

Toshiba Medical establishes Chinese procurement center

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Singapore: Toshiba Medical Systems has established Chinese Procurement Center in Shanghai. Its procurement bases were previously at its headquarters and in Dalian, China. By opening the Chinese Procurement Center in Shanghai at this time, the company has positioned its headquarters as the global procurement control center and established a cooperative procurement system consisting of three procurement bases, including the Toshiba Dalian medical equipment factory, which is its overseas manufacturing subsidiary in China. The objectives are expansion and improved efficiency in global procurement.

Shanghai is located in the center of eastern China, which is home to the overseas manufacturing subsidiaries of many American and European medical equipment manufacturers. This region also hosts many factories serving medical component/material manufacturers based in the United States, Europe, and Japan, as well as the manufacturing bases of local medical component/material companies.

At the Chinese Procurement Center, not only procurement staff with experience working in Japan and other countries but also professional staff in the fields of product development, manufacturing technology, and quality control work together to promote procurement activities in China, taking full advantage of the great potential of Chinese component/material manufacturers while maintaining the same level of quality as in Japan. This is the first trial of such an organizational structure in the Toshiba Group.

The Chinese Procurement Center is located in the Procurement Office of Toshiba China, which is Toshiba Corporation's

overseas subsidiary for regional coordination. It will also strengthen cooperation with sourcing staff in other business divisions of the Toshiba Group to take full advantage of the synergistic effects of the Toshiba Group's global procurement activities.

In order to address challenging business conditions such as the high yen and sales price erosion, Toshiba Medical Systems Corporation plans to increase its global procurement percentage to 75% by the end of fiscal year 2014, thus reducing manufacturing costs and countering the effects of foreign exchange imbalances.