



Company Profile

SME Name	: PT Dianatina Ayu Garment
Location	: Denpasar, Bali
Year Established	: 1982
Products	: Garment
Target Market	: Domestic & Export

Creating Transformation from Little Things with Big Impacts

AFTER 30 YEARS

The buzzing and humming of sewing machines fill the hallway of PT. Dianatina Ayu, a small-and-medium-sized enterprise located in Kuta, Bali. The sounds are created by dozens of workers who produce various types of garment to be exported to different parts of the world, such as Europe, the United States, Australia, and several countries in Asia.

"This company was founded by our father, Panudiana Kuhn, 30 years ago. We are the second generation entrusted with this company," says company President Director, Surya Ayu Paulina Kuhn. In the day-to-day operation, Surya is supported by her sister, Vice President Director Ratna Dewi Katarina Kuhn, to run the family business.

PT. Dianatina Ayu has its own shares of ups and downs within the three decades of operation, particularly in 2006-2007

when it faced strong global competition from China. The situation hit the business quite hard, forcing the company to reduce the employees down by half to about 500 people. They still had to lay off a few hundreds more employees afterward.

"The period of 2013-2014 was among the most difficult for this company as we also had to lose many of our senior employees. Now, we only have 68 people working with us," Surya explains. Nevertheless, Surya said that the company not only survives, but still manages to create excellent garment products. "We really appreciate the roles and commitments of the workers. They are highly committed to improve the company's performance so that they can work more effectively and efficiently," she said.

THEY SAY

"SCORE is unlike any other training as there are mentors and company visits. Moreover, SCORE provides attractive training modules and games that are targeted and easily applicable to the working environment. Employees can easily understand and absorb the information that we provide."

Ratna Kuhn
Vice President Director



Direct Management Involvement

Small management involvement with the workers can greatly improve their morale. Not only that the management can observe their workers better, the workers also feel the sense of being cared and be taught.

SISTERS LEADING THE TRANSFORMATION



Surya & Ratna
Sisters Leading
the Transformation

THEY SAY

"It used to take 15 minutes to locate the required material. Now I no longer have to waste my time as all of the materials and equipment have been properly arranged, as have the data of the activities in the previous day. It has been truly time efficient."

Yetik R. Diana
Supervisor

Surya and Ratna have been introduced to the garment factory since early on. The place was their playground. They were friendly with the employees, the majority of whom are women, and the girls had fun with the yarns and endless rolls of colorful fabrics and buttons. "We have been able to make our own clothes since we were little," Ratna reminisces.

According to Ratna, their father, who had a longstanding and reputable name in textile industry, trained them with firm hands and taught them self-reliance. As the successors of the business, Surya and Ratna had to learn the nitty gritty of garment industry since young age. "We were treated just like ordinary employees, there was no privilege," Surya adds. After graduation, Surya decided to return to Bali and work full-time in the family business. In 2011, Ratna followed suit. A year later, the Kuhn sisters created a buzz when launching their own label, Paulina Katarina, which is the combination of their names. The label has since contributed 10 percent of the total revenue of PT. Dianatina.

Challenges remain, however, both from inside and outside of the company. The external challenges, according to Surya, include business competition and new market exploration, while internal issues related to productivity improvement and cooperation as well as human resources management. These situations have led to the commitment of the Kuhn sisters to improve the working conditions at PT. Dianatina.

JOINING SCORE : BEYOND THE COMMITMENT

The significant decrease in the number of workers increased the workloads of the remaining manpower. As they felt the heavy burden, it hampers the management's efforts to increase the efficiency. Fewer workers led to the lack of workplace cleanliness and organization.

"Following the employee layoffs, the company could no longer afford cleaning service. Meanwhile, the remaining employees were not used to maintain the tidiness and the cleanliness of the workplace, creating disheveled and dirty work stations," says Agung Sanjaya, the Human Resources Manager who has been working for five years at PT. Dianatina Ayu.

However, Agung said that the situation also occurred because there was not a good communication system in place, and the culture to invite workers to discuss problem solving was missing. "The management was not aware that transparency in communications and even information distribution within the company would improve work atmosphere and make workers more comfortable," Agung said.

Slowly but surely, Kuhn sisters managed to bring about improvement within the company. The workers began to open up and support the transformation. However, the extraordinary commitment from the second generation of Kuhn family and the support of the employees turned out to be insufficient.

"We need a third party that can look at our issues clearly and more objectively and to guide us to be a better company," says Ratna.

In October 2014, an ILO-SCORE Indonesia program, together with a private training service provider, BEDO, organized a training to improve the productivity of small-and-medium-sized enterprises in Bali.

The first SCORE module that focuses on collaboration brought a new hope for the company that was eager to revive.

"When the training was completed, we immediately sat together to create the programs to overhaul our internal organization," Surya says.

The initial step was to establish an Enterprise Improvement Team (EIT) to implement SCORE program within the company. It was a serious move, marked



Daily Briefing

Daily Briefing is held to make sure that every unit knows what needs to be done within the respective day. Daily briefing also facilitates discussion between board of director and workers, as to gather feedback from the workers to improve working environment

by the signing of the commitment between the Management and the workers, and the dissemination of information about the team's plans to the entire employees. EIT held regular meetings, and the frequency of the meeting steadily increased, from six times in January to 23 times in February and 25 times in March 2015.

