

INSIGHTS ON KEU ENGINEERING SDN BHD

PRODUCTIVITY AWARD WINNER 2008 (CATEGORY 3)



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KEU Control Engineering Sdn Bhd (KEU) was established in 1991 as a sole-proprietor business with only one employee that focused on repairing machines. In 1993, Mr. Ang Kok Hua, founder of KEU, progressed with producing sub electrical and control panels for PROTON. And, in the same year, he registered his company as a Sendirian Berhad (Sdn Bhd) (see **Box Item 1**). The company's key customers are Perodua and Proton.

Box Item 1: Background on KEU Control Engineering Sdn Bhd

KEU Control Engineering Sdn Bhd was founded in November 15, 1991 by Mr. Ang Kok Hua. KEU expanded from a workforce of 1 in 1991 to 100 employees in 2009. KEU's core business of Engineering consultation focuses on industrial robotic systems & factory automation, as well as installing, modifying, maintaining, repairing & inspecting equipment. KEU also dwells into the business of designing, manufacturing, servicing, buying & selling electrical, electronic & pneumatic products & engineering equipment. Besides these, KEU conducts courses in such disciplines for educational, vocational & industrial purposes.

KEU is also involved in consultancy, trading (import and export), as well as suppliers, agents, contractors and concessionaires for building components, constructing, repairing, upgrading and servicing of harbour, and all forms of marine related activities. In addition, KEU provides service maintenance and supplies all kinds of component part equipments and accessories for commercial vehicles. Other than commercial vehicles, KEU also does maintenance for public or private vehicles such as buses, prime movers, trailers, low loaders, specialized vehicles including vehicles exceeding 3 tonnes for mobile stage.

Through his accumulative experience and expertise in various projects, Mr Ang was able to incorporate the latest technology in automation system to enhance the productivity, efficiency and quality of his business services. KEU benchmarks with Japan & Korea to ensure continuous improvements, and has strived to continuously improve itself to keep up with the dynamic market needs. It is envisaged that SME in this type of industry require mentoring and smart partnership between and among industries to compete well in the challenging domestic and global business arena.

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KEU provides customers with sales, engineering, training and field servicing for a broad line of industrial automation products. The services include PLCs, industrial robots, conveyors, jigs & fixtures, logistics, machine tools, press machines, welding machines, and SCADA systems.

As it is today, although Malaysia has engineering companies, Mr. Ang is of the opinion that we still do not have any prominent heavy industry name that is known internationally like Hyundai of Korea and Hitachi of Japan. There is now a need for Malaysia to inculcate real “engineering development” as heavy industry is poised to become an economic niche in the nation’s drive for more R&D via creativity and innovation. The establishments of Hyundai and Samsung with respective success stories have been mainly due to good government’s support. It is noted that Malaysia will be focusing on creativity and innovation for her 10th Malaysia Plan (2011-2015). In line with this, the year 2010 has been designated as the Year of Creativity and Innovation. This initiative will be spearheaded by the National Innovation Centre (MyNic) to advance people’s scientific and technological capabilities. This, in turn, would help to reduce Malaysia’s dependence on foreign –made machines.

According to Mr. Ang, the journey of success has been coloured with many challenges as he has started the capital intensive business from zero. Being capital intensive, the engineering sector faces various challenges to progress well. A way forward for KEU Engineering is through prudent financial management. The sole-proprietor, supported by his wife, has been practicing commendable financial balancing in the capital intensive business. The husband and wife team’s acumen in financial matters has won them numerous financial awards. This capability has also been extended to serving their customers well with appropriate pricing.

In our discussion, Mr. Ang suggested that a way to beef up the heavy industry in Malaysia is through joint venture with foreign companies to develop the nation’s engineering skills. This should facilitate Malaysia’s journey in achieving sustainable productivity level(s) as there is direct relation between productivity & engineering. Good engineering practices can increase yields for the company; that is, a certain percentage of enhancement in efficiencies and effectiveness of engineering work could be translated into multi-million if not billion ringgit savings! He was of the opinion that simplified cost element in Malaysia’s heavy industry would bring about positive outcome for the industry.

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With almost 18 years experience as a Small and Medium Enterprise (SME), Mr. Ang could now afford a “*have-been-there*” smile as he recollects the enriching challenges that he and his wife have gone through. To date, KEU has about 100 employees to help them run the business. The company employs 100% Malaysian engineers.

And, to sustain the company’s momentum, Mr. Ang plans to continuously compare his company with those in Korea, Japan, Taiwan and other progressing countries to benchmark their success practices in the engineering sector. To the credits of the husband and wife team, KEU has achieved numerous certifications, such as the ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and TS16949:2002 that lends credibility to the company. The unwavering effort of the management at KEU has earned recognitions one of which is the Productivity Award 2008 (Category 3) awarded by Malaysia Productivity Corporation (MPC) in 2009. (see **Box Item 2**).

Box Item 2: Productivity Award

*Productivity Award is awarded to the best company in excellent productivity management. The Award uses a tool named **COMPASS (Company Manual for Productivity Assessment)** to measure productivity performance indicators at company level using company’s financial statements. **COMPASS** is a standardised model developed by MPC that allows companies to do “self assessment” and make the business analysis more result oriented. For more information on Productivity Award and COMPASS, kindly surf the MPC website at www.mpc.gov.my*