



Luen Thai International Group Ltd

聯泰國際集團有限公司

Luen Thai was founded in 1960s and it is now one of the largest manufacturers of garments. It is a major supplier of the best known and top-selling brands in the world. Luen Thai owns 18 manufacturing plants producing around 127,000 dozens of woven clothing and around 264,000 dozens of knits each month. The company has launched a change programme with a vision of being recognized by customers as the best garment manufacturer in the world. The key strengths of the company are highlighted in the following categories.

1. Leadership

To drive the company forward, the leaders of Luen Thai promote the corporate maxim of "Right Things Do Right" . In support of the corporate maxim, the company has set clear management philosophy, vision, mission and core values that are all directed towards meeting customer needs. The leaders also have the strong vision of bringing the company beyond the garment industry by building on its strengths in logistics and information technology services. The company supports the garment industry by sponsorship and providing training opportunities to students of textile technology.

2. Strategic Planning

The "Rethinking and Renewal (R&R)" framework provides a very systematic and structured approach in strategy development, objectives alignment, and planning and implementation. The strategic planning and deployment process consists of ten action steps to ensure proper prioritization, resources allocation and continuous improvement. All plans are communicated through a variety of channels to its employees, customers and suppliers.

3. Customer and Market Focus

Luen Thai has clearly defined and focused on its target markets and segments. Various methods are used to communicate with its customers and collect customer feedback and market information. The company emphasizes customized services and product offerings to meet specific needs of customers and invests substantially in overseas offices to stay closer to the market. Another distinct competitive advantage of the company is its advanced R & D facilities. The company works closely with customers and suppliers to create innovative fabric solutions.

4. Information and Analysis

Luen Thai has developed and implemented several state-

of-the-art systems to support both the operational and performance evaluation requirements. Based on the Key Performance Indicators (KPI) set for different divisions and the analytical information generated from the information systems, the company performs regular reviews of performance in all levels and divisions. Benchmarking both internally and externally is part of its analysis work to support the review and exploit opportunities for improvement.

5. Human Resource Focus

The company has developed its own set of guidelines and standards called Unified Principles of Social Responsibility and Practice (UPSRP) to ensure excellent work practices. UPSRP is derived from the best codes for worker care in the global apparel industry. Luen Thai emphasizes training and development. Training Needs Analysis Workshops are held to collect employees' training needs for designing training programme. The company also puts utmost effort in providing a healthy and safe work environment for employees and in meeting stringent requirements in different countries.

6. Process Management

Luen Thai uses an integrated supply chain approach to design, manufacture and distribute its products to customers. It also builds its organization structure based on the value chain. The company invests in new facilities and technology such as CAD system, Sample Shop and R & D centers to work closely with customers at the early stage of product development to ensure customer satisfaction. Luen Thai also applies the best practices used in industrial engineering to improve the production performance of its garment factories.

7. Business Results

The company has very solid growth in sales turnover and net profit margin since 1995 and has won several awards and commendations from its well-known customers, by gaining customer loyalty and improvement in organization effectiveness. By introducing the "Cost of Quality" concept, the company has reduced significantly the wastage in leftover fabrics and accessories. Excellent results in reducing the cycle time between product development and delivery of finished goods also contributes to the success of the company.