

(Garuda Emblem)

Notification of Department of Industrial Works

Re: Criteria for best practice factory

In response to the strategy on increasing capacity building of the country, and to assist in implementing efficiently under such strategy, Department of Industrial Works has its vision in supervising and propelling industrial business to achieve sustainable development and international recognition especially in the aspects of environment and safety. Department of Industrial Works also prescribes the policy of assisting, supporting, and propelling factory of low capacity to a better position by prescribing criteria for best practice factory. Industrial entrepreneur shall then be able to apply the criteria into establishment of guideline for operating business as appropriate for type and size of the business by applying the principle of sufficiency economy philosophy, the principle of balance scorecard, and the principle of corporative governance.

To achieve such strategy and vision, Department of Industrial Works hereby issues criteria for best practice factory to be used in evaluating factory in accordance with the criteria and its evaluation in a detail annexed to this Notification.

Any industrial entrepreneur who wish to join the program and be eligible for evaluating as best practice factory according to this Notification, please contact Center of Information and Communication Technology (Tel: 0 2202 4133) and Office of Department Secretary (Tel: 0 2202 4007), Department of Industrial Works to receive further information.

Announced on the 14th October B.E. 2547 (2004)

(signed)

(Mr. Issara Shoteburakarn)

Secretary General of the Board of Crane and Sugar
for Director-General of Department of Industrial Works

**Detail annexed to the Notification of Department of Industrial Works
Re: Criteria for best practice factory
Announced on the 14th October B.E. 2547 (2004)**

Criteria for best practice factory in accordance with the Notification of Department of Industrial Works regarding criteria for best practice factory, dated 14th October B.E. 2547 (2004), shall comprise of the following.

1. First Scope : Aspect of compliance with law and vision of Department of Industrial Works

1.1 In compliance with the law on factory and the law on hazardous substance

1.1.1 A factory has no complaint that result in any legal order.

Evaluation criteria

- a. within three years or more
- b. within two years or more
- c. within less than two years
- d. there is complaint that result in any legal order.

1.1.2 A factory complies with conditions specified in the factory license, permit on hazardous substance, the ministerial regulation, and other related the ministerial notification.

Evaluation criteria

- a. within five years or more
- b. within four years or more
- c. within less than four years
- d. there is a legal order.

1.1.3 A factory does not have overdue annual fee.

Evaluation criteria

- a. for more than three years
- b. for two years
- c. for one year
- d. annual fee is unpaid.

1.1.4 A factory has never been filed under the law

Evaluation criteria

- a. more than three years
- b. more than two years
- c. less than two years
- d. has been filed under the law

1.2 In compliance with the policy and participate in activities and programs, of Department of Industrial Works or of Ministry of Industry, to increase its capacity in operating business

Evaluation criteria

- a. Join the program, has brought into implementation and determine for improving.
- b. Join the program, has just brought into implementation.
- c. Join the program, but has not brought into implementation.
- d. Never join any program.

1.3 ISO 14000 Certified or implementing Clean Technology, Eco-technology, Responsible Care, etc.

Evaluation criteria

- a. Has environmental management system, internal audit, certified and awarded by other private body.
- b. Has environmental management system, internal audit, certified by other private body.
- c. Has environmental management system and internal audit
- d. No environmental management system.

1.4 Implementing safety procedure

1.4.1 has safety management system (TIS 18000), risk assessment, safety activity, mitigation procedure for emergency response, etc.

Evaluation criteria

- a. Has safety management system, internal audit, certified and awarded by other private body.
- b. Has safety management system, internal audit, certified by other private body.
- c. Has safety management system and internal audit.
- d. No safety management system.

