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Ties with Konsortium help Perodua up output

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THE partnership between Perusahaan Otomobil Kedua Sdn Bhd (Perodua) and Konsortium Logistik Bhd has helped the carmaker improve its monthly car production rate to over 80 per cent.

The rate of cars approved after inspection, or pass rate, has also increased to some 60 per cent.

Perodua managing director Datuk Ab Rahman Omar said the low pass rate, previously at about 30 per cent before September, crossed 60 per cent last month.

Konsortium has been collecting car parts from 62 Perodua local vendors, packing the parts into lots and synchronising delivery for Perodua's production line for over a year. It is understood that Konsortium will add another 12 vendors into its list soon. Perodua has a total of 132 vendors.

Ab Rahman said by subcontracting its logistics needs, Perodua has been able to reduce about 2 to 3 per cent of total operation cost, as well as solve problems such as storage space and human resource.

It is understood that the previously low pass rate was also partly due to mismatch between the components from the vendors and where these parts reached the production line.

Besides Konsortium, Perodua also uses United Seino Transportation as another logistics service provider while Kontena Nasional Bhd handles the logistics for Perodua's imported parts.

Konsortium's executive chairman and president Mirzan Mahathir said the company started off by handling 24 vendors for Perodua, and Konsortium's 90,000 sq ft Central Staging Warehouse in Puchong is fitted with an advanced warehouse management system that can accommodate some 1,000 line items.

"(The system) will enable Konsortium to provide a more customised logistics solution since it parallels Perodua's production schedule and this builds greater flexibility to Perodua's production requirements," Mirzan said in his speech during the official signing between Perodua and Konsortium yesterday.

Ab Rahman said by 2003 the company aims to improve further its production rate and pass rate to 95 and 90 per cent, respectively, to match the standards of its Japanese shareholders Toyota Motor Co Ltd and Daihatsu Motor Corp.

"Our long-term target is to achieve the standard by 2006, after Afta (Asean Free Trade Area) has been implemented," Ab Rahman said.

He said there is still room for both parties to improve the partnership, in areas such as system alignment where the transfer of information takes place.

One problem faced by both companies, Ab Rahman said, is the high turnover in employees, and Perodua is now trying to eliminate as much human elements in its production as possible and introduce more automation which could boost volume and quality of cars produced.

Besides Perodua, Konsortium also provides its logistics services to other automotive companies including Perusahaan Otomobil Nasional Bhd, Edaran Otomobil Nasional Bhd and Auto Bavaria.

However, Mirzan said haulage services are still the main activity of Konsortium, which contribute over 50 per cent to the company's turnover.

"We are trying to move away from capital intensive activities to service-oriented businesses, and next year should be a better year for

us," he said.

Mirzan added that Konsortium is currently working with Perodua to monitor the overall performance of the contract on a regular basis to increase efficiency.

Konsortium shares closed 8 sen higher yesterday at RM1.49.

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