

Embracing Business Excellence: Singapore and ST Engineering's Experience - Challenges, Success Factors and Impact.

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*“Quality for Future
of the World”*

Scope Of Presentation

- ▶ Singapore BE Initiative – efforts and journey
- ▶ ST Engineering – in brief
- ▶ ST Engineering BE efforts – our experience and journey

Singapore BE Initiative – Strategy for Success

| <h2>Strategy 1</h2> <p>Increase & sustain adoption of business excellence standards by organisations</p> | <h2>Strategy 2</h2> <p>Enhance business management capabilities of organisations</p> | <h2>Strategy 3</h2> <p>Recognise organisations on the business excellence journey</p> | <h2>Strategy 4</h2> <p>Raise international standing & visibility of the business excellence initiative</p> |
|--|--|--|---|
| <ul style="list-style-type: none"> • Briefings • Outreach activities • Advertorials & Publications • Impact Study on Business Excellence organisations • CEO Roundtable | <ul style="list-style-type: none"> • Best practice conferences & seminars • SMART Initiative • Clinics • Mentoring • Best Practice databases • Learning Journeys • Assessor Development • Training providers & consultants network | <ul style="list-style-type: none"> • Certifications • Awards • Profiling leading organisations (website, conferences, best practice cases, media publicity) | <ul style="list-style-type: none"> • Membership in Global Excellence Model (GEM) Council • Asian Productivity Organisation-Centre of Excellence for Business Excellence |

MILESTONES ON THE BE JOURNEY

BE AWARDS

BE CERTIFICATIONS

✘ C:\Users\SP...
review\high res
logos\Singap...
Quality Class
logo large.jpg



400 points

BE Certifications recognise organisations for meeting standards of good performance and for their commitment to business excellence.

✘ C:\Users\...
review\high
res
logos\SQ...

550 points

Singapore Quality Class (SQC) Star recognises SQC organisations that have made further improvements in their business excellence journey. It motivates SQC organisations to push for higher levels of performance.



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700 points

BE Awards recognise organisations for outstanding management capabilities and achieving superior results. It is a prestigious award in recognition of world-class standards of performance.



800 points

SQA Special Commendation recognises past SQA winners for scaling greater heights of excellence and sustained global leadership. It is the pinnacle award for business excellence.

LEVERAGING ON INTERNATIONAL NETWORKS

Singapore's Business Excellence initiative and framework is continuously benchmarked against comparable international frameworks. Singapore is also the Centre of Excellence for Business Excellence.

Global Excellence Model (GEM) Council:

- Comprises **BE agencies from various economies** - US, Europe, Australia, Japan, India, South America and Singapore
- Collaborating on best practice sharing, benchmarking, research studies and expert exchange



Global Excellence Model

Asian Productivity Organisation (APO)

- Appointed SPRING Singapore as the **Centre of Excellence for BE** in 2009
- Deputing experts and developing BE resources for 20 APO economies
- BE Global Conference attracts 500-600 pax annually from 20+ countries



BE Organisations are from Diverse Industries

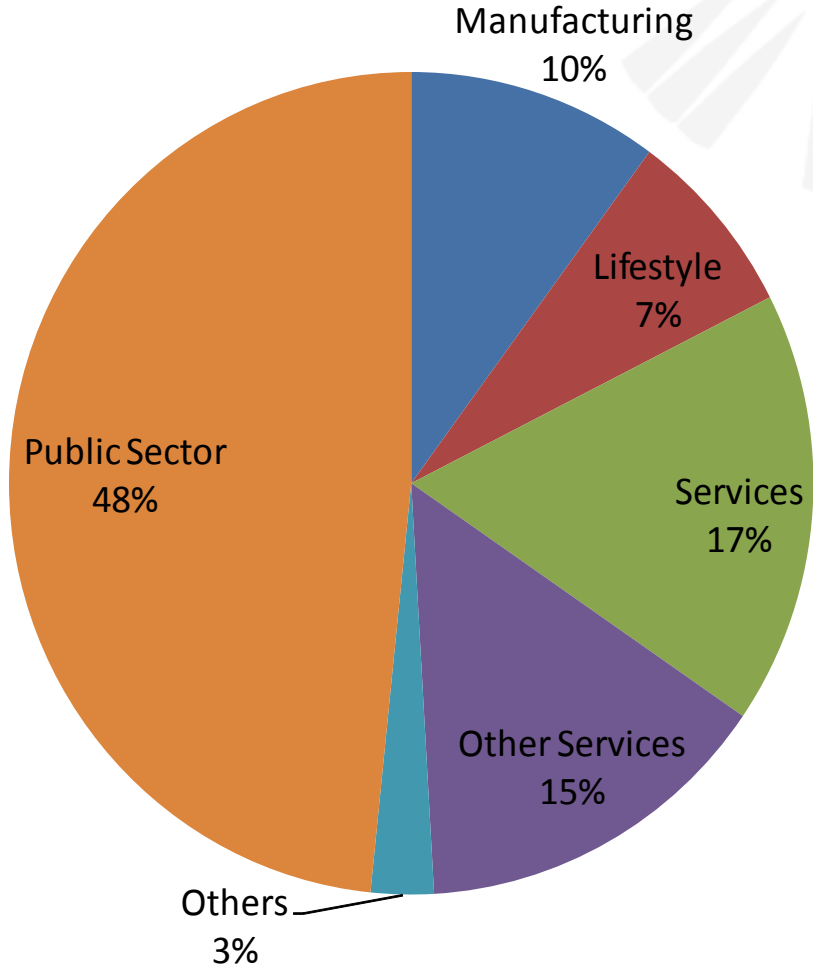
More than 1,300 organisations are BE certified

