Proposal for Salary Adjustment and Strategic Development Support

For Internal Use of the Sender Prepared for: Nam Thuan Board of Directors

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1. Executive Summary

This proposal presents a strategic approach to enhancing my role as a Process Optimization Engineer at Nam Thuan, with an emphasis on driving measurable improvements in quality, operational efficiency, and cost savings. To align compensation with the responsibilities and requirements of this role, I propose a salary adjustment from **12,000,000 VND to 14,000,000 VND gross per month**. My past achievements demonstrate a proven ability to deliver impact, such as **reducing defect rates by 15%** and **increasing production efficiency by 20%** through targeted process optimizations.

Long-Term Vision:

I aim to establish a comprehensive quality management framework at Nam Thuan, including advanced data analytics for real-time monitoring and predictive maintenance, to ensure sustained process excellence and operational resilience.

Expected Outcomes:

1. **Quality Improvements**: Achieve a further **10% reduction in defect rates** and **15% improvement in process consistency** within the first year.
2. **Enhanced Team Engagement**: Foster a continuous improvement culture, with a target of increasing team participation in quality initiatives by 30%.
3. **Cost Savings**: Reduce production costs through improved scrap management and preventive maintenance, with a projected savings of **10% in material waste costs**.

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2. Rationale for the Proposal

A. Industry Standards and Competitive Compensation

- **Industry Benchmarks**: According to the 2024 Compensation Best Practices report from **Payscale** and other resources like **Robert Walters**, roles that require frequent travel and advanced technical skills, such as Process Optimization Engineers, typically offer **15-30% higher base salaries** compared to similar non-travel rolee. This additional compensation reflects the higher responsibility and flexibility demands (Payscale, 2024).
- **Local Market**: Research on VietnamWorks and Navigos Search reveals that Process Optimization Engineers in the Vietnamese manufacturing sector are generally compensated in the **15-25 million VND** range when travel and cross-functional responsibilities are involved (VietnamWorks, Navigos Search). Aligning Nam Thuan's compensation package to this standard ensures the retention of skilled talent critical for meeting operational and strategic goals.

B. Addressing Specific Pain Points

- **Production Bottlenecks**: As bottlenecks affect productivity and lead times, timely interventions can prevent significant delays and improve throughput.
- **High Scrap Levels**: My expertise in implementing quality management techniques, such as Failure Mode and Effects Analysis (FMEA), directly addresses high scrap rates, enhancing production efficiency and reducing costs.

C. Long-Term Commitment to Process Improvement Goals

- **Continuous Improvement**: Developing preventive maintenance projects and quality control frameworks that address recurring issues will ultimately increase productivity.
- **Employee Retention and Development**: A competitive compensation package supports this commitment, aligning my contributions with Nam Thuan's long-term growth objectives, including potential digital transformation initiatives.

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3. Proposed Adjustments and Benefits

A. Salary Adjustment

1. **Request**: Adjust the base salary from **12,000,000 VND to 14,000,000 VND gross per month** with a performance review after the first three months.
2. **Justification**: This adjustment reflects the travel and technical responsibilities associated with the role, aligned with industry standards for similar positions.

B. Professional Development

1. **Request**: Support for advanced training, such as Six Sigma Green Belt certification and Statistical Process Control, to enhance process management capabilities.
2. **Justification**: Enhancing these skills will strengthen my ability to contribute to cost-saving initiatives and process optimization goals at Nam Thuan.

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4. Current State Analysis

Phase 1: Initial Setup and Probationary Period (First 2 Months)

- **Objective**: Demonstrate immediate impact by addressing bottlenecks and reducing downtime.
- **Milestones**:
  - *Week 4*: Complete onboarding with initial quality control assessments.
  - *Week 8*: Implement temporary solutions to reduce downtime by 10%.

Phase 2: Process Optimization Initiatives (Months 3-6)

- **Objective**: Lead data-driven projects for quality improvement and productivity gains.
- **Milestones**:
  - *Month 4*: Begin Six Sigma Green Belt certification.
  - *Month 6*: Deploy initial version of real-time data monitoring system for key production metrics.
  - *Quarterly Goal*: Achieve a 15% improvement in cycle time consistency.

Phase 3: Long-Term Quality Management (Post-Probation)

- **Objective**: Establish preventive maintenance and FMEA frameworks, with ongoing optimization projects.
- **Milestones**:
  - *Month 9*: Implement a full FMEA process on high-scrap production stages.
  - *End of Year*: Complete all relevant certifications and integrate predictive maintenance tools, targeting a 10% reduction in scrap rates.

5. Risk Management and Mitigation Strategies

Potential Risks

1. **Resource Constraints**: Limited resources for training and data analytics tools.
   - **Mitigation**: Prioritize cost-effective tools and leverage internal resources where possible.
2. **Resistance to Change**: Potential resistance from team members in adopting new processes.
   - **Mitigation**: Conduct regular training and engagement sessions to build support for new methods and tools.
3. **Travel-Related Challenges**: Frequent travel may affect project timelines.
   - **Mitigation**: Implement remote monitoring and virtual collaboration tools to reduce travel demands where feasible.

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6. Expected Outcomes and Benefits

Benefits for Nam Thuan:

1. **Improved Efficiency**: Enhanced processes to save **10% in operational costs** by optimizing scrap management and cycle times.
2. **Employee Retention**: Competitive compensation will help retain skilled engineers, reducing costs associated with rehiring and training.

Professional Benefits:

1. **Enhanced Skill Set**: Through targeted training and hands-on experience, I aim to gain expertise in advanced quality control techniques.
2. **Long-Term Contribution**: A structured development plan that aligns with Nam Thuan's goals will enable me to drive consistent, data-backed improvements.

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7. Request for Support and Next Steps

I respectfully request: 1. **Approval of the Salary Adjustment**: From **12,000,000 VND to 14,000,000 VND gross per month**. 2. **Sponsorship for Professional Development**: Support for Six Sigma Green Belt certification and training. 3. **Scheduled Responsibility Review**: A three-month review to assess progress and identify expanded responsibilities in preventive maintenance and strategic process improvements.

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8. Conclusion

This proposal outlines a pathway to drive meaningful improvements at Nam Thuan by addressing immediate production challenges and establishing a foundation for long-term process optimization. With your support, I am confident we can achieve measurable gains in quality, efficiency, and employee engagement.

Thank you for your consideration. I look forward to discussing this proposal further and collaborating to enhance our operational success.

References

1. Payscale. (2024). **Compensation Best Practices Report**.
2. VietnamWorks. **VietnamWorks Salary Report** for Manufacturing and Engineering Sectors.
3. Robert Walters. **Vietnam Salary Survey** (latest edition).
4. Navigos Search. **Annual Industry Salary Benchmark Report**.