

Canadian company with 50 years in region

ON EACH working day, about one million pairs of shoes are made by the 85,000 employees of Bata companies around the world.

Generally regarded as the largest shoe manufacturing and marketing enterprise in the world, the Bata Shoe Organization (BSO) was founded in 1894 by the father of the present chief executive, Tomas Bata. Today, it operates in 92 countries, with facilities that include: 90 factories, 5 engineering works and more than 5,000 retail stores.

The key word to understanding what makes Bata substantially different from other international business organizations is decentralization. Each Bata company is an autonomous body which runs its own affairs. Each has its own local board of directors and has, as its first concern, the country in which it does business. Many companies have local shareholders and, in some instances, shares are quoted on local stock exchanges.

Of particular significance to developing nations where access to advanced technology is limited and technical and managerial skills scarce, is the BSO policy of standardization and the transfer of know-how. Bata factories in the United States and Canada, for example, make footwear on the same type of machines as those used in companies in Asia. And when technological advances are achieved, they are made available throughout the organization as quickly as possible.

Playing a key role here is the Bata International Centre, the organization's central office, located in Toronto, Canada. The centre organizes conferences, meetings and courses covering the entire spectrum of footwear manufacturing, marketing and management. It also provides member companies with a continuous stream of information and ideas.



Counselling local artisans on the manufacturing of footwear.

The organization is divided into ten world regions to facilitate this international connection and cooperation. Companies in this part of the world—Bangladesh, Sri Lanka, Singapore, Malaysia, Thailand, Indonesia, Australia, New Zealand, Japan, Taiwan and recently, China—form the Far East Region with its regional office located in Singapore. The companies in Singapore, Malaysia, Thailand and Indonesia are the oldest, established since the 1930's.

MALAYSIA: located in Kelang some 20 miles from the nation's capital, the company presently employs just over two thousand people and is one of the BSO's larger operations. An annual turnover of over \$42 million is achieved principally through a network of 58 retail stores, 86 independent retailers and 1,057 dealers throughout West Malaysia. Twelve per cent of this comes from export business.

Last year the company opened a new factory in the neighbouring state of Negri Sembilan which should be capable

of churning out 7.7 million pairs of leather and plastic footwear by 1985.

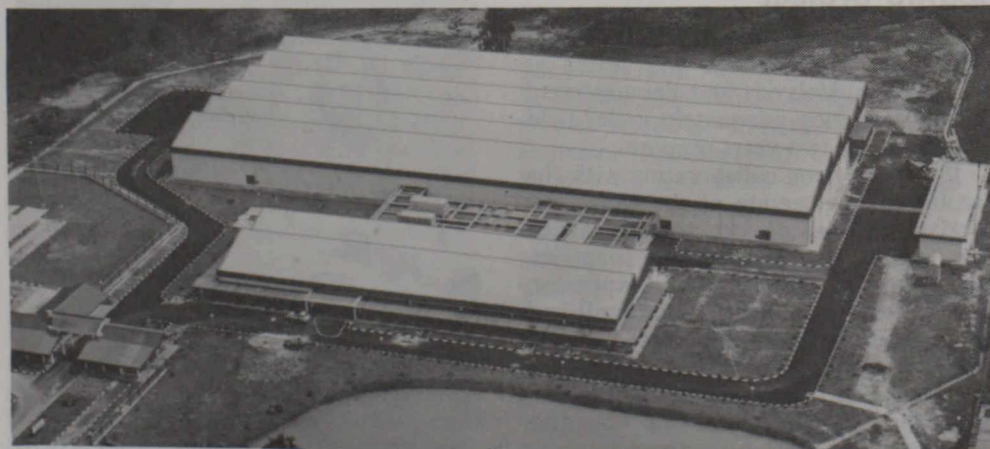
SINGAPORE: the manufacturing operation here is small, specializing in safety footwear and soccer boots; however, retail sales are strong.

Increases made to the minimum wage over recent years have hiked labour costs up substantially making it difficult for labour intensive industries. The company's manufacturing activities have been progressively scaled down and today most of the shoes sold are imported. The company's strength lies in its efficiently run retail chain of some 50 stores—the largest and most successful in the island state. In fact, one of its stores is among the best in the entire Bata Shoe Organization.

INDONESIA: Bata has two manufacturing units in Jakarta and Medan. Together, the employee strength is around 1500 who produce an annual 6.5 million pairs of footwear. Distribution throughout Indonesia is done by a network of 240 retail and wholesale outlets. In addition, there are some 1350 dealers. Plans are underway to modernize existing facilities and to expand activities into East Java. The company was listed on the Indonesian Stock Exchange in March, 1982.

THAILAND: the longest established factory in the region, (1929), Bata Thailand runs two manufacturing units located in Bangkok, the latest being commissioned in October, 1980.

Employing around 1900 people, the company sells about 11 million pairs of shoes annually, a small percentage for export. The marketing outlets have been painstakingly developed. There are now over 100 retail stores and close to 1200 independent retailers to service the needs of both the urban and rural populations.



Bata factory in Seremban, West Malaysia: the latest factory to be built in the region was opened in August, 1982 and provides employment for up to 600 employees.