1.4.2 no accident resulting in death

Evaluation criteria

- a. more than three years
- b. more than two years
- c. less than two years
- d. within one year of having accident resulting in death

2. Second Scope: Aspect of organization development

2.1 development of management system such as

- (1) corporative governance, i.e., ISO 9000, TQM, Balanced Scorecard, 5S, etc.
- (2) public relationship with nearby residence.
- (3) Awarded from Ministry of Industry such as the Prime Minister Award.
- (4) Establishing institutional culture making employee as a part of organization.
- (5) Others

Evaluation criteria

- a. Has more than three
- b. Has two
- c. Has one
- d. none

2.2 development of production process and productivity

2.2.1 productivity and quality

Evaluation criteria

- a. Implementing management system with plan and continuous outcome corresponds to the policy of the organization, implementing crossfunction productivity to achieve the vision together.
- b. Using quality tool in improving work including setting up activity group to utilize the principle of QCD (Quality Cost Delivery) as demanded by

- customer, starting to use advanced productivity tools such as JIT, TPM, TQM, or Six Sigma.
- c. Implementing 5S or other Kaizen activities continuously, starting to use quality tools of some type.
 - d. Never has activity relating to productivity.

2.2.2 production technology and innovation

- (1) Creating new merchandise, new products, and new brand
- (2) Creating new administration system
- (3) Improve machinery and equipment to increase efficiency.
- (4) Searching for new source of raw material or new supplier.
- (5) Developing and in searching for new production technology.
- (6) Building up a network in technology and marketing.
- (7) Modifying and developing production process to increase efficiency.
- (8) Research and development in technology, merchandise production, and services.
- (9) Others

Evaluation criteria

- a. Has more than three
- b. Has two
- c. Has one
- d. none

2.3 Human resource development

2.3.1 promoting, taking care of, and maintaining of good health of human resources.

- (1) Has health-related activities such as exercise or race on a regular basis
- (2) Has health examination with plan and the procedure appropriate for such business.
- (3) Has an activity against drugs and gambling.

Evaluation criteria

- a. Has more than three
- b. Has two
- c. Has one
- d. none

2.3.2 accidental insurance and life insurance for employee other than social security and compensation fund.

- (1) accidental insurance
- (2) life insurance
- (3) social security
- (4) compensation fund

Evaluation criteria

- a. Has all four
- b. Has three
- c. social security and compensation fund
- d. none

2.3.3 development of self learning & knowledge base organization

Evaluation criteria

- a. has plan and its evaluation
- b. knowing the purpose of plan and implement it
- c. has plan but not implement
- d. no such plan

3. Third Scope: Aspect of supporting economic and social development of the nation and maintaining its integrity

3.1 public participation in activities such as help in natural disaster, help in red-cross fair, etc.

- (1) has plan
- (2) implementing plan
- (3) help other than prescribed in plan
- (4) join in activity of public interest for at least four times

Evaluation criteria

- a. has more than three
- b. has two
- c. has one
- d. none

3.2 supporting export, minimizing import, developing and utilized raw material domestically, supporting other as part of production process.

- (1) receive Thai Industrial Standard (TIS) or other standards
- (2) use raw material for domestic source
- (3) has export
- (4) take community as a part of production.
- (5) others

Evaluation criteria

- a. has more than three
- b. has two
- c. has one
- d. none

3.3 fully respecting in the Nation, Religion, and the King by conducting activities promoting such special events such as King's Birthday, the Constitution day, etc.

Evaluation criteria

- a. more than three times a year
- b. twice a year
- c. once a year
- d. none

4. Fourth Scope: Aspect of customer satisfaction and financial status of the factory

4.1 customer satisfaction

Evaluation criteria

- a. building customer satisfaction with process of exchanging knowledge and benefit to become united by implementing at least 3 times a year, resulting

in receiving of compliments from customer and efficiently decreasing of complaint.

- b. Survey, review, and correct in order to build customer satisfaction of at least once a year.
- c. Survey the customer satisfaction, but never utilize such survey result.
- d. Never survey the customer satisfaction

4.2 financial status of the factory

Evaluation criteria

- a. Increased profit every year for three consecutive years
- b. Earn profit regularly for three consecutive years
- c. Earn profit or evidently minimize the loss for three consecutive years
- d. Loss for three consecutive years

Department of Industrial Works

14th October B.E. 2547 (2004)