

Are You Impervious to All Challenges?

“Innovation & Certification” will be the Prerequisites in the Post-pandemic Competition

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Former senior vice president of the already bankrupt Tsinghua Unigroup Yukio Sakamoto recently told Nikkei News, “The best process of Chinese SMIC still needs 8 more years to keep up with the current pace of the Taiwan headquartered TSMC...” Such a notion clearly tells a truth that in the highly technology-intensive global supply chain, a company having big dreams but with insufficient innovation and competitive edge may quickly fall off the pedestal.

Although the entry barrier of the century-old fastener industry is not as high as the IT industry, **with more and more companies joining the fierce competition, those lacking innovative technology will gradually get mired into the deadlock of price cutting or even be**

kicked out from the market, but those seeing clearly the market trends and grasping opportunities to develop new materials or technology will continue to leave other competitors further behind and step by step take the lead in their own niche market.

Similar situations continue to be watched in various industry sectors. Do you want to be the one that is going to be kicked out from the market or the one with critical technology that is going to continuously shine bright in the industry?

Multifaceted Innovation to Accumulate Competitive Strengths

Observing some 20 Taiwanese companies among the top 100 publicly traded companies in 2021, it is not hard to find that most of them are with a long company history, but over the past years they continued to introduce new technology through overseas acquisitions, invest in local and overseas plants/warehouses/technical centers, purchase advanced equipment, introduce labor and resources from the outside, or even inject a great amount of capital into the R&D of new products or establish cross-industry collaborations and alliances, which not only consolidated their existing development foundation, but also created their own niche different from their counterparts. The reason that these companies could make continuous progress was mainly resulted from their cumulative competitive strengths generated from relentless innovation. Accordingly, they could still achieve outstanding revenue records amid the Covid-19 pandemic and regional warfare. Half of the fastener companies in the list (e.g., Ta Chen, Tong Ming, Chun Yu, Boltun, San Shing, Lu Chu Shin Yee, Ofco, Spec, Thread Industrial) even reported their revenue growth rates at over 40%, and some also reported their profit margins at over 10%.



For most of the other SMEs whose capital is not as much as those publicly traded companies, the money-burning strategy for R&D and investment projects may not be completely applicable to them, but they can still reinforce their industrial features and exclusiveness from various aspects like manufacturing procedures, management, quality, service, etc. For example, in the “Special Fasteners” feature of this issue, we introduce Homeyu Fasteners extending its manufacturing from semiconductors and food processing to automotive and Dicha Fasteners mastering corrosion-resistant zinc alloy expansion anchors, while in the “Construction & DIY Fasteners” feature, we introduced Vertex extending its manufacturing from automotive/electronics/machinery fields to wood screw manufacturing, Falcon Fastener understanding how the customized fastener supply chain is working, Pro Power purchasing high-end Italian equipment to manufacture standard parts, Sheh Kai offering ETA certified bimetal screw anchors, and Sheh Fung releasing the all-new Composite Deck Screw Twin Cut- Patented and Cement Board Screws Pineapple Knurl – Patented, all of which are the best examples of companies making effort to increase their brand value and find out for themselves the most suitable position in the market.

Of course, achieving these goals will require some costs to be invested. If Taiwan’s China Steel Corp. (Taiwan CSC), the largest fastener wire rod supplier for Taiwanese companies, can be their strongest support behind and make the quarterly price adjustments that best meet the interest of both sides after considering the cost-influencing factors in the int’l market, it is believed that Taiwanese fastener companies definitely can have enough time to face int’l market challenges and continuously demonstrate their undefeatable tenacity in competition. While increasing their investment activities, companies should also pay more attention to whether their cash flows are smooth and avoid the risk of poor cash flows caused by customers’ bad debts.

Getting Int’l Certification as Early as Possible

On the other hand, with the governments’ and customers’ growing concern over the safe use of products, whether a supplier has gained any int’l certificate (be it of products or management) will definitely become a prerequisite for future market expansion. Even in emerging markets where the formulation of regulations and standards is still not complete yet, such as Southeast, the Middle East, Latin America, and Africa, buyers there also gradually prefer purchasing internationally certified products. In Europe, the U.S., Japan, Australia, and other advanced countries where strict standards and technical guidelines for products have been adopted, some products are not even allowed to be imported until they are certified by certain certificates. **All of these evidences imply that companies that are not internationally certified may not be accepted easily by consumers in the future, thus reducing the possibilities and opportunities of market expansion.** For example, in the aerospace or construction field, that suppliers are required to gain Nadcap, ETA, or ICC has been really common. As a result, working hard to gain more int’l certificates will be a key for companies to achieve corporate sustainability.



Exposure at Int’l Tradeshows and Making Yourself Known to the World

The physical events of many int’l tradeshows in Europe, the U.S., and Japan (Fastener Fair USA and M-Tech Nagoya, for example) were recently held, buyers/visitors were gradually back to look for more opportunities for collaboration with local and overseas suppliers, and exhibitors also received lots of inquiries and feedback from buyers. **It is expected that after Taiwan and other countries start to loosen up their border control policies by the end of 2022, more tradeshows will be given.** Thus far, we’ve heard that quite a few of Taiwanese companies were inquiring about attending tradeshows in Europe and the U.S. To companies which have been absent from int’l tradeshows for some two years, it’s about time that they should be well-prepared for grasping the ready-to-come overseas business opportunities.

International Fastener Expo in Las Vegas (Oct 18-19), Fastener Poland (Oct 19-20), and even Fastener Fair Global in Stuttgart (Mar. 21-23, 2023) are all the best platforms for exhibitors to establish business contacts with potential buyers from around the world. For more information, please contact the Foreign Dept. of Fastener World, the Taiwan sales representative of many int’l tradeshows.

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