

Undefeated Screwdriver & Bit Provider from Asia

Yun Chan Industry Co., Ltd.

起子與起子頭領域的東方不敗

雍昌工業有限公司

by Dean Tseng, Fastener World



Green Panther



Contact: Sales Manager, Ray Hsiao
Email: ray@greenpanther.com.tw

With a specialty in screwdrivers and bits, Yun Chan has stridden over 4 decades of history and continues to play a critical role in the market. The company is a specialist manufacturer oriented on service based on market differentiation. Besides manufacturing, it carries on R&D, develops new products and rolls out patented products every year. In case you don't know, in 2020 alone, nearly 10% of households in Taiwan owned patented products from Yun Chan. Yun Chan's products are highly accepted in Taiwan and have a huge market potential overseas.

Focused on Ease of Use & Shortening Manufacturing Process

The company's core value is to provide products that are actually needed by and handy to users. Sales manager Ray Hsiao told an example, "It might give us an edge to win an design award for inventing a type of bit that can sing by itself, however, crazy this might sound, but the truth is that there may not be enough people to need it and support our production cost." Our clients used to develop products on their own before letting us take over to manufacture for them, but gradually they began to hand over the design process to us, which created a significant increase in our production cost. Therefore, we gave up on designing pretty packaging and fancy product functions, and turned our focus to the core issues. Our target is to understand what products are needed by clients, how to make the products easy to use, how to shorten the time for product roll-out, and how to make products customers truly want.

Through the clients, the company learned that a screwdriver and bit can make simple extension or a change into a better and handy tool for use with components on sports utilities, musical instruments and construction applications. It may not be useful for others, but it is indeed a safe, time and labor saving, and cheaper solution for target users.

In order to improve product quality and precision, the company must optimize and upgrade production equipment. The company added equipment that normally is not used for manufacturing hand tools. It even developed its own purpose-specific equipment to be able to provide the products needed by customers.



Corporate Growth Amid Drastic Market Change

The U.S./China trade war starting in 2018, and the pandemic starting in 2020 and lingering over 2 years, have significantly changed the global supply chain. Many industry counterparts might have breached 100% sales growth last year, but their profit gains were pretty much just on par with or less than before. However, Yun Chan's core values remain the same. "Market differentiation and the idea to provide what the users need have in turn enabled us to grow business with our clients. Now we still continue with expanding our product line, shortening lead times, and improving our manufacturing process."

High-Value Products and Service are the Prerequisites of "Acceptable Price"

The priority for the company in 2022 is to speed up product development, stabilize lead times and manage production cost. "Last year the change in the corporate cost structure was so huge that lifting product prices didn't necessarily solve problems. Higher prices are accepted by clients only when they are guaranteed to get high-value products and services."

To the company, finding clients with shared values is more important than finding reputable clients who order more. Creating the products that users need is the key to maintaining competitiveness and attracting new clients. "Needs" must be discovered with clients, and Yun Chan will continue to respond to the demands from domestic and overseas clients. □