



SURFACE MOUNT TECHNOLOGY LTD

Rising to the Challenge!

Every great success requires some type of worthy struggle to get there. SMT is committed to provide customers with the highest quality, flexible and value added services, says Prof. CHAN of SURFACE MOUNT TECHNOLOGY LTD.

Surface Mount Technology Limited (SMT) was founded by Professor Chan in 1986. Professor Chan had received first class honors for his studies in the bachelor's degree in Electrical Engineering, a doctoral degree and an honorary fellowship from Queen Mary and Westfield College, University of London in 1968, 1972 and 1998, respectively.

After graduating, he returned to Hong Kong for work and decided it was time to start his own business. He secured his first own career in the distribution of semiconductors and electronic components.

In the 1980s, there was a growing demand of electronics contract manufacturing services. Professor Chan has caught up with this demand by establishing his own company – SMT, mainly for the electronic manufacturing services.

“Since China established its open-door policy in the late 1970s, the economies of Hong Kong and mainland China have become increasingly interdependent. In Guangdong Province, adjacent to Hong Kong, the Pearl River Delta provides the Hong Kong electronics industry with an abundant supply of cheap land, subsidized factory leases, and low-cost labor. In the 1990s, China has transformed into a ‘World Factory’. I took advantage of cheaper labour to set up the first manufacturing plant in Dongguan, China in 1992,” says Chan.

Measuring and Questioning

“The rapid growth of the contract industry occurred in the 1990s. The early 1990s saw OEM's rapidly installing SMT lines. Throughout the 1990s, the EMS industry continued to outpace the rest of electronics industry. The Asian region is attractive because it is cost competitive,



Professor Kei-Biu Chan:
“Flexibility also means we are able to cope with market fluctuations.”

has a strong, well-developed supply base. Many electronics and telecommunications OEMs in Japan, South Korea, USA and Europe make use of contract manufacturers. By the mid-1990s the advantages of the EMS concept became compelling and OEMs began outsourcing printed circuit board assembly (PCBA) in large scale,” Chan explains.

Prof Chan has set up factories in China to take advantage of its low-wage manufacturing labor and low overhead costs.

Facing pressure from global competition and rising costs of materials, SMT has been adopting the lean and green manufacturing concept and also made the shift to the digital factory that takes advantage of continuous real-time measurements and analysis and in-line quality inspections. The lean, green and digital manufacturing makes SMT more competitive.

“Our corporate DNA is - ‘Measuring and Questioning’. It is a long-term

sustainable strategy. Measuring is not just a system of measurement. It relates with a relative comparison of entity performance of a peer group.”

Market Demands

The global market for electronics contract manufacturing outlook become more challenging due to slow global growth. Outsourcing is still being driven by the needs of high-velocity OEM that seek the lowest cost. SMT provides customers with a total solution that extends far beyond traditional electronics manufacturing services. SMT combined capabilities along with the supply chain providing customers with maximum flexibility.

To experience and sustain rapid growth, Professor Chan created the sustainable business model. “The company must not be left behind and should build the unique characteristics which make it different from the other and to be a business game changer. So, it could be driven revenue and profit growth with innovation.”

Paving the Path

SMT's success is built on the inspirational mottoes,” says Chan. Every great success requires some type of worthy struggle to get there. SMT is committed to provide customers with the highest quality, flexible and value added services.

“Flexibility means we are able to adjust to market demand. For example, before the crisis there were much longer lead times; now the lead-time from order to production has been shortened dramatically. Flexibility also means we are able to cope with market fluctuations. In terms of cost effectiveness, we are undertaking a rigorous and intensive cost reduction program, focusing on energy efficiency, effectiveness, and most importantly, quality,” concludes Chan. ■

For additional information, please visit www.smthk.com