A Study on the Importance and Contributions of Transforming from OEM to ODM in Malaysian Furniture Industry

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Abstract : This study is aimed to establish the importance and contribution of Original Design Manufacturing (ODM) in Malaysian Furniture Industry and to close the gap between the players in the industry. The study confirms that today's furniture industry favor Original Equipment Manufacturing (OEM) basis. Thus, resulting in the local industry lacking the expertise of designing furniture to a state of no contest. This study method used consists of literature reviews, observation, questionnaire and sessions of interviews. The result shows that the public has from minimum to almost no knowledge of the term Original Design Manufacturing (ODM) concept and the impact towards our current future industry. The manufacturers however, prefers Original Equipment Manufacturing (OEM) concept due to its easy and fast investment returns with the need of product designing process, while the interviews carried out with the authorized council had some convincing urges of doing their part promoting the awareness through trainings and seminars. Findings show that, in the rush of archiving ODM status needs extensive cooperation from many parties that are authorized council, furniture manufacturers, designers and also the public perceptions of labeling local made goods as the black goat. The current mind set of OEM manufacturers need to be change for industry's future. As Malaysia's living status constantly increases, so will the demands of a better salary. If these current issues are not resolved, OEM international buyers will definitely have to shift to some other lower cost manufacturer like China or Taiwan. When vendors stopped to order, today's OEM manufacturers will no longer exist in the future.
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