

# Design Global, Manufacture Local

Delivering Innovative Products at the Highest Quality





## INTRODUCTION

Given today's challenges with global supply chains, many businesses are debating whether to manufacture their goods domestically or abroad. With the COVID-19 pandemic altering society worldwide the discussion around global and local manufacturing has become even more complex. The global shift to zero emissions also throws up huge challenges with greater demand for products that are produced locally and in a sustainable manner.

In the face of fierce international competition, Australia's manufacturing sector has remained robust, employing about 900,000 people and indirectly supporting the jobs of another 1.5 million.<sup>1</sup> For entities that work with Australian manufacturers, the safety and quality of products are assured by strict standards and regulations, and they can enjoy the benefits of supply chain stability while being at the forefront of the sustainable evolution.

Case in point: Electrolux Group's Dudley Park facility. This state-of-art manufacturing site produces freestanding cookers and ovens under the Electrolux, Westinghouse and Chef brands, creating approximately 150 different types of cooking appliances across Australia, Asia, Africa, Middle East and North America. The facility is an integral part of Electrolux Group's mission to support the Australia and New Zealand markets and demonstrates how global design and local manufacturing can combine to deliver innovative products at the highest quality.











## GLOBAL DESIGN AT THE LOCAL LEVEL

Customers want to purchase products for their homes that are modern in design, technology and aesthetics and stay relevant even years later. It is critical that we only keep in mind trends in design that are likely to endure. In today's global economy, it is also important to think about how you can best understand and serve your customers, regardless of location.

Relying on internationally-shared digital resources, such as design, expertise, and software, could enhance the way we manufacture and consume products. Design communities that are globally connected can adapt solutions to local circumstances and gain from one

another's knowledge and experience. Globally-designed products that are then produced locally can result in inclusive and sustainable modes of production and consumption.

"Design global, manufacture local" describes a process in which product design is developed, shared and improved through global knowledge sharing, while the actual manufacturing takes place locally. This model offers several benefits, not only higher quality products, but shorter lead times, on-demand product capabilities, reduced transportation costs and the expected low environmental impact of locally-produced solutions.

## BENEFITS OF LOCAL MANUFACTURING

Among Australia's competitive advantages in the manufacturing sector is its innovative culture, wealth of natural resources, and substantial government support and incentives. Australian manufacturing personnel are among the most proficient in the world and have received extensive training in quality control and production methods. Below we explore the benefits of manufacturing in Australia.

### Supporting the Australian economy

Global manufacturers who manufacture goods in the country are supporting the local and national economy by creating more jobs and opportunities for Australians. They are also driving greater investment in innovation and technology, putting advancements in automation and renewable energy into action. As manufacturers embrace advanced technologies, they are fuelling new opportunities to further establish a competitive and sustainable manufacturing capability in Australia.

In addition, local communities can thrive as manufacturers engage in corporate social responsibility activities and invest in skills development, training and education.

### Quality control and safety

Products that have been manufactured in Australia must meet strict quality and performance standards. Businesses that collaborate with Australian manufacturers can be confident in the products' safety and quality due to a strong regulatory and enforcement culture, and frequent monitoring of production facilities.

Onsite safety practices are also highly regulated. In Australia, manufacturers must adhere to work health and safety laws that many facilities overseas are not

subject to. These laws help reduce the risks of harm or damage to all Australian employees involved in the manufacturing sector.

### Sustainability and environmental impact

Manufacturing in Australia is markedly more environmentally friendly than doing so abroad. A significant amount of greenhouse gas emissions is produced by various modes of long-haul shipping, especially ocean transit, which results in a significant carbon footprint. In fact, according to International Energy Agency, international shipping accounted for around 2% of global energy-related CO2 emissions.<sup>2</sup>

Manufacturers are also working hard to minimise emissions and reduce material wastage during production. This includes switching to renewable energy sources, eliminating sources of waste and identifying opportunities to reduce energy consumption throughout their operations.

### Supply chain stability

In the current geopolitical and environmental climate, the global supply chain issues that started with the pandemic are likely the first of many disruptions that businesses will have to deal with in the upcoming years.

Manufacturers can avoid problems with the global supply chain and deliver their goods to Australian clients with minimal obstacles by setting up a local manufacturing facility. They are insulated from tariffs, customs checks, and the protracted shipping delays encountered in ports around the world, allowing them to meet local market needs more effectively.

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## CONSUMERS PREFER BUYING LOCAL

According to recent research by Commonwealth Bank, more than 50% of Australian consumers prefer to purchase goods that are made and supplied locally.<sup>3</sup> Why is being local so important?

As we recover from the effects of the COVID-19 pandemic, consumers have had to rethink how the

products they buy align with their values, focusing on health, sustainability and quality. Consumers are recognising the benefits of choosing local manufacturers, whether that is to support local communities, wanting products that are sourced ethically, or to reduce their impact on the environment.

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### AT DUDLEY PARK

Electrolux Group is proud to be the only cooking major appliance manufacturer still producing in Australia with their Dudley Park factory in South Australia. Four hundred people at the plant turn out 350,000 ovens a year, producing 150 different types of cooking appliances for customers across Australia, Asia, Africa, Middle East and North America.

Electrolux Group is a global company that draws from a global bank of knowledge to design, implement and manufacture here in Australia. The company brings together 100 years of Swedish design thinking to create simplified, yet stylish home appliances that transform your day-to-day and incorporate circular thinking for the betterment of the planet.

The Dudley Park plant was initially constructed in 1939 but has recently undergone a complete reorganisation to become more akin to a lean but flexible car plant.

This shift incorporates new sustainability features that set the factory apart from other manufacturing sites with the installation of a 2.2MW solar system with 8,300 solar panels and backup 660KWhr Tesla battery. In addition, in 2021, the Dudley Park plant received Zero Landfill certification, meaning less than 1% of total waste produced on site is sent to landfill.

The Dudley Park plant is a leader in factory automation with fully automated manufacturing cells producing primarily Westinghouse, Chef, Electrolux and AEG brand ovens (as well as Frigidaire ovens which are sold internationally) and automated guided vehicles shuttling components across the factory as needed.

This modern, highly-automated manufacturing plant allows Electrolux Group to hold the leading position in the Australian cooking market. Products that are built locally are recognised with a “Built in Australia” badge.







## ABOUT ELECTROLUX GROUP

Electrolux Group is a leading global appliance company originating in Sweden that has shaped living for the better for more than 100 years. Reinventing taste, care and wellbeing experiences for millions of people, Electrolux Group is always striving to be at the forefront of technology and sustainability in society through their solutions and operations.

Under their family of brands, including Electrolux, AEG, Westinghouse, Vintec and BeefEater, they sell approximately 60 million household products in approximately 120 markets every year.

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## REFERENCES

- <sup>1</sup> Australian Council of Trade Unions. "A future for Australian Manufacturing." ACTU. <https://www.actu.org.au/our-work/policies-publications-submissions/2021/a-future-for-australian-manufacturing> (accessed 2 March 2023).
- <sup>2</sup> International Energy Agency. "International shipping." IEA. <https://www.iea.org/fuels-and-technologies/international-shipping> (accessed 2 March 2023).
- <sup>3</sup> National Retail Association. "New insights reveal Aussies prefer shopping locally." NRA. <https://www.nra.net.au/aussies-prefer-shopping-locally> (accessed 2 March 2023).

All information provided correct as of March 2023