Lifestyle: Food Services, Furniture, Retail, Textile & Apparel

Services: Education, Healthcare, Business Services, Logistics

Other Services: Hotel, Transport, Financial, Real Estate, ICT etc

Others: Agriculture, Construction, etc



BE-Certified Organizations



- Number of organisations implemented BE framework : over 1300
- Employing about **580,000** employees, or **25%** of resident workforce

Manufacturing



Services



Others



Value of Business Excellence (BE) initiative?

>2x higher profit growth

for organizations certified to BE, between 2008 and 2012

- ★ Between 2008 and 2012, the profit of organisations certified to BE standards grew an average of 14.1%, double that of their industry peers, which grew at an average of 6.9%.
- ★ These organisations also experienced greater improvements in customer satisfaction and less employee turnover.

>3x higher profit growth

for BE Certified SMEs, compared to industry counterparts

- ★ Profits of SMEs certified to BE standards grew by 19.2%, against the industry's average of 6.1%.
- ★ SMEs shared first-hand experience on how BE brought about increased awareness for a disciplined approach to running a business, as well as provided greater assurance on their products and services.

>4x higher profit growth

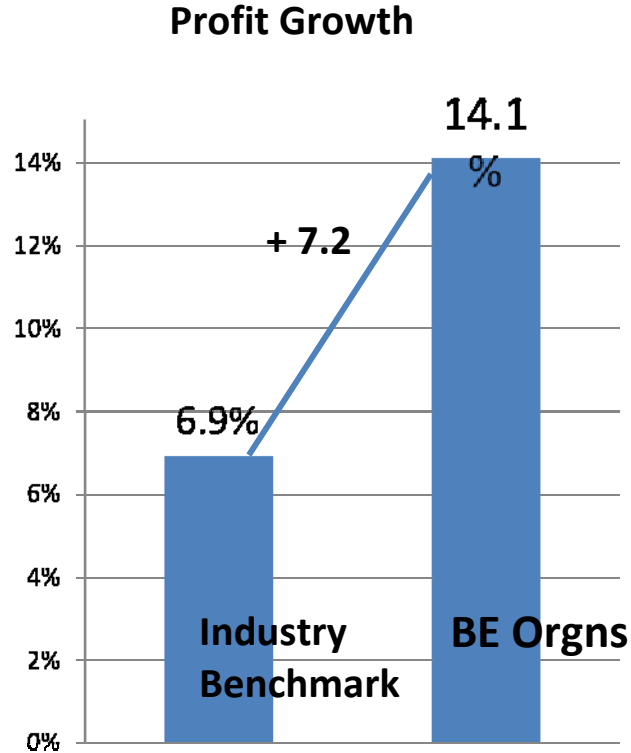
for organizations on the BE journey for 5 to 10 years

- ★ Organisations on the BE journey for 5 to 10 years performed best in terms of revenue and profit growth.
- ★ They achieved 7.5% revenue growth compared to the 5.4% industry average, and a remarkable 25.5% growth in profits against the industry's 6.3%.



Impact Study 2013 - Financial Outcomes

BE initiative companies far outperform their industry benchmarks in terms of profit growth.



Prof .Jochen Wirtz,

Note: Industry benchmark data were taken from DOS and matched to the respective BEI firm based on CAGR for 2008 to 2012. Firm data stem from ACRA and annual reports.

ST Engineering Today

Vision: To be a global defence and engineering Group

Diversified and globalised

Over 100 subsidiaries and associated companies in 46 cities across 24 countries

Total staff strength:
> 23,000

Integrated engineering group

Customised engineering solutions across Aerospace, Electronics, Land Systems and Marine sectors



