

Special Feature: New Manufacturing Site in China

From Wuxi to the World: An Important New Manufacturing Site

The bizhub C450 color multi-functional peripheral (MFP)* is playing a leading role in expanding the scale of Konica Minolta's business technology operations. Konica Minolta Business Technologies (Wuxi) Co., Ltd. (BMWX) is the primary manufacturer of this product and began operating its newly constructed factory in September 2005. BMWX will make China the world's most important manufacturing site for Konica Minolta's business technology operations. Here, we present an overview of BMWX's development.

*An MFP is a unit capable of performing multiple functions that can include those of copiers, fax machines, printers, and other peripherals.



The bizhub C450 MFP



Positioned as the Group's Main Color MFP Manufacturing Site

Lying roughly in the center of the Yangtze triangle region, the city of Wuxi is situated in China's Jiangsu Province, about 130 kilometers from Shanghai. Records indicate that Wuxi has a long history extending back more than 3,000 years, and factors that include the city's position adjacent to Taihu Lake—China's fourth largest lake—have helped make it a popular tourist attraction. In recent years, Wuxi has proactively worked to attract Japanese and other foreign companies, and these efforts have enabled the city to become a prominent symbol of China's rapid economic development.

To augment its MFP manufacturing capabilities and meet global demand, in December 2004 Konica Minolta established BMWX to serve as its principal production site. Within one year of its founding, the new company began manufacturing and shipping bizhub C450 models. This achievement was not easy, it was the result of extraordinary effort.

Efficiently Executing the Factory Construction Project

Konica Minolta's business strategy required that BMWX begin operations within a limited time frame. Accordingly, all work from preliminary surveys and construction to manufacturing start-up had to be quick and efficient.

BMWX's general manager, Shinichiro Kuroiwa recalls that "the deciding factor in choosing Wuxi was the enthusiastic efforts of the municipal government to attract us. One of the largest factors was the government's provision of services finely tailored to our requirements."

The groundbreaking ceremony was held amid the frigid winds of February 2005, and the framework of the building was completed just four months later. Preparations for the start of manufacturing operations began in September 2005, and the first MFP came off the production line to general acclaim in October.

Looking back, Deputy General Manager Toyotsugu Ito notes, "Our ability to achieve the production start-up in such a remarkably short period reflects the local government's powerful support and the wholehearted cooperation of local construction companies, which moved steadily ahead with construction despite the daunting challenges presented by the tight schedule—the tireless efforts of our staff will definitely not be forgotten."

Fulfilling Responsibilities as a Corporate Citizen

Even before construction started, emphasis was placed on creating outstanding quality assurance and CSR programs and thorough site studies and environmental assessments were performed. Since manufacturing start-up, BMWX has ensured rigorous compliance with Wuxi's environmental protection regulations and waste sorting and other pro-



Ceremony to celebrate the completion of the factory's structural framework



Scene during the factory's construction



Signing ceremony with officials of the Wuxi municipal government

grams make the factory a zero waste disposal facility.

Because the Wuxi facility is so new, it incorporates a comprehensive array of the latest and most sophisticated manufacturing know-how and features many innovations, including the use of electric power as its primary energy source, which keeps NOx and SOx emissions at minimal levels; ozone layer-friendly fluoron-free air conditioning equipment that helps prevent global warming; and energy-conserving cooling units instead of cooling water in injection-molding processes. Moreover, the factory boasts the latest in IT equipment so that it may communicate with Group units worldwide.

Further to providing high-quality and safe products, BMWX promotes environmental protection initiatives. As a result, it was able to simultaneously obtain ISO9001 certification for its quality management systems and ISO14001 certification for its environmental management systems in December 2005, shortly after beginning manufacturing operations.

To promote good relations and dialogue with surrounding communities, BMWX proactively encourages government officials to inspect the factory while disseminating considerable information about it and plans to supplement these efforts by distributing pamphlets and posting information on its website.

Personnel Development—a Key to Future Success

Human resources are among the most important assets of any company. Hiroshi Oya, general manager of BMWX's General Affairs Department explains the company's hiring practices, saying, "As BMWX was a new company, we mainly aimed to hire staff who would be able to immediately begin making contributions, and we followed standard hiring practices using the Internet and other media. Naturally, when selecting successful applicants, we did not discriminate with respect to such characteristics as age or gender—we made hiring decisions based exclusively on applicants' abilities and experience." Working to support the surrounding community, BMWX proactively hired local people. As a result, 320, or 90%, of the company's full-time employees are from Wuxi and the surrounding region. Because none of the employees had previous experience in MFP production, specialized technicians are posted on the factory floor to provide guidance and thus supplement the company's training courses. In this and other ways, the company is energetically working to ensure that technical expertise is gained and passed along.

Emphasizing the importance of personnel development, Ito stated, "Developing human resources is the most important thing. In view of this and also in line with our goals of further increasing the quality of our operations and provid-



Technical training



Assembly processes



Cheering on the BMWX soccer team

ing guidance to local component makers, we must move ahead with efforts to promote locally hired employees in management positions as quickly as possible.”

BMWX also obtained support from the Wuxi government for the expeditious organization of a labor union, which was established in March 2006. The company is working in cooperation with the union to enhance worker welfare systems as well as to obtain worker feedback. These efforts reflect the company’s emphasis on creating a workplace distinguished by a high level of respect for employees as people.

Thanks to the efforts and enthusiasm of many parties concerned—the Wuxi government units that did their utmost to facilitate the start of BMWX’s operations, the local construction companies that sometimes had to engage in fierce debates to resolve conceptual conflicts, the employees that have worked relentlessly to familiarize themselves with MFPs, and many others—BMWX has gotten off to an excellent start that augurs very well for its future operations.



Ceremony to celebrate the first MFP coming off the production line



Staff meeting



Konica Minolta Business Technologies (Wuxi) Co., Ltd.
Established: December 2004
Number of employees: 918 (as of March 2006)
Area of factory site: 132,000m²