THE EXPERT’S OPINION

An Interview with
Rod Mackinlay, Far East MIS Director
Seagate Technology

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Seagate Technology is one of the largest disk drive manufacturers in the world. Currently Seagate has worldwide vertically integrated operations which include manufacturing plants in Singapore, Thailand, and Malaysia. Singapore is Seagate’s regional headquarters for its Asian operations. One of the key contributors to the success of Seagate is its Global Information System (GIS) applications that make its worldwide operations well integrated and almost seamless.

JGIM: How is IS function managed and controlled at Seagate? Centralized or decentralized?

Mackinlay: MIS, especially systems development, is centralized and controlled out of Scotts Valley, California. However, each manufacturing facility has its own data center that runs applications for the plant. In the Far East, each of the three countries possesses a significant MIS capability. In reality, MIS at Seagate is very much top-driven and centralized from the Head office. The MIS management challenge is to provide manufacturing plants with solid local operational support from MIS, but at the same time to stay in control of MIS.

JGIM: What is the status of IT use by end users?

Mackinlay: Plant managers get the impression that they are the ones (and not IS) who have the control of IS. For example, we have extremely IT-literate engineering users in our organization, and they do some really classy presentation graphics with our downloaded data on their workstations and PCs.

JGIM: What is your motivation for building GISs? Why shouldn’t each facility develop its own ISs?

Mackinlay: First, building similar business processes, e.g., for procurement, tracking, inventory management, etc., has given us a common face to the customer. Second, use of GISs provides Seagate the advantages of economies of scale. Instead of building five different fixed assets systems and three different human resource information systems around the world, we can obviously benefit if we can build one of each, and accommodate the customization requirements of each country at the same time. Also, common applications running on standard hardware/software platforms increase economies of scale.

Third, we can utilize IS and user skills more effectively—if we have a specialist already who has developed and implemented a certain application, and that individual is stationed in one of our plants, by finding a way to put together a worldwide development team that includes that person, the benefits in implementation and time can be passed onto other sites.

JGIM: When other companies are outsourcing their functions, why is Seagate so highly vertically integrated?

Mackinlay: Being highly vertically integrated allows Seagate far tighter control over their operations than if they were dealing with outside suppliers. At the highest levels, we are extremely vulnerable to supply line breaks. For instance, the plants in Singapore are dependent upon three flights daily from Thailand for shipments of components and subassemblies; upon arrival these are put directly onto the assembly lines. Should there be a disruption of this part of the supply chain then the line would be seriously affected. We do not carry buffer stocks...a demonstration of the use of Just-in-Time (JIT) concepts for managing production schedules.

JGIM: Does IT or global IT have a role in it?

Mackinlay: We are dependent upon IT and on inter-plant EDI to make all this happen. For example, within minutes of a shipment leaving its plants in Thailand for Singapore, an in-transit record is received electronically in Singapore of all the details of the shipment, and a few hours later the same shipment is received here against that document. Intercompany billing is also done electronically through EDI.
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