RoHS Compliance Experience for SMEs: A Case Study on the watch industry in Hong Kong

Two regulations, The Control of Wastage of Electrical and Electronic Equipment, and Directives Restricting the Use of Hazardous Substances, adopted by the European Union in 2002 and 2003 respectively, control the sale of electrical and electronic equipment in all 25 nation members and these regulations are going to influence other countries in the world. Giving increasing global awareness of the need for environmental protection, there is a pressing need for all manufacturers to adopt environmentally-friendly production processes and measures in order to fulfil their environmental responsibility to buyers. Failure to do this could be very costly to any company.

In Hong Kong, some companies were not fully aware of the importance of these regulations until mid 2005. Thus, these companies may not have enough time for preparation and implementation. One of the reasons for this may be that the EU does not have a standard way for guiding companies in implementing regulations of this sort. This creates several difficulties for implementation. First, what is the best way to tackle this task? Which department should lead the project? Second, what resources does management need for the project? Third, are they on the right track? Does management have enough knowledge to cope with this task? There is a series of questions that should be considered before the project starts. However, there are no absolute answers to these questions, as no official guidance is provided by anyone, anywhere in the world.

Although there seems to be no standard solution, it is believed modern management can embrace this area but it would all depend on the level of understanding the manager has when it comes to putting his/her solution into practice. It would require creativity and innovation for generating the right solution for the company. Of course, different companies would tackle the implementation of the regulations in a different way, but seeking the most suitable solution is a task for top management. This is unavoidable, because, top management, understands the company better than anyone else.

Based on the above, the author is trying to share his experience in tackling and compiling RoHS directives as a watch manufacturer, and hopefully this will provide
some ideas for other companies.

The chapter is divided into five main parts. Firstly, we will focus on the essential requirements of the regulations, which is a crucial step in defining the project scope. Then, we will look into the regulations from a business, system and production point of view. By considering the regulation from these 3 perspectives, a company can possibly develop their own plans for marketing, for its internal system and also highlight the high-risk areas. Finally, we provide an example and further notes on some critical parts that affect watch products. However, we believe that this methodology can be applied to various industries, especially in the case of SMEs. The charter ends with a table illustrating the relationship between the regulation's compliance actions with the elements of ISO9000 and ISO14000. We hope that this will provide a clear picture for the reader who is leading the implementation project of his/her company.