Defence, government & commercial markets

Diverse business opportunities

Financial stability

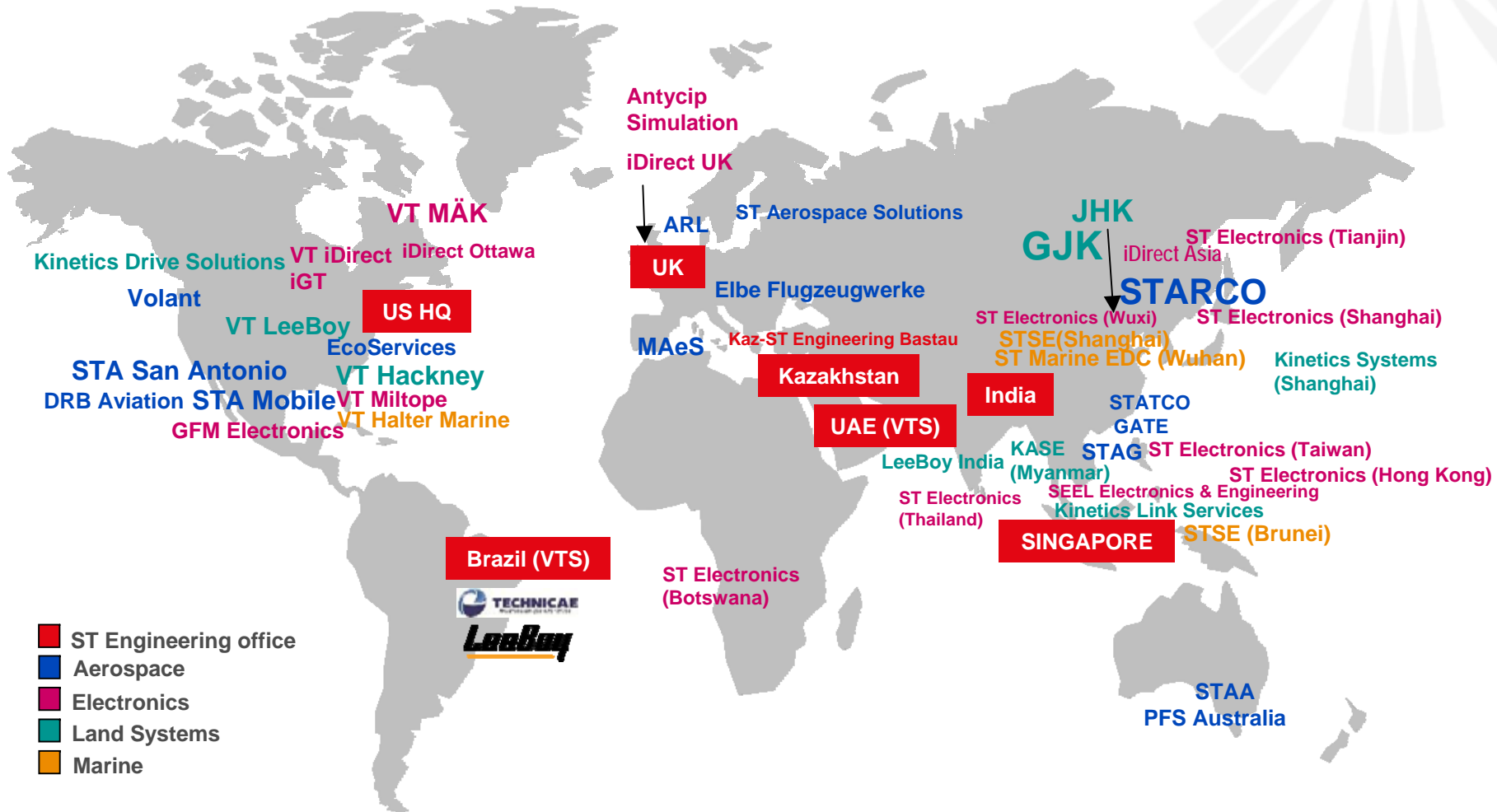
Triple-A rated by Moody's and Standard & Poor's

