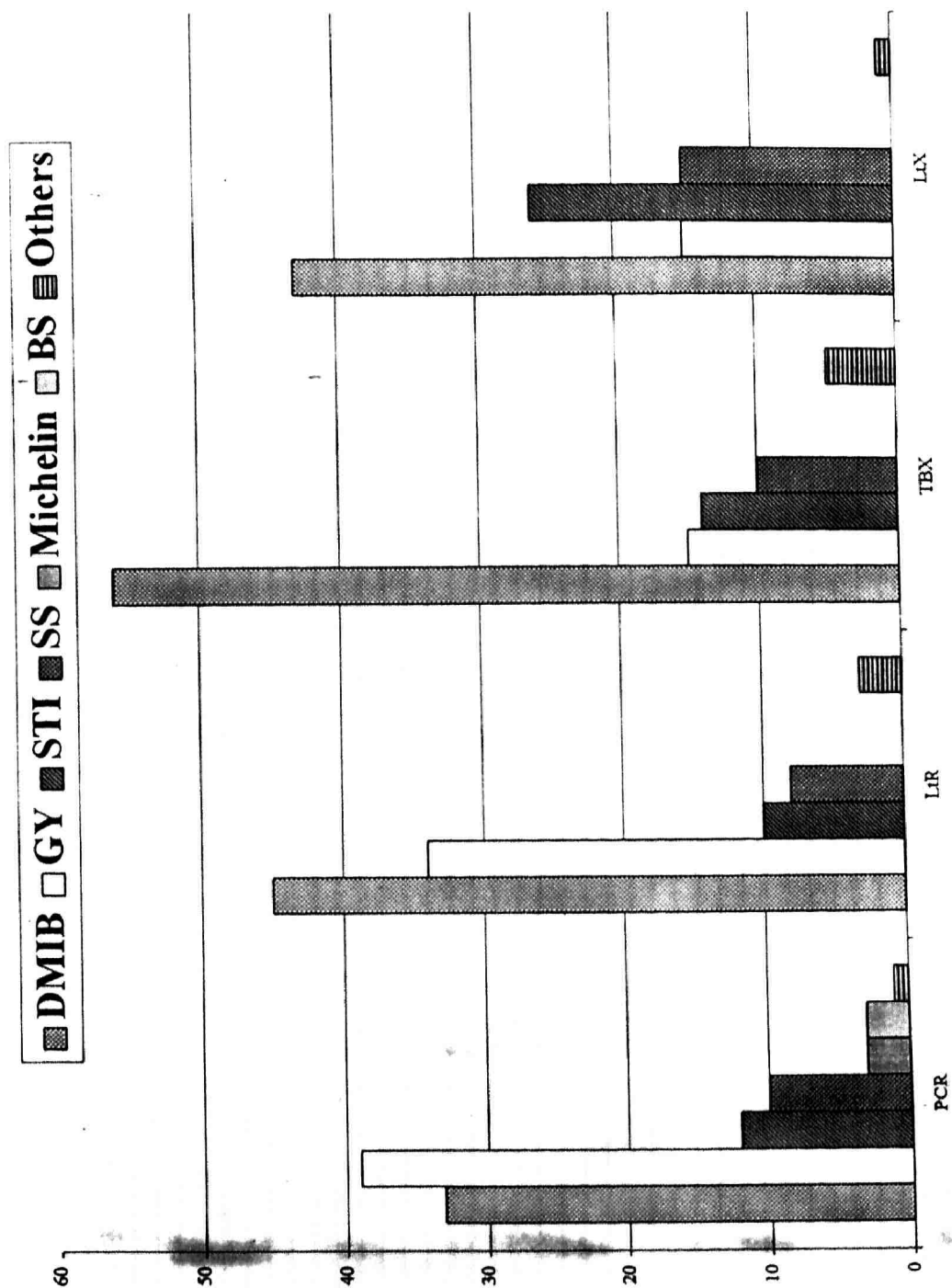
Table 1 Malaysia Tyre Market Share in 1993

	Passenger Car Tyre (%)	Light Truck Radial (%)	Truck and Bus Tyre (%)	Light Truck Crossply (%)
DMIB	32	45	56	43
Goodyear	39	34	15	15
Sime Tyre	12	10	14	26
Silverstone	10	8	10	15
Michelin	3	-	-	-
Bridgestone	3	-	-	-
Others	1	3	5	1

(The above data is taken from the market survey carried out by DMIB Marketing Department in 1993).

EXHIBIT 2 Tyre Market Share in Malaysia in 1993

(Data taken from DMIB Marketing Department)



THE COMPANY

DMIB Berhad is a member of the Sime Darby Group of Companies, whose corporate headquarters is located in Kuala Lumpur, Malaysia.

The factory complex at Petaling Jaya was established in 1962. DMIB Berhad is the largest tyre manufacturer in Malaysia. The Division's principal business is the manufacturing and marketing of a wide range of passenger car, 4 wheel drive, truck and bus, agricultural, earthmover, forklift, military and aircraft tyres, adhesives, sealants, mattresses and golf balls. DMIB employs a workforce of about 1,600 people. The company currently has 2 operating sites: tyre and adhesive factories located in Petaling Jaya and the mattress and golf balls factories in Seremban.

DMIB's Simex and Dunlop tyres are produced for local and overseas market. The tyre go into local market as original equipment tyres for Proton, Perodua, Toyota, Ford, BMW and other locally-assembled cars as well as the replacement market. DMIB produce up to 94,600 kg tyre a day ie 4500 units of passenger car tyre, 1000 units of truck and bus tyre and 800 units of light truck tyres and 47th largest worldwide for sales.

DMIB Berhad have a Technical tie-up agreement with Sumitomo Rubber Industries of Japan. DMIB Berhad was

the first tyre manufacturer in Malaysia to be awarded ISO 9002 Quality Management System Certification in 1991. DMIB also have received National Product Excellent Award four times in 1991, 1992, 1994 and 1995 for its various tyres.

The Management of DMIB belief that quality leadership is the key to success of DMIB Berhad in competitive global markets. It is stated in the Quality Policy of DMIB that the company is to ensure the products meet the highest standard in design, quality and service required by the valued customers as well as meeting all scheduled deliveries. The Company is committed to ensure the quality systems and plans are strictly adhered to and continue improve in quality.

3.3 DEVELOPING TQM SYSTEM

3.3.1 Common Approaches

Company has many choices to develop a TQM System, among the possible approaches are:

- self-developed/self directed TQM system
- TQM model via ISO9004-4
- The Deming Approach
- The Juran Approach
- The Crosby Approach

Deming, Juran and Crosby are among three American quality gurus who have use their philosophies and methods on how industry should manage quality to form consultancy-type operations. One of the common thing that these three experts of quality emphasize is that there are no-short-cuts in quality, no quick fixes, and that improvement requires full commitment and support from the top, extensive training and participation of all employees.

Organisations can implement quality improvement efforts on their own without spending a fortune and with minimal assistance of competence consultants. What's required is a basic understanding of TQM and an unwavering management commitment to implement TQM organisation-wide.

In our case, the company already have a quality system which conforms to the requirement of ISO 9002. ISO 9002 registration is definitely an important step towards TQM. TQM go beyond ISO 9002. A review of the current performance in all areas, even well established, would be part of the operation to ensure continuous improvement.

3.3.2

The Company's Approach

To achieve total quality management, the Company has taking the following approaches:

- attain ISO 9002 certification from a reputable certification body, SIRIM.
- identify the after-effects (benefits and problems) encountered of post certification.
- allow effective integration of ISO 9002 (control driven) quality system and TQM (culture driven) principles.