

A local SME at the heart of P&G's innovation

The Singapore International Chamber of Commerce awards companies that pull off successful collaborations, believing this to be the best way to innovate. Among those that have been recognised are multinational firm Procter & Gamble (P&G) and home-grown SME GWIA. The two have collaborated for decades but deepened the partnership when P&G opened its innovation centre here. P&G's director of corporate research and development James Kaw and GWIA's director Lee Kwai Seng talk to Yasmine Yahya.



GWIA's Mr Lee (left) and Procter & Gamble's Mr Kaw say their companies have benefited and learnt things from their new partnership in research and development, even though they have been working together since 1977. ST PHOTO: JAMIE KOH

Q: How did this collaboration begin?

Mr Kaw: We opened our Singapore Innovation Centre in 2011 and one of the key things we do here is development work. We needed a company with the experience and capability to help us and that's why, in 2013, we approached GWIA because it's been a partner to P&G since 1977, manufacturing our products for us. Only this time we needed its help in a different area.

Mr Lee: At the innovation centre, we support P&G in making small batches of products that it is conducting research and development (R&D) on. We work with the team here to plan their raw material requirements and manage their warehouse. We prepare the materials for manufacturing within the innovation centre and pack them into test packages.

Q: How is this different from the kind of work GWIA has been doing for P&G since 1977?

Mr Lee: In a normal manufacturing plant we make big quantities of products, but at the innovation centre we make only small batches, and that requires different skills. A production worker at a manufacturing plant has a fixed set of instructions and does the same thing every day.

Here, it's quite different. Each batch run is different, and each formula requires different materials to be fed into the system and at different times, and so you need to work collaboratively with the P&G team.

Mr Kaw: It's more dynamic work. We also rely on GWIA's team members, who are stationed at our innovation centre, to give us feedback if

they think we are going in the wrong direction since they know the production process so well.

Q: What was the main challenge that GWIA faced when it was first entrusted with this new kind of production work?

Mr Lee: In the early days, we had to learn how to match the right profile of worker to this job. We thought of transferring people from our existing plant over to the innovation centre but we soon found that was not feasible.

So we hired a fresh group of workers to match this working environment.

In a plant, you don't collaborate so much; you take instructions from your plant manager and you execute. Here, you have to collaborate with the researchers so you would need communication skills and you have to be comfortable using higher-end technology.

Q: How have you benefited as a company from this collaboration?

Mr Lee: We learnt how to better manage quality in our processes, lessons which we can apply across our four plants - we have one in Singapore and three in Malaysia.

And from an innovation perspective, there's always something to learn here and that has helped us in other areas of work. For example, we manufacture Ambi Pur air freshener for P&G and thanks to what we've learnt at the innovation centre, we've been able to have discussions with P&G's other business units about making a better type of packaging for the Ambi Pur car kits that we manufacture in Malaysia.

We've also learnt how to manufacture smaller batches with greater cost efficiency. In manufacturing, it's more cost efficient to make millions of units than just one or two batch runs. But from our work at the innovation centre, we've learnt how to make smaller batches at lower cost.

This makes it easier when our clients want to push out a seasonal or promotional product.

Mr Kaw: Three years ago, GWIA had three people stationed with us, and now it has 37, and we're looking to grow that to 50 in the next year or so.

Q: Why did P&G choose to partner with an SME and not a bigger company that may already be more established in R&D-related work?

Mr Kaw: Flexibility, agility and the willingness to partner are some key traits that SMEs generally have, which counterbalances what a big multinational like P&G doesn't.

And especially in an innovation centre, we need more flexibility and agility because things change, batches fail, ideas don't work, so you need a partner with the right mindset to make it work.

Over the last five years, the innovation centre has been a huge success. We have been able to experiment, perfect and invent brand innovations for the Asia-Pacific market and globally, and GWIA has been at the heart of that journey.

The company works with us side by side, dealing with proprietary information. The level of trust that we have enables that work.

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COMMUNICATIONS IMPORTANT

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MR LEE KWAI SENG, GWIA's director.