Subsequently, to improve the communication and collaboration, the team began to introduce the importance of daily briefing, bi-weekly meeting, and the celebration of employees' birthdays.

Surya says SCORE trainers always gave a reminder to start with the simplest tasks before moving on to major ones. "The activities that we hold seem very simple, but in fact they are the ones that give the biggest impact to the production process in our company," she said.

Yetik R. Diana, a supervisor at PT. Dianatina Ayu says she has gained some understanding on the benefit of daily briefing, which is now intensified by the company. "All of us in the production department give feedbacks on the issues we encounter and we become more resourceful when other units experience some problem. For example, when certain types of fabric are difficult to cut, I would share the information to the head of the sewing department during daily briefing, so that they can anticipate when they face the same problem. This has speed up the work and avoided finger-pointing when an error occurs on the production floor," Yetik says.

The newly found communication scheme and daily briefing have improved the job completion and it trickled down to the punctuality of product delivery. In January 2015, the punctuality of product delivery hit

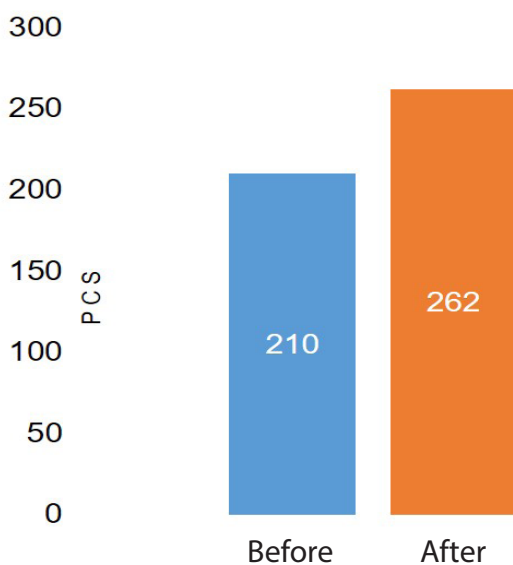
89.47 percent, and in February it even reached 100 percent.

Moreover, the company has paid more attention to employees' suggestion and feedback through the suggestion box. The box would be opened every three months, which coincides with employees' birthday celebration. As of March 2015, there have been 10 suggestions and 1 complaint received by the Management.

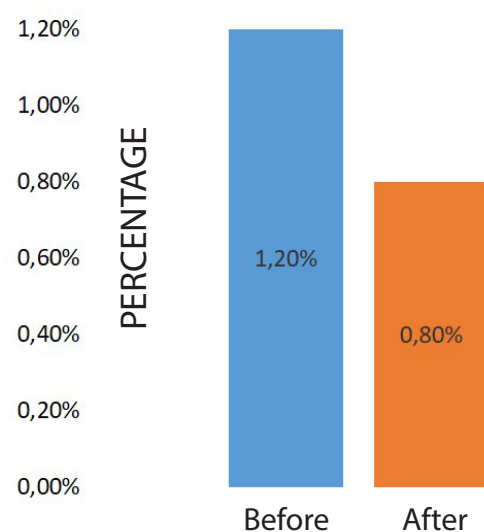
Looking into the progress, Surya says she is quite happy with it. An employee named Wayan Suamba from the material cutting unit, says, "The Company has even rewarded the employee who is able to provide good suggestion to the company. I am very happy."

Other than suggestion box, PT. Dianatina Ayu is now maximizing the use of bulletin boards around

Productivity



Service Reject



Productivity Rate improves, while Service Reject decreases. The use of Work Check Sheet since the implementation of SCORE program, has significantly improved the attentiveness of workers as to increase their productivity while reducing errors



Increased Working Motivation

Workers' working motivation increases due to Management's better and more consistent commitment and attention toward workers.

Communication between management and workers are also key to the increase in working motivation

the company. The purpose of this bulletin board is to create dynamic and positive working environment by disseminating the information evenly.

In terms of workplace tidiness and organization, the enterprise team promoted "5S" through activities like waste management, setting up cleaning duty schedule and the implementation of 5S in each work unit.

"It is not easy to change the habits of the workers who have been working for years in the company. However, we are open for discussions with the employees during bi-weekly

meetings. We address the issues faced by the company and encourage the workers to lead the transformation for the sake of company's sustainability," Ratna said.

"As we started to hold discussions with the workers, we began to realize that they are the spearhead of the company's progress. They know what they need and what areas should be improve to move the company forward," Surya added.

PT Dianatina Ayu attempts to maximize the tasks assigned to be performed alternately by the workers and the management. They support each other

in maintaining the company's tidiness and the company gives reward to the work unit with the highest level of tidiness and order.

"Fabric cutting, patternmaking, and sampling departments are more organized. Visually, they are more appealing now. It used to take 15 minutes to locate the required material. Now I no longer have to waste my time as all of the materials and equipment have been properly arranged, as have the data of the activities in the previous day. It has been truly time efficient," says Yetik, the supervisor who has been working at the company for 15 years.

BEFORE



AFTER



Equipments and tools are being placed in one container, it makes it difficult for the workers to find the item that they need. After the implementation of SCORE program, the equipments and tools are being separated and the containers are labelled more properly. Now it's easier for the workers to find the items that they need



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