



COMPANY PROFILE

SME Name
PT. Hok Tong Jambi

location
Jl. Raden Patah Rt.07 Kelurahan Sejinjang

Established
1937

Products
Crumb Rubber

Target Market
Domestic and International

“At first we had issue in work management, work location or manufactor and lacking of creativity and motivation from our workers give their best for the company”

Kasma Adinata
Head of HR&GA

COST SAVING THROUGH SCORE PROGRAM

As a company that established for a long time in Indonesia, PT Hok Tong Jambi has been through some ups and downs on its journey. Although established since 1937 as a company that engaged in natural rubber trading business, Hok Tong continues to make breakthroughs and innovations in order to compete in the industry. Located in the area Sejinjang, Jambi, Hok Tong is currently a supplier for crumbs rubber to many renowned local and international companies such as Sumitomo, Bridgestone, Goodyear, Michelin and others. In fact, in the last five years Hok Tong also exports its products to China and USA.

Hok Tong is a large entity crumbs rubber manufactory. The company is currently supported by 237 workers where 208 workers are male and 29 others are female workers. Hok Tong has a massive production targets to meet market's demand around 2000 ton SIR-20 supply per month.

rubber industry. This Innovation is not limited only to the engine, but also innovations in resource refineries, efficiency, changes in how to manage the company as well as improving working conditions and facilities. These are challenges faced by Management of PT Hok Tong.”At first we had issue in work management, work location or factory and lacking of creativity and motivation from our workers to give their best for the company” said Kasma Adinata, Manager of HR&GA.

Through networks, Kasma met the team of Vocational Training and Productivity Improvement Program of Jambi Province that introduced him to SCORE Program. When viewing the SCORE Program Hok Tong management finally agreed to join in February 2016. The initial goals were to be able to clean and rearrange Hok Tong's manufacture, engage the workers with better communication and implement efficiency at work.

Considered as an old company, Hok Tong is in need of variety of innovations to continue and survive in the crumb



Production Process

APA KATA MEREKA

“Management is very happy with this innovation. SCORE implementation contributed significantly to the efficiency of the company “

Merry
Office Manager PT Hok Tong

“We do as much as possible to provide adequate supporting facilities at the factory, so that all workers can work optimally and happy”

Hermawan Budiman
Head of Factory

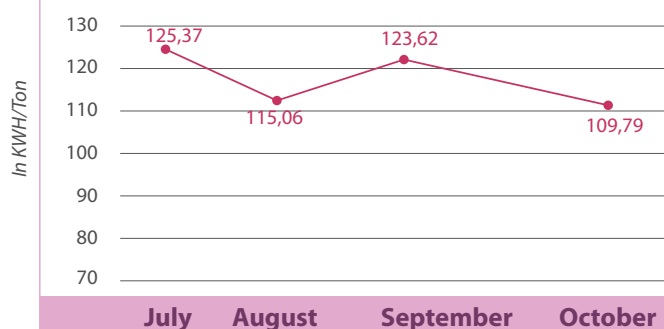
“After the implementation of SCORE our product quality is getting better. The result is shown on the number of our rejected goods “

Satriadi Wijaya
Head of Quality Control (QC)

“SCORE changed many things in me. I am now a worker who understands what it is 5S and its benefits. Thanks to 5S I can be a productive worker for the company and Family “

Alamsyah
Staff Workshop

Energy Usage per Unit



The Turning Point of Improvement

When SCORE first implemented, there were some workers who were resistant. It was basically triggered by their comfortable zone of work they have for years. But the entire support and commitment from management to change workers' pattern of work, and give them new motivation brings positive impact. The management started by forming Enterprise Improvement Team (EIT) as the initial action of SCORE implementation. The membership of EIT team and its activities directly involving factory workers and management. Routine briefing was held often that cause a rise of two ways communication between management and workers. This impacted directly to the workers, they become more open and motivated to work better.

After forming EIT team, management soon redo production area and warehouse that were chaotic and

messy. The untidy layout of the warehouse made workers had trouble finding stuff. They could spend four hours to find one item only. Through 5S warehouse layout successfully redone and rearranged. This led to time reduction to only 2 hours in searching for production material. SCORE also changed management's approach to the workers. Communications were previously inclined one way, now it becomes better. The workers no longer feel pressure or reluctance to bring new ideas and innovation.

After the implementation of SCORE workers innovated a machine rejuvenation that impact on the increase of production. The implementation of SCORE contribute positive impact. before the workers were only able to produce 1,700 ton SIR-20 per month, this amount did not meet the increasing market's demand. With the innovation of machine

Machines at Factory
PT Hok Tong Jambi



rejuvenation, workers currently produce about 2000 ton of SIR-20 per month.