Group-wide Capabilities

**Core strength:
Providing customised engineering solutions and services across sectors and segments**

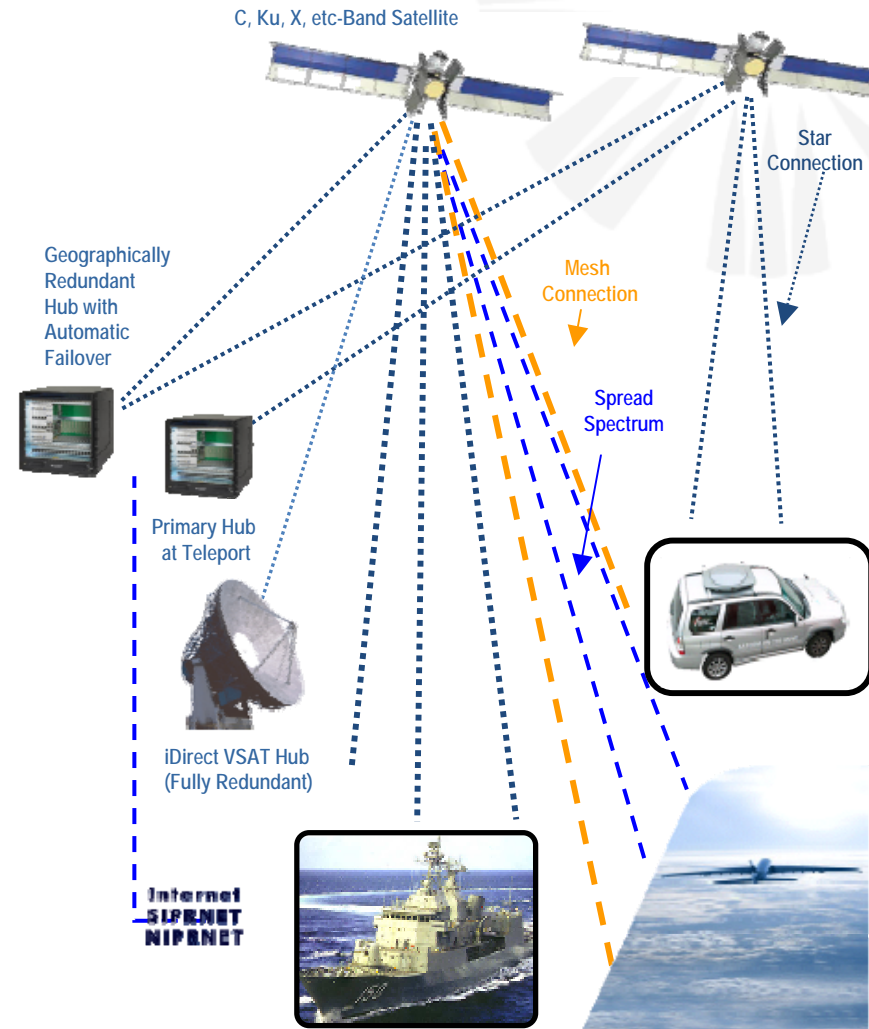
| Multi-Sectors | Aerospace | Electronics | Land Systems | Marine |
|---------------------------------|---|---|---|--|
| Multi-Segments | <ul style="list-style-type: none"> ▶ Airframe Maintenance & Modification ▶ Component Total Support ▶ Engine Total Support ▶ Aviation & Training Services ▶ Aerospace Engineering & Manufacturing | <ul style="list-style-type: none"> ▶ Rail Electronics & Transport Systems ▶ Advanced Electronics & ICT solutions Solutions ▶ Communications, Network & Software Systems & Solutions ▶ Modelling, Simulation & Edutainment | <ul style="list-style-type: none"> ▶ Armoured Vehicles ▶ Munitions and Weapons ▶ Specialty Vehicles ▶ Homeland Security ▶ Assets Total Support | <ul style="list-style-type: none"> ▶ Shipbuilding ▶ Ship Conversions ▶ Ship repair ▶ Engine Servicing ▶ Design and Engineering ▶ Environmental Engineering |
| Multi-faceted Business Approach | <ul style="list-style-type: none"> ▶ Direct Sales ▶ Consortium | <ul style="list-style-type: none"> ▶ Dealership ▶ Subcontracting | <ul style="list-style-type: none"> ▶ Licensing ▶ Joint Venture | <ul style="list-style-type: none"> ▶ Supplier of components / sub-systems |

Global Footprint



Some of our Achievements

Aviation MRO #1

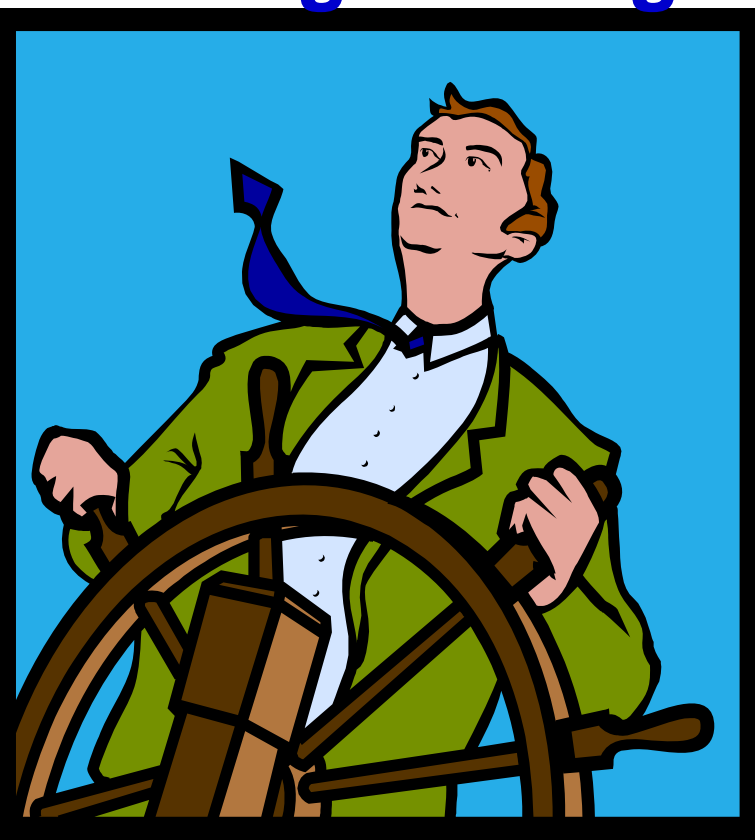


World leader of satcom solutions

Battle-proven Warthog



ST Engineering BE Experience

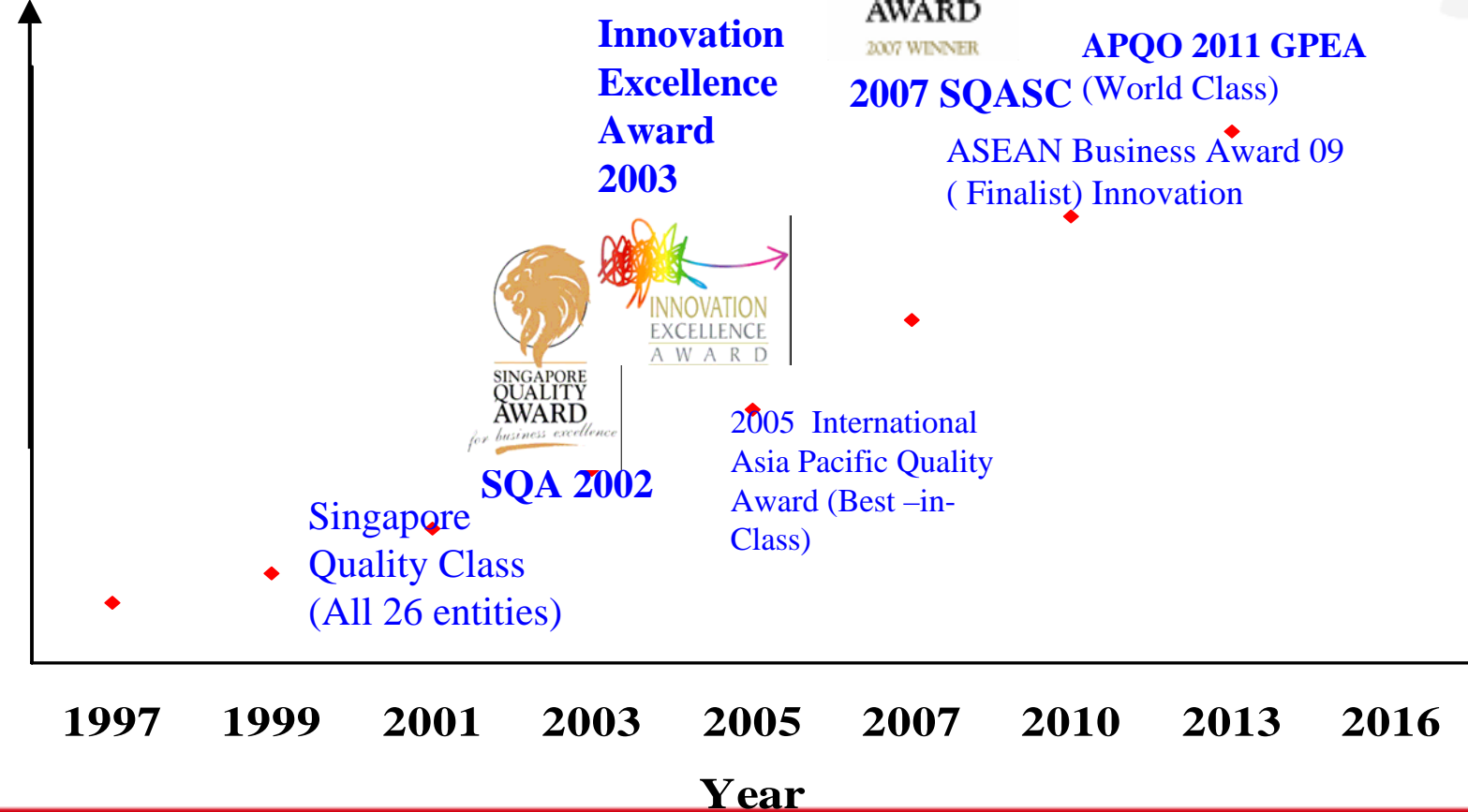


27 October 2015 @ WQF

ST Engineering Business Excellence Journey

*World Class
Business Excellence*

**Business
Excellence**

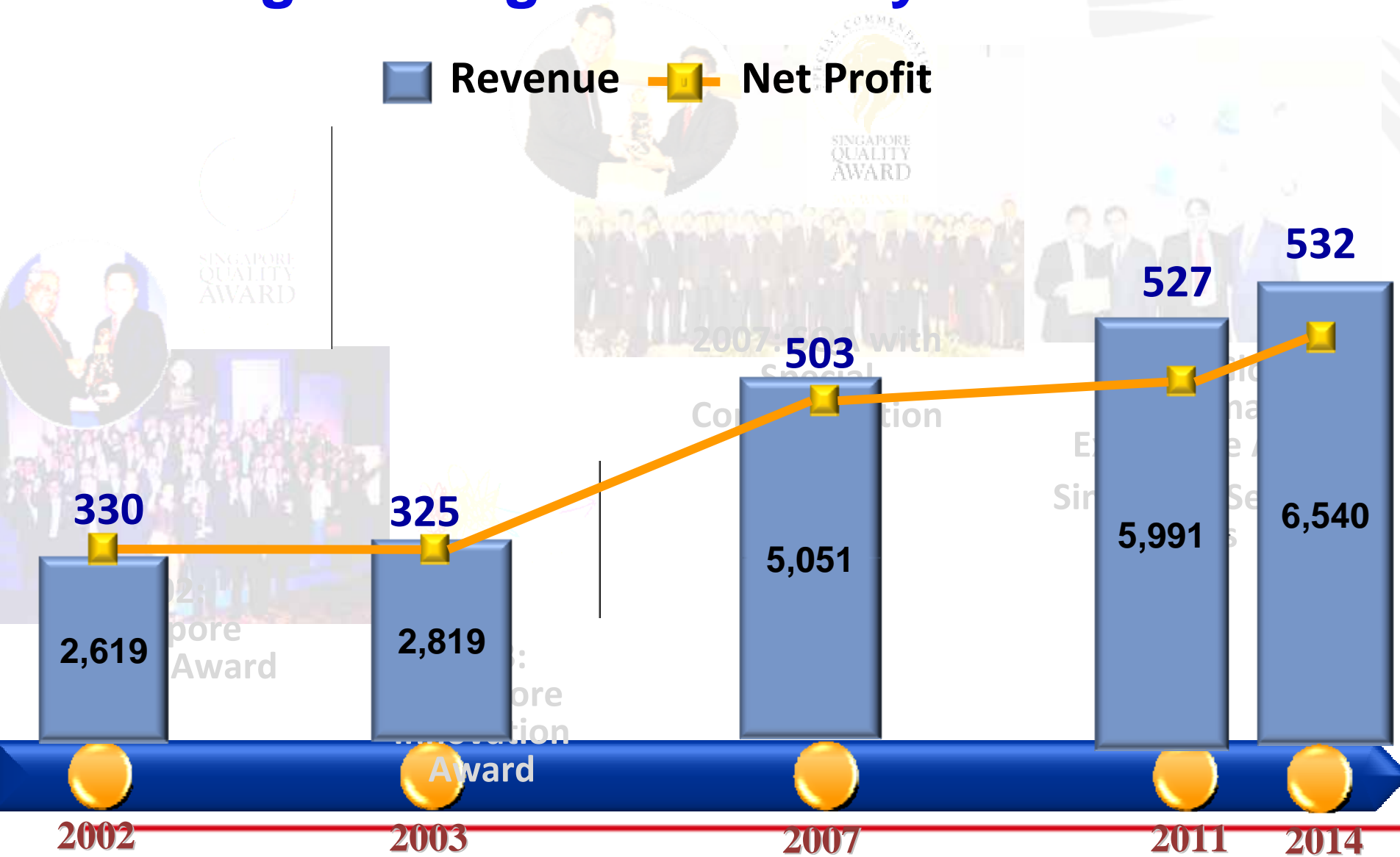


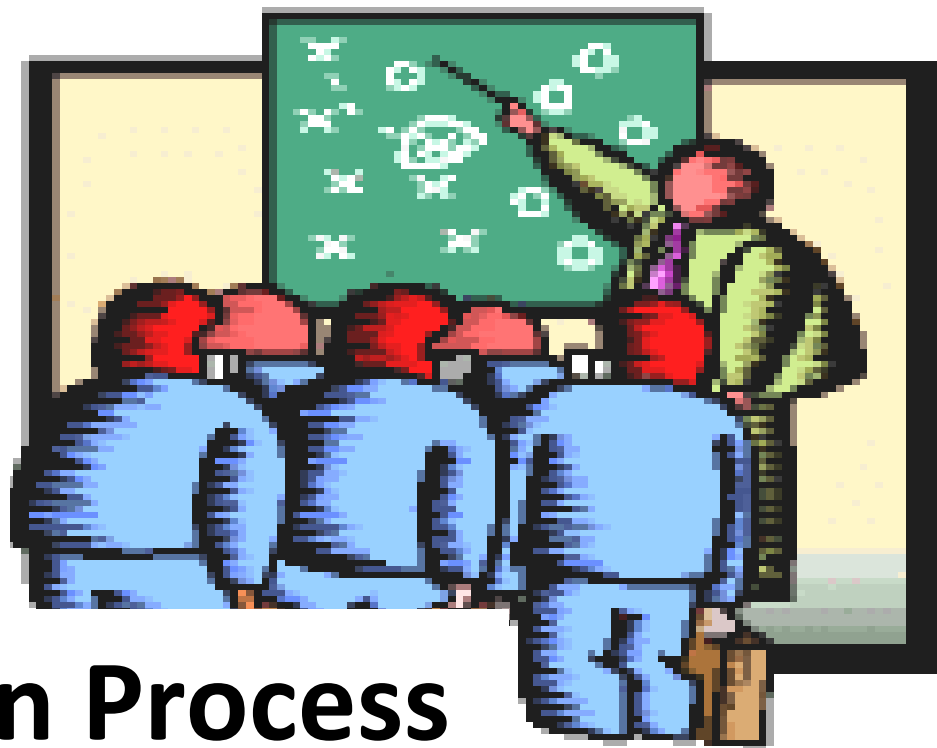
Why adopt the BE Framework ?

1. **Benchmark against international standards**
2. **Adopt a robust system approach to management**
 - ▶ **good alignment of strategy & approaches to business objectives - “ clear line of sight ”**
 - ▶ **Integration of related systems / processes**
3. **Set clear milestones for excellence journey**
4. **Get external feedback (self discovery) on performance to know where we stand and what else needs to be done**
5. **Create market differentiation and recognition**
6. **Build a robust system for future generations and future leaders of the company**

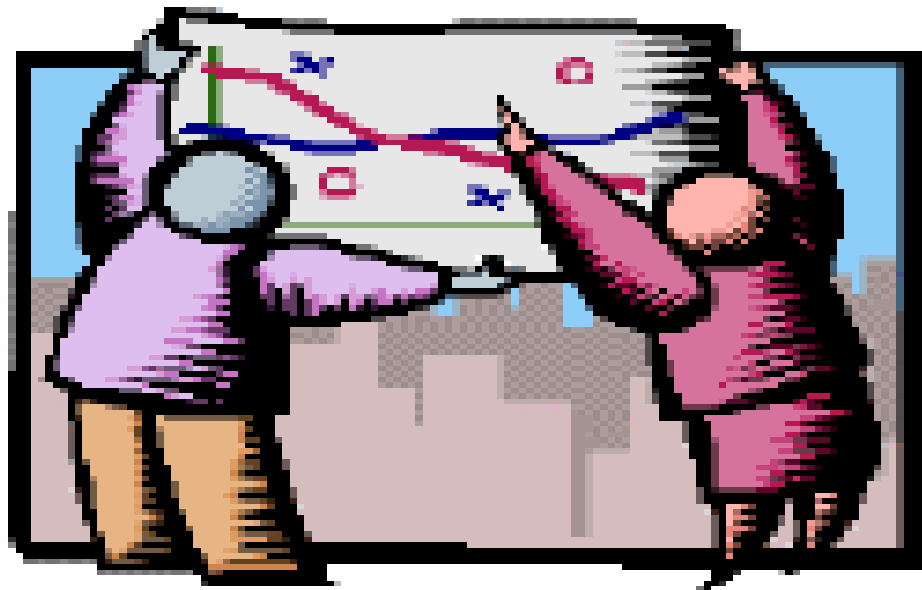
ST Engineering BE Journey

■ Revenue — Net Profit





Active Leadership in Process



Role of Leadership in BE effort / SQA Prep

Steering Committee & Category Sponsors /Leaders

Be current with BE criteria framework, Hands on, set direction, provide guidance, inputs & review progress for BE categories / dimensions.

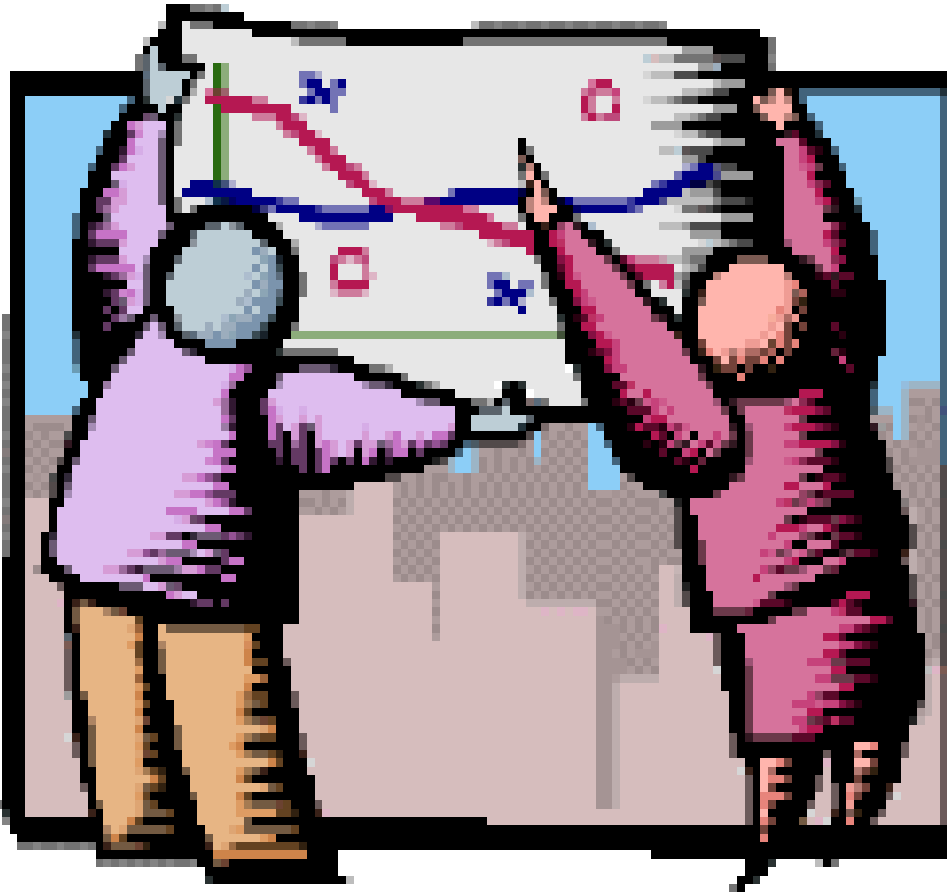
Approve team composition, Resolution for differing views / integration of processes

Communicating intent correctly – it's not another Award

Walk the talk, Communicate e.g. Road Show

Review Performance

Key Concerns



Challenges and Success factors

Some challenges

1. Commitment & involvement of top / senior management
2. Perception - that SQA/BE is a project / SQA/BE does not apply to me! mentality
3. MAP given task & expected to perform
4. Organisational Profile & Scope

Challenges and Success factors

Success factors

1. Leadership familiar with BE Framework & Hands-on e.g. provide direction and endorse contents for respective categories
2. Alignment - customization at SBA level
3. Road Shows led by Senior Management - 100% reach
4. BE Coordinators - at all levels & many pool of BE Assessors (National BE Assessors)
5. “Can Do” mindset - Understand it right. Do it right the first time. Give your best shot & You will be right

