



Eratech Pte Ltd **Growing with Customers**

Established since 1983, Eratech Pte Ltd (EPL) is a leader in the precision metal machining industry. Today, EPL is a leading sub-contractor for the optical imaging and semiconductor industries. Under the dynamic leadership of Mr Eddie Koh, EPL has expanded from a small workshop with two employees in 1983 to its current manufacturing facility with a floor area of 14 000 sq ft -operating with 65 employees.

EPL is well-equipped with a wide variety of CNC machines such as fully 5 axis machines, ranging from horizontal to vertical Milling, EDM, Wire-Cut and Lathe machines. In addition, EPL offers turnkey solutions to its customers in machine assembly and automation process.

EPL emphasis on its core values, continuous improvement program, and strict compliance with EPL's stringent QC practices and adherence to the *AS/EN/JISQ9100:2009(Rev C)* and *ISO 9001:2008* as well as *ISO 14001:2004*. An International Quality Standard is a testament to its commitment to deliver high quality products and services.

EPL has established its name in the following industries segments:

- Semiconductor, Front-End & Back-End Equipments Segments
- Aerospace & Aviation Segments
- Manufacturing Machine Design & Automation Segments
- Optical and Imaging Segments
- Medical & Life-Line Support Equipments Segments
- Water Treatment & Purification Segment



Eratech Pte Ltd

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CNC Milling & CNC Turning M/C Section:

- YASDA Brand CNC High Speed 3-Axis M/C x 1 unit
- BROTHER Brand CNC 3-Axis M/C x 2 units
- QUASER Brand CNC 3-Axis M/C x 9 units
- FANUC Brand CNC 3+1-Axis M/C x 7 units
- MITSUBISHI Brand CNC High Speed 5-Axis M/C x 2 units
- MORISEIKI Brand CNC High Speed 3-Axis M/C x 1 unit
- EXTRON Brand CNC 3-Axis M/C x 1 unit
- MAZAK Brand CNC Lathe M/C x 12 units
- TAKAHASHI Brand CNC Lathe M/C x 2 units
- WASINO Brand CNC Lathe M/C x 1 unit
- TAKISAWA Brand CNC Lathe M/C x 1 unit
- MAZAK Brand Turn-Mill CNC M/C x 1 unit

Precision Grinding M/C Section:

- OKAMOTO Brand Surface Grinding M/C x 3 units
- SHIGIYA Brand Cylindrical Grinding M/C x 1 unit

EDM & Wire-Cut M/C Section:

- MITSUBISHI Brand Wire-Cut M/C x 3 units
- MITSUBISHI Brand EDM M/C x 2 units
- ICHI SEIKI Brand EDM M/C x 1 unit

Others Facilities:

- Sandblasting M/C x 3 units
- Conventional Milling M/C x 3 units
- Manual Lathe M/C x 1 unit
- TOYO Brand Laser Marking M/C x 1 unit & Markman Brand Engraving M/C x 1 unit
- High Speed Vertical Saw x 1 unit & Bench Saw x 1 unit
- Pneumatic Bender x 1 unit
- ELBO Controlli Hathor Tool Presetter x 1 unit & Precision tool & cutter grinder x 3 units

Quality Control

- BROWN AND SHARPE CMM x 3 units
- Profile Projector x 2 units
- FlexiVision Microscope V-200 x 1 unit
- HR-150A Hardness Tester x 1 unit



EXECUTIVE ZONE

Q&A With Eddie Koh

Augustine Quek (AQ): What are the challenges that you faced in running this business?

Eddie Koh (EK): The biggest challenge we have is recruiting enough local labour (Singapore). We have a hard time recruiting locals, as many are not willing to accept the job. Not even a paid apprenticeship is attractive to locals. In contrast, many of the foreigners working for us here have a diploma and a few years of hands-on experience when we hire them.

The change in policy has resulted in the reduction of locals to foreign labour ratio from 32 to 3:1. Therefore, we are experiencing a labour supply crunch, where jobs cannot be filled because of insufficient manpower.

Recently, we also had an increase in our rental costs. As you know, land cost in Singapore is already very high, and this has become more serious by the privatisation of land ownership.

Due to land cost competition, such increases are inevitable. If we compare our labour and rental with other countries such as Malaysia for example, the cost there is less than half of ours. This has caused some companies to relocate overseas. If the costs increase to a point where we cannot manage anymore, we may have to move too. We are actually competing with Singaporean businesses that are located overseas.

The third challenge we face is that of a slowing global economy. With the US and European economies in doldrums, less jobs are available now. An economic recession will hit us the hardest because we are in a very competitive manufacturing business where even a small change in the costs of inputs, such as materials or labour, and prices of our products, can squeeze our profit margin on both ends.

AQ: Have you overcome these challenges?

EK: There are three strategies to overcome the challenges. They are

Managing A Metal Jobshop

Augustine Quek sat down with Eddie Koh, MD of Eratech to find out the ins and outs of running a precision metal machining company.

Eratech, a precision metal machining company, focuses on the design and fabrication of various tools and die, jig and fixtures. It serves various industry segments, including optical and imaging, semiconductor, aerospace and aviation, manufacturing machine design and automation, medical and life-line support equipment and water treatment and purification.

The company also offers full turn-key projects in machine assembly, automation equipment and automation process. It has since gone through several phases of upgrading over the years. Its revenue of S\$30,000 (US\$43,000) in 1997 has grown rapidly to over S\$2.7 million in 2010.

ISO 9001:2008 Cert. No. 1501



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