

CASE STUDY

Cleaning up the quarter with record production levels



Background

One of our Malaysian production facilities manufactures vacuum cleaners on behalf of a consumer appliances brand. The COVID-19 pandemic brought enormous production challenges and unique health concerns.

Not many companies have the size, scale, and management systems to flourish in times of unprecedented crises.

But, as a truly resilient partner, we were able to marshal our considerable strength and experience to overcome daunting political, health and production challenges, while producing in record numbers.

Read below for a paragon of manufacturing resiliency during a global pandemic.

The challenge

Due to the COVID-19 pandemic, our production facilities in Malaysia were halted for a few weeks, starting in March 2020. This mandated shut down suspended production of non-essential goods, which at the time included the vacuum cleaners we manufacture for a consumer appliances brand.

We reviewed our customer's demand forecast for the remainder of 2020 and reduced it by 30%. The resulting lower inventory levels helped us and our customer at a time when there was no visibility to how the pandemic would evolve and affect demand.

As people were driven to maintain high standards of cleanliness in homes and at places of business, our customer started to experience an incredible demand surge for their vacuum cleaners.

The solution

Political clout

We immediately set to work with the Malaysian government to grant approval to reopen our facilities – and we convinced the authorities that vacuum cleaners should qualify as essential goods at a time when cleaning was such an imperative.

Safety experience

Next, to prepare our facilities for our team's return, we implemented proven COVID-19 safety protocols our China team had previously developed and implemented.

While having their playbook at the ready was indispensable, receiving additional guidance directly from our experienced teammates was priceless.

Consequently, we were able to welcome back workers quickly and resume production.

Concern and care for our workers

Out of an abundance of concern for our staff, we gave production team members the option to return to work rather than requiring them to do so.

As a result, some team members resumed employment while others did not. To address this attrition, we worked with employment agencies to quickly beef up staff.

Once the required headcount was in place, we immediately ramped up training to meet production targets.

Resilient production

One of the protocols we implemented was social distancing, which resulted in fewer people on each production line. Yet, we managed to fulfill our customer's forecast thanks in large part to the creation of a 24/7 production cycle. The increased effort was made possible by our resiliency in installing additional work shifts.

The results

Starting in April 2020, when our Malaysia site resumed production through the end of September, we produced at record levels to meet demand. We immediately replenished inventory at the customer's distribution center and built stock for China's 11.11 "Singles Day" and U.S. Black Friday sales.

In the quarter ending in September 2020, we produced the most vacuum cleaners ever for our customer – which dovetailed with a record quarterly revenue for them. Our inventory turn hit an internal record as well.

The challenges brought about by the global pandemic were unlike any before. But with a focused outlook, diligent planning and resilient execution, we were able to support our customer and produce their essential vacuum cleaners in record numbers.



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