

# The Dark Horse Among Automotive Fastener Suppliers

## Chong Cheng: Win Customers' Trust by High Quality, Technology & Punctual Delivery

by Konnor Lee, Fastener World

The Guanmiao, Tainan-based Chong Cheng Fastener Corp. established in 1989 was originally a manufacturer of carbon steel and stainless steel nuts exported to Japan, Europe, and America. In 2004 all its affiliated plants were relocated to the current 16,529 sqm manufacturing site because of the need for plant expansion. In 2006 it successfully introduced the ISO/TS 16949 quality management system and made continuous effort to enter the international supply market of auto parts. In 2012, Chong Cheng, by the request of its German customer, passed the audit of Volkswagen and became its approved supplier. Its annual revenue also grew from NTD 0.5 billion to NTD 1.4 billion in 2015. Let's now explore how President Sandy Yu could create such a successful business and become a leading automotive fastener supplier with stable and healthy growth.

### "Stable Growth" is Its Priority Principle

President Yu said, "The success of Chong Cheng was based on its steady pace and step-by-step growth." Punctual delivery and honesty are the advantages of Chong Cheng to win customers' loyalty. Whether a product is potential or not is a key factor President Yu takes into account. Chong Cheng will ask customers for how many years they want the products to be used and their market potential. Moreover, they will develop customized products, invest in facilities, capital, and labors. In order to satisfy customers' demand at all times, Chong Cheng will deploy production in advance according to estimated demand and place all finished products in the automated warehouse systems to ensure quality and punctual delivery. President Yu said with a smile, "If you have 10 dollars, do business that costs no more than 10 dollars. Be practical."

### Benefits from Automated Warehouse Systems

The larger automated warehouse systems (18,181 sqm->23,140 sqm) launched in 2013 are the reason why Chong Cheng has been able to maintain its high competitiveness for so long. The number of automated warehouse systems was increased to 3 sets with about 5,700 additional storage units, enabling the systems to accommodate 5,000-6,000 tons of products. In addition, the automated warehouse systems, which President Yu insists on using, are not only able to facilitate development of the plant, effectively save the land used, reduce the land cost, but also greatly reduce the need for warehouse staff and increase the logistics efficiency. With the automated management system, products can be quickly received through scanning barcodes, which can offer highly efficient instant service to customers, build complete inventory management, and successfully lower the inventory cost.



## Stringent Inspection Instruments

Chong Cheng values the management of QCD and in order to make sure the quality of products requested by car manufacturers or with the requirement for PPM is compliant with certain standards, they must be sorted with an optical full inspection machine before shipment. Every manufacturing process must be finished with SOP to ensure good quality control. Chong Cheng will also make continuous improvement to achieve the zero defect requirement of car manufacturers through the integrated management of manufacturing supply chain, collaboration with partnered plants on quality control, staff training, strict control on each process to satisfy

customers' requirement for quality and lead time. With this serious attitude to every customer's request, Chong Cheng has won customers' trust and established stable and long term cooperation with them. President Yu said firmly, "We don't accept, produce, and sell defective products. This has been always the quality policy of Chong Cheng."

## Mutual Trust & Reciprocal Benefits for Creating a Healthy Corporate Culture

In addition to cooperating with its car manufacturing customers on the development of new customized products, Chong Cheng has replaced its in-plant lighting systems with electricity saving bulbs & LEDs and built a solar power system on the roof for sustainable operation and environmental protection. The plant is clean and tidy with the

installation of negative pressure exhaust fans, providing employees with a comfortable workplace.

In the future, Chong Cheng will continue to reinforce its supply chain management, integrate with partnered plants, make improvement and innovation, and win customers' trust by technology and quality. In the fastener market, President Yu expects that Chong Cheng can develop more value added products (i.e., not only focus on automotive fasteners, but also on the R&D of fasteners for motorbike, bicycle, and household applications). President Yu said with confidence, "Fasteners are the indispensable key that makes human life more convenient."

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