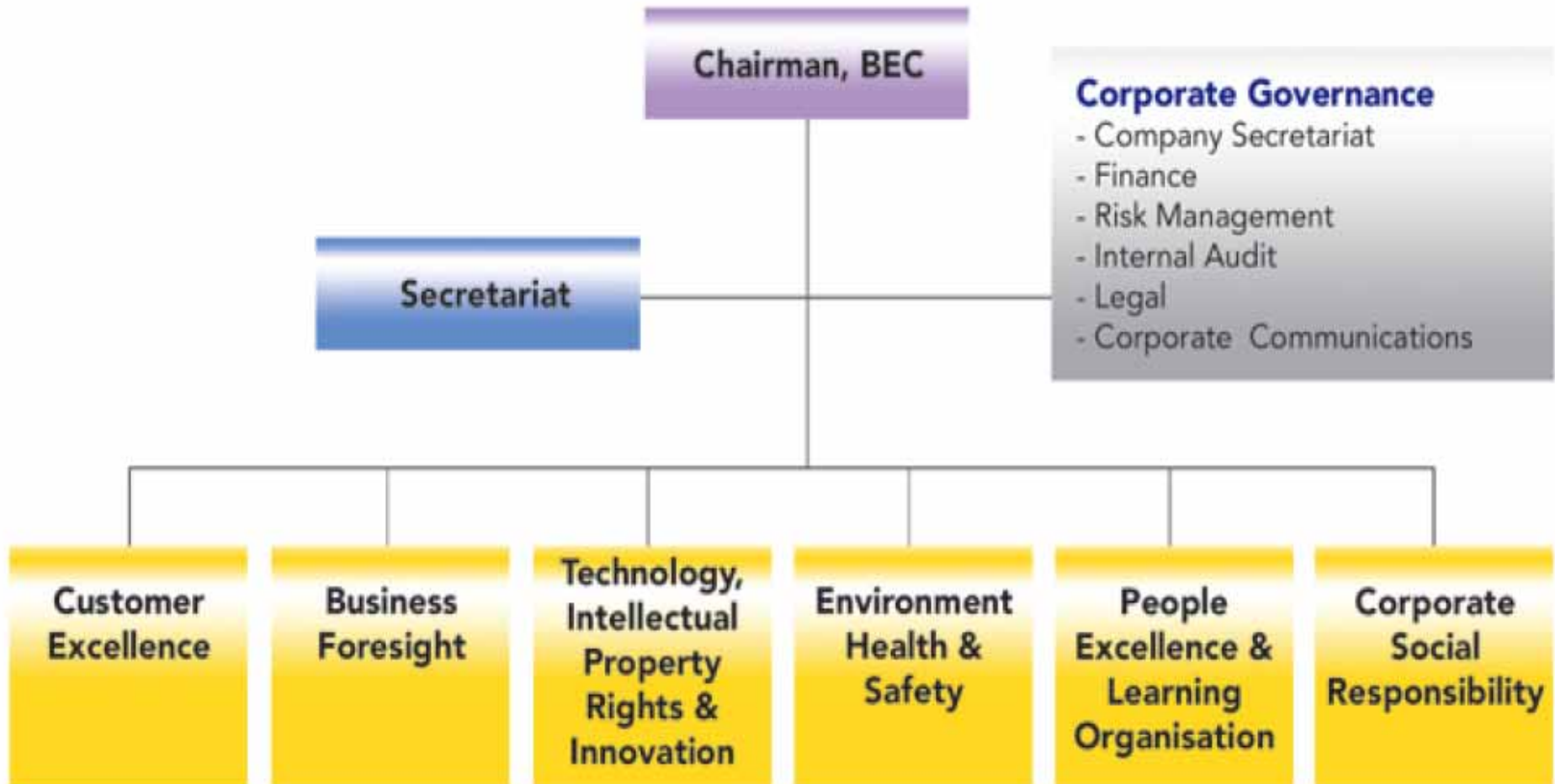
How BE framework helped?



How BE framework helped ?

1. **Speak common language for excellence**
2. **Energize employees – rally - Group and Businesses**
3. **Opportunity for continuous learning and sharing – internal & external perspective**
4. **Mapping and understanding of key & supporting processes, its performance requirements – allow ideas and innovation to thrive.**
5. **Know customers & their requirements, & expectations**
6. **Alignment to 4 strategic objectives & 6 strategic thrusts – “clear line of sight ”**

ST ENGINEERING BUSINESS EXCELLENCE COUNCIL



Holistic approach in steering performance & sustainability

Sustaining Excellence

- ▶ **Continue to apply the BE Framework for our Business**
 - ▶ **Conduct internal and external assessments of performance (BEC) and other best practices / tools**
 - ▶ **Seek external feedback of performance through BE Initiatives**
- ▶ **BEC look into best practices and review performance across group, and phase in assessment of overseas operations**
- ▶ **Integrated (GRI G4) Sustainability Reporting**

In Conclusion

The Combination for Business Excellence



Thank You