

The Switch model factory sets full-power converter production's record in China Every five days, 15 full-power converters produced

Vantaa, Finland; October 14, 2013 -- Using a unique model of collaboration in China, The Switch, supplier of megawatt-class permanent magnet generator and full-power converter packages, has set up with its partner Scanfil, a global contract manufacturer and systems supplier for professional electronics, volume production of full-power wind turbine converter cabinets in record time and with exceptional quality, setting a new standard for localized production. Collaboration at the Hangzhou production facility focuses on the core capabilities of both partners, allowing shorter lead times and faster reaction times to customer needs. Based on The Switch model factory production approach and executed for the first time for full-power converters in China, ramp-up time took just over one month.

Based on The Switch business concept of agile positioning, The Switch and Scanfil entered a model factory production agreement that has resulted in a new model for successful quality production close to end customers. In addition, it allows both companies to be more responsive to market changes. Scanfil takes care of operations and logistics; The Switch carries out full-power testing for each cabinet. The result is high-quality production close to the Chinese customers and a fully operational example of an agile partnership approach deeply rooted in The Switch strategy.

"Our agreement is different than normal outsourcing because we're operating like two equal partners," says Pertti Kurttila, Vice President, Supply chain, at The Switch. "Scanfil is handling all operations. The Switch runs the production line's full-power testing and quality assurance at Scanfil's premises. What's key is the logistics. When you get the single piece flow right according to Lean practices, a production method aiming to reduce the quantity of resources used, then everything works smoothly. Together with Scanfil, we have created a very detailed logistic plan for every component that we use in the factory."

The facility is now moving into a stabilized production phase with the production of 15 megawatt-class full-power converters every five days in two working shifts. The Switch and Scanfil have partnered in production for more than 5 years both in China and in Finland.

"We are very happy to partner with The Switch and help them succeed by providing a reliable, effective way of making the product and handling the supply

chain close to the end customer,” says Petteri Jokitalo, CEO, Scanfil. This clearly demonstrates that the partner model used works well and creates good results for both parties. The model factory production concept is The Switch way to flexibly respond to customer needs for volume production ramp ups and, if necessary, ramp downs. All production steps are tested and systematized. Once perfected, the system is ready to be replicated at any location around the world. This quickly enables multi-site rollout for volume growth with repeatable and standardized quality, according to customer demand. The Switch model factory concept is currently being deployed at The Switch Lu'an factory which produces FPC parts, and at The Switch Deyang factory which produces permanent magnet generators in cooperation with Chinese Dongfang Electric Machinery. The model factory concept is part of The Switch agile positioning business model, which allows The Switch and its partners to be more responsive to market changes.

Caption: