

How Companies Can Adapt to Thailand's Looming Aging Society

SCG's Opinions on Technology Adoption to Accelerate Workforce and Product and Service Development to Meet Market Needs

One of the major global inevitable trends is a growing aging population and Thailand is among countries threatened by such phenomenon. National Elderly Council recorded 11.3 million Thai population aged 60 years old and above, making up 17.1 percent of the total population. The aging population tends to increase rapidly in which Thailand will become officially an aging society in 2021, or in another word, the Thai population share of the elderly will reach 20 percent.

Consistent with the data from the Thailand Development Research Institute (TDRI), Thai people have an extended life expectancy of 4.4 months per year thanks to technological progress. As a result, Thai people born in 2016 are expected to live until 80-98 or nearly 100 years of age.

Due to the combination of extended longevity and declining birth rate, the aging population contributes to workforce pressure, primarily driven by a shrinking labor pool, lowered productivity and changing consumer behaviors because of shifts in demographic structure. All sectors must be aware of the impacts and prepare to cope with such situation, particularly the private sector which will be directly and indirectly affected from the decrease in the number of working-age persons and changes in products and services to better meet the needs of aging consumers.

SCG is among the companies realizing the emerging challenges. As a result, SCG has prepared by adopting technologies to enhance business operations along with creating innovations, especially the development of integrated housing for the elderly, to align with the global ageless society.

At a recent seminar "TDRI Annual Public Conference 2019" entitled "Longevity Society: Making Thailand Competitive, Healthy, and Secure," Mr. Roongrote Rangsiyopash, President and CEO of SCG joined as a speaker on the topic of "How to Remain Competitive and Economically Thrive in Aging Society."

"Mr. Roongrote" began with the global demographic trends of aging and a longer life expectancy. Assessing workforce age based on calendar years may no longer be relevant as other dimensions, including emotions, social norms, and physical conditions or diverse needs must be taken into account. More notably, the ongoing elderly phenomenon will affect everyone in society, not just individuals.

The Use of Technology-Automation to Cope with Changing Workforce

Mr. Roongrote spoke on the social conditions of the aging society and the elderly situation, "This is an opportunity and challenge that SCG must get prepared because the number of workers and productivity will eventually decrease. As a result, the adoption of technology and robotic or automation will help compensate for the disappearing labor force and sustain business growth. The faster we adapt, the better for us. The

technology, robotic or automation are immensely helpful as they make the operations simpler, faster, and more secure. Importantly, it can customize products and services to meet customer needs. For example, the use of Chemicals Business's CiBot not only helps improve the effectiveness of plant's maintenance planning process with the more accurate and precise inspection and 7 times shorter time than human inspection, but it can also work around the clock with improved safety by 4-5% per year."

The process of the transporting heavy sanitary ware at the sanitary plant has been challenging since hiring the workers with at least 3-5 years experience has been problematic. The use of automation does not only solve workforce shortage but also increase operational speed plus upskilling the employees in problem-solving techniques and tailoring products to meet customer preference.

This includes the implementation of technology in the management of automated warehouse. The Packaging Business has embraced the technology in paper roll inventory management in which the system helps streamline secured product transfer with better warehouse management, reducing space usage up to 3.5 times with requiring only 20% of human attention. Moreover, it shortens work time along with reducing operational costs.

The most crucial thing to incorporate technology, robot or automation into the organization operations is 'the people' who must know how to adapt and learn new things. SCG provides training and skill development schemes to assist staff in keeping pace and deliver solutions in the ever-changing business environment. SCG offers a series of opportunities ranging from scholarships to study abroad, supporting youth to compete in World Skills competition in the field of Health and Social Care. The efforts are to promote labor skills contributing to an improvement in labor competence in the future to meet the increasing demand for the skills with the help of SCG employees' mentorship," said President and CEO of SCG.

Development of Product and Service with Innovation to meet the Aging Society Needs

To the opportunities and challenges of an aging society, "Roongrote" said that gaining the in-depth understanding is the most vital part to tackle changing social structures. Due to the decline in birth rate and an increase in the senior population, the dependency ratio, a proportion non-working elderly population, has been rising. At present, 3 workers take care of 1 elderly person. And in the future, the workforce will be shrinking, so the healthcare expenses of the elderly will eventually hike up.

"This is SCG's important challenges on how to deliver the products and services to better meet these people's demands. We have created eldercare innovations to equip seniors with self-reliance solutions. We focus on a shift in behaviors and diverse needs and the affordability. For example, 'SCG Eldercare Solution' offers a comprehensive series of products and services for the eldercare's bedroom and bathrooms such as easy-to-use sanitary ware, impact-absorbing floor, walking rail, bedside automated light to prevent accidents or falls.

In addition, "DoCare Protect" is introduced as a solution to provide eldercare services. The solution equipped with detection and alert system in the bathroom, enabling the emergency attention to the elderly.

The system also includes healthcare data collection to assist the elderly in planning self-care and provide remote medical care which can help minimize transportation cost to the hospital.”

Lastly, “Roongrote” emphasized that Thailand can remain competitive and economically thrive in the aging society if everyone comes together to develop quality product and services to meet the changing social structure. More importantly, the products and services must be available at an affordable price.

SCG is ready to alleviate the living quality and conditions of the elderly in Thailand under the partnerships with all relevant parties. The effort is to provide better convenient and accessible eldercare in line with the concept, “SCG Makes Eldercare Affordable and Convenient for Everyone.”
