

Cooperation with

A cooperation agreement between Schott and the Chinese television glass manufacturer ACBC allows the partners to react to the growing demand for large format sets in China.

The first television that a family living in rural China is most likely to buy will be a large format TV, around which friends and family members can gather for evening viewing. Although most city dwellers already have televisions, in the countryside only 28 percent of households have a TV. While the consumer in the city is more likely to wait until the old set no longer functions properly before buying a trendy new large format set, rural families tend to choose the large format TV for their very first purchase.

ACBC (Henan Anyang Colour Picture Tube Glass Bulb Company Ltd.) is China's largest manufacturer of television glass. In 1997 ACBC installed new production facilities for large format TV screens. Thanks to the cooperation agreement with Schott, Europe's market leader for large size screens, ACBC is approaching top international technological standards rapidly.

In Anyang, 500 kilometers south of Beijing, ACBC has 13 production lines with a combined annual capacity of around 24 million television screens and funnels.

TV boom in China

With the inclusion of large 16:9 format screens in its production program, ACBC was right in line with market trends. The Chinese television market is showing the fastest growth rates worldwide. "By the year 2005, demand on the domestic Chinese market will double to 40 million TV sets", reports Dr. Max Raster, Vice President of Marketing and Sales of the Schott Television Division in Mainz, Germany.

About a third of the 20 million sets sold in China today have a large-format screen. There is much evidence to suggest that the market in this segment is already undersupplied. Demand is focused on the high-tech models made by the major TV tube manufacturers in Japan, Korea and Europe, who are also all present in China through joint-venture production operations.



Winning Cooperation

ACBC in Anyang, 500 kilometers to the south of Beijing, responded at an early stage to this trend. This young company, with 3,000 employees and annual sales in 1998 of more than 245 million Euro, is one of the top 300 companies in China. Within nine years, ACBC has set up 13 production lines with a combined annual capacity of around 24 million television screens and funnels.

Schott has much experience in making television glass. It produced its first glass bulbs for television in 1936. With its wealth of know-how, this specialist glass manufacturer is now the market leader in Europe for large and very large size screens (diagonal of 66–86 centi-



Vision



Learning by doing on the production line. Technicians from Schott and ACBC by a visual quality control check of TV screens.

meters). Schott's annual production is on the order of 25 million television glass parts, whereby funnels predominate.

The alliance between ACBC and Schott generates many benefits for both companies. By combining the screens from ACBC with funnels produced by Schott at both its headquarters in Mainz, Germany and its Czech subsidiary STV Glass, Schott is able to accommodate TV tube makers who prefer to buy screens and funnels as sets. This arrangement centers around small screens, which are no longer produced in Germany because of cost pressure.

Further, as soon as ACBC's productivity and quality reach the necessary levels for large screens, Schott will also supply ACBC with the corresponding funnels, also to be combined and sold as sets in China.

Success together

Active cooperation in the production of large screens commenced in mid-1999. The larger the screen dimensions, the more important the process

management. The production process at ACBC was computer-simulated and potential for improvement was found through virtual test runs. Working with their Chinese colleagues, Schott engineers drafted a detailed action plan specifying guidelines for the entire process and quality management system. By modifying the technical facilities and adding new control systems that ensure a fast response to any disruptions, the production process was stabilized and redesigned for greater efficiency. Then early this year, Chinese technicians came to Mainz for intensive training. This intensive exchange of experience helps both partners ensure joint success ■