SCORE also changes the management in enacting number of working hours. Workers, that have a production target of 80kg per day, had to work overtime to meet the target and be able to get incentives. It is considered to be inefficient and not effective for companies particularly on the production cost they expense. After the implementation of SCORE, overtime is no longer needed as workers now can achieve 40 ton target per day only until mid day. Workers are happy because they don't need to work overtime but still get the incentive of their daily production target. During the implementation of SCORE Hok Tong managed to save a total of 8454 hours of overtime from 237 workers in July 2016 becomes 7116 hours in October 2016, with 241 workers. Savings of working hours showed an increase in productivity where previously with fewer workers consumed more time in production while today the current number of employees increased but the consumption of working hours decreases.

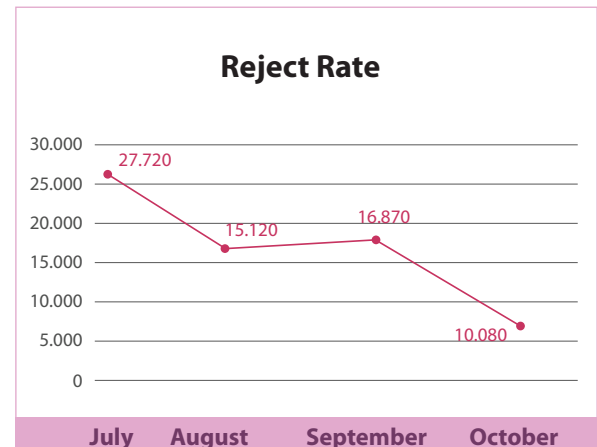
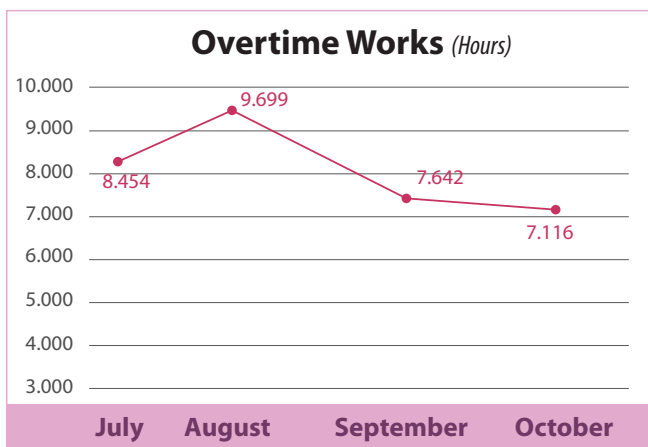
This working hours saving and rejuvenation of factory machines have significant impact on energy consumption. Hok Tong saved around 500 million rupiahs from electricity consumption only in 2016 compare to 2015. Hok Tong succeeded in reducing the amount of energy consumption of 125.37 kwh / ton in July 2016 to 109 kwh / ton. Not only that, with the new working hours system, workers are able to meet the target even before the official hours end. This means there is an increase in term of productivity.

Another innovation was converting of solar material into gas for the drayer machine. The use of gas for drying machine affected the company's production cost of fuel purchase. With this gas dryer machine, Hok Tong saved 50 to 100 million rupiahs per month from the same machine when using solar. "Management is very happy with this innovation. SCORE implementation

contributed significantly to the efficiency of the company "said Merry, Office Manager PT Hok Tong.

SCORE Implementation also have an impact on the Quality Control (QC). Its success on implementing 5S declined in the number of rejected goods. In July 2016 rejected goods reached 27.720 ton and was reduced into 10.080 ton October 2016. "After the implementation of SCORE our product quality is getting better. The result is shown on the number of our rejected goods "said Satriadi Wijaya, Head of Quality Control (QC).

Other changes were felt by the workers of Hok Tong is routine morning briefing that are often held. It affects the bonding of working relationships among employees. Besides that, there is an addition of new facilities such as toilets, announcement boards and increasing activities off working hours such as sports and blood donor. "We do as much as possible to provide





Raw Materials

adequate supporting facilities at the factory, so that all workers can work optimally and happy” said Hermawan Budiman, Head of Factory.

Implementation SCORE bring a new change for Hok Tong. Not only for

business but also for the welfare of the workers. Currently workers benefit directly from SCORE. They become more open and creative and motivated to give their best. “ SCORE changed many things in me. I am now a worker who understands what it is 5S and

its benefits. Thanks to 5S I can be a productive worker for the company and Family “said Alamsyah, Staff Workshop.

BEFORE



AFTER



Machine area is arranged more neatly to avoid work accident (above)
Replacement of 70cm conveyor to 100cm (bottom)



The SCORE program is a training program initiated by ILO and funded by Swiss Secretariat for Economics Affairs (SECO) & Norwegian Agency for Development (NORAD). This program was developed and implemented by Ministry of Manpower Indonesia , Indonesian Employers Association (APINDO), The Confederation of Trade Unions and ILO.



Menara Thamrin Level 22 ILO, Jakarta - Indonesia

Phone: +62 21 3913112, Fax : + 62 21 3100766 +62 21 39838959

E-mail: scoreindonesia@gmail.com, website: scoreindonesia.net, Facebook: SCORE. Indonesia, Twitter : @SCORE_Indonesia