



An unrelenting focus on quality and innovation propels REDARC Electronics to new heights

ISO 9001-certified quality management system sets the stage for rapid growth and global expansion

AT A GLANCE

REDARC Electronics has grown from humble beginnings to become a world-class advanced electronics manufacturer, serving both domestic and international markets. Today, REDARC operates a state-of-the-art manufacturing facility in South Australia, employing more than 170 people across two locations.

Early on, REDARC found itself struggling with declining product quality, technology stagnation and a shrinking customer base. It needed a way to increase product reliability and consistency, improve operational efficiency and drive more rapid innovation. To meet these challenges—and provide a framework for how it would operate in the future—REDARC teamed with SAI Global in 1996 to become ISO 9001-certified. That achievement - more than 20 years ago - has proved to be instrumental in helping the company shape its business strategy, positioning it for sustained growth while providing a framework for continuous improvement.

BACKGROUND

REDARC was founded in 1979 by electronics engineer Bob Mackie. This Lonsdale, South Australia-based company designs and manufactures a range of electronic voltage converters, power supplies, battery chargers, brake controllers and associated products. These include extremely high quality inverters, power supplies, battery chargers, CANBus modules, trailer braking products and customized electronic modules with tight specifications.

While many of its products are supplied direct to companies such as Volvo, DAF, Mercedes-Benz and Scania Trucks, REDARC also services the auto-electrical trade industry, with its products sold into the car, truck, forklift, boat, 4-wheel drive and motor home aftermarkets. In essence, REDARC's products can be found in any moving vehicle that uses battery power, including cars, boats, trucks, mining equipment, buses and emergency vehicles.



— Anthony Kittel
CEO
REDARC Electronics

"Customers can see we understand what quality is all about—it's in our DNA."

— Anthony Kittel
CEO, REDARC Electronics

CHALLENGE

REDARC has evolved from a small job shop to become a world-class electronics manufacturer. But the transition wasn't without its difficulties. After purchasing the business in 1997 following the premature death of its founder, new CEO Anthony Kittel realized he had a lot of work to do. With eight employees and operating out of a tin shed in South Australia, the company found itself in a situation with which many growing businesses can identify: an increasing number of manual processes and poorly defined controls were leading to production errors, ongoing inefficiencies and declining customer confidence.

"One of the first things we did was refocus our company around the philosophy of 'the customer is king,'" said Kittel. "We instilled in our employees the idea that the customer is the foundation of the business and everything we do must be aligned with this mission, including the way we service the customer after the sale."

Another crucial initiative Kittel implemented was a "no questions asked" warranty policy, which stipulated that if a customer has a problem with one of its products, REDARC will replace it free of charge.

"An essential component to meeting that obligation was that we had to work really hard on improving product reliability," Kittel said. "The other element was that we had to educate the customer—because if the issue wasn't a product issue but an installation or application problem, we needed to be able to give them correct advice."



SOLUTION

To underpin REDARC's commitment to quality and to help bolster its reputation within the industry, the company teamed with SAI Global in 1996 to become an ISO 9001-certified business. First accredited with ISO 9001-1994, REDARC has over the years maintained compliance, receiving updates to the accreditation with versions 2000, 2008 and, most recently, 2015.

"For a growing company, it was critical that we have a well-designed quality management framework," said Kittel. REDARC has long been proactive in its approach to environmental issues, but in early 2007, as part of its preparation for the relocation to its new modern facilities, it began implementing a more comprehensive environmental management system, with

"The certification brings a process-based approach to our production environment and is essential to providing assurance to our customers that we are focused on continuous improvement and high-quality service and support."

— Anthony Kittel
CEO, REDARC Electronics

the goal of achieving ISO 14001 certification. As part of the process, SAI Global auditors conducted a rigorous inspection and assessment of the REDARC facilities and processes and, as a result, awarded REDARC ISO 14001 certification for its environmental management system (EMS). REDARC upgraded the certification in 2016 after another extensive audit process.

A large part of the upgrade work involved amending the system itself, including updating the EMS primary documentation, including policies, compliance registers and core procedures.

Continuous improvement is one of the core drivers at REDARC and is clearly evident in results the company has recorded in recent years. While the company has consistently realized 20 percent growth every five years since 2000, the resources and staff needed to manage its product warranty returns has remained constant over the years. Likewise, the number of products requiring rework has been reduced from around eight percent to less than one percent.

"These upgrades to both ISO standards demonstrate our commitment to continuous improvement and environmental responsibility," Kittel said. "They also give our customers greater assurance in our ability to consistently deliver high-quality products and comply with all applicable local and global regulatory requirements."



RESULTS

REDARC's improvements in its quality processes and relentless focus on innovation over the years have proved instrumental in helping the company transform its business model, positioning it for remarkable growth while opening the door to new markets and opportunities. One of the biggest changes for the company has been its transition from manual-based processes to more advanced, standardized quality controls, particularly in the area of automation.

"One of our core advantages is our manufacturing flexibility," said Kittel.

In 2002, REDARC created a research and development division called REDARC Technologies, which has allowed the company to rapidly accelerate the innovation element of the business. Rather than just keeping up with its competitors, REDARC wanted to stay two steps ahead. Therefore, instead of investing the typical two to five percent of sales revenue into R&D, the company decided to allocate 15 percent of its revenue to R&D each year—a practice that continues today.

"If you had to write a recipe for our success, it's our focus on technology development and innovation," said Kittel. "It has been a key ingredient to helping us achieve the tremendous growth and success we have experienced over the years."

REDARC's investment in engineering and technology has provided the fuel that has enabled the company to expand into new markets, including the medical and defense markets, where ISO-certified processes will prove highly valuable. Meanwhile, market demand continues to boom for the company's dual battery charging systems, particularly in the truck, boat and recreational vehicle markets, where REDARC's devices are used to power accessories like laptops and 12V fridges and lights that draw power from auxiliary battery installations.

"ISO certification provides confidence to these customers that the products they are sourcing from us are produced in a tightly controlled process with trained operators who understand the technology and systems," Kittel said. "The rigor we place behind our quality systems puts us in a solid position to win new business."

"We don't have massive production runs, so we can change the production process and integrate customer feedback quickly, giving us a distinct competitive edge."

— Anthony Kittel
CEO, REDARC Electronics

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Our integrated risk management solutions are a combination of world-class tech platforms, services and advisory capabilities that operate across the entire lifecycle allowing businesses to focus on opportunities presented by uncertainty. Together, these tools and

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