



VINAKIP

Standards improving business processes and quality

Established in 1967, VINAKIP is a subsidiary of the Vietnam Electrical Equipment Corporation, a joint public company of which 36.03% are owned by the Ministry of Industry and Trade and 63.97% by private shareholders.

Company name: Electrical Devices Joint Stock Company No. 1 (VINAKIP)

Country: Vietnam

Industry: Electrical appliances

No. of employees: 540

Revenues/profits: VND 196 billion/
N.A. (USD 9.8 million/N.A.) (in 2010)*

Main products/services:

Sockets, wires and cables, electromagnetic ballasts, plugs, switches, lamp holders, electrical boards, circuit-breakers, magnetic contactors, and fuses.

The assessment concentrated on two types of products: sockets, and wires and cables.

Main use of standards:

- Procurement, including testing of incoming materials
- Production
- Research and development
- Marketing and sales

Most important standards used:

- TCVN ISO 9001:2008, *Quality management systems*
- Many national product and testing standards (TCVN), most of them adoptions of ISO or IEC standards



Economic benefits generated by standards: VND 7.49 billion (USD 370 500) which amounts to 3.8% of the annual sales revenues.

Key qualitative benefits: Standards helped develop a culture of continuous improvement.

What were the major benefits for VINAKIP of using standards?

Using standards allowed VINAKIP to:

- Reduce product lines to a limited number of standardized products
- Improve control over materials provided by suppliers, thereby ensuring the quality of supplies
- Simplify supplier management by insisting on the use of standards
- Share information efficiently between internal departments
- Reduce production costs and limit the generation of waste
- Improve training of staff by referencing standards
- Unify documentation, packaging and labelling practices for most of its products
- Instil a culture of continuous improvement in the company

How did standards lead to these benefits?

The quality management system based on ISO 9001 helped VINAKIP define its business processes clearly and share information regarding product characteristics, key activities, performance indicators and good practice. This resulted in the overall improvement of processes, a reduction in product variety and better cooperation with suppliers, leading to higher-quality inputs, less waste and a lower number of repairs.

The extensive use of product and testing standards allowed VINAKIP to meet customer expectations and legal requirements, while the ISO 9001 certification strengthened the company's reputation and customers' confidence in its products.