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TRANSFORMING COMPANIES THROUGH NEW GROWTH WITH BUSINESS MODEL INNOVATION

25 October 2013 –Singapore Innovation & Productivity Institute (SiPi), a Centre of Excellence of Singapore Manufacturing Federation (SMF), invited companies to participate in a discovery journey on Business Model Innovation (BMI) by organising the Singapore Innovation & Productivity Conference 2013. The conference is supported by SPRING Singapore and Singapore Workforce Development Agency (WDA).

The Acting Minister for Manpower, Mr. Tan Chuan-Jin was the Guest-of-Honour, and the conference attracted more than 400 participants from the manufacturing sector and the wider business community. Five local and international expert speakers provided insights on the various aspects of BMI from the perspectives of academia, consultancy, research and industry. Six panelists representing local companies and government agencies also contextualised BMI within Singapore's landscape.

Why BMI is Important

Our SMEs face challenging business models. From Singapore's roots as an entrepot, many local companies are traders, distributors and agents. In the globalised and internet era, the trader role is becoming marginalized as it is much easier today for buyers to seek out manufacturers directly.

SMEs are pressed to change their business models and expand their business offerings to survive and thrive. According to the Boston Consulting Group (BCG) and BusinessWeek also conducted a survey¹ in 2010 on innovative companies. It found that business model innovators achieved a high premium over the average total shareholder return for their industries.

¹ Boston Consulting Group (BCG, 2010). BCG Report, Innovation 2010, A Return to Prominence – and the Emergence of a New World Order. Retrieved from <http://www.bcg.com/documents/file42620.pdf>

Also, according to a global survey² conducted in 2010 by the Economist Intelligence Unit for more than 4,000 senior managers, 54% of them favoured the new business models over new products and processes as a future competitive edge.

BMI Initiatives

SiPi believes that the greatest difficulty in practising BMI is the mindset change. This is because it is unthinkable for some companies' bosses to change what they have been doing successfully albeit obsolete for the past few years. As such, SiPi provides the right training on Human Resources (HR) and productivity to enable companies to create the appropriate corporate culture for BMI change.

Another major initiative that SiPi will be carrying out is a national research study on Business Model Innovation in Singapore later this year for local companies to improve productivity innovatively and innovation productively through the right business models.

Initiatives by SMF and WDA to Boost Companies' Productivity

Apart from SMF, SiPi has the other mission to improve productivity and this can augment BMI. For instance, SiPi has engaged more than 200 companies on a one-to-one basis and thousands of companies through its various events outreach. With lean diagnostics, companies are given a better understanding of their productivity gaps and opportunities for improvement.

To further boost productivity, another Centre of Excellence is SMF Centre for Corporate Learning (SMF CCL). This centre is in partnership with the Singapore Workforce Development Agency (WDA), and jointly developed a range of Singapore Workforce Skills Qualifications (WSQ) productivity courses. Since 2010 this year, more than 115 companies have embarked on the WSQ Certified Productivity & Innovation Manager (WSQ CPI Manager) and SME Quality Initiatives to Assist, Nurture and Grow (SME QIANG) training courses. At this year's SIPC, 20 companies were honoured with the WDA-SMF Productivity & Innovation Awards 2013. The award recognises companies' efforts at raising productivity via two WSQ programmes –WSQ CPI Manager and SME QIANG (Please refer to Annex 1 for quotes by award winners, and Annexes 2 and 3 for Factsheets on WSQ CPI Manager and SME QIANG respectively).

² Economist Intelligence Unit (2010). Business 2010, Embracing the Challenge of Change. Retrieved from http://graphics.eiu.com/files/ad_pdfs/Business%202010_Global_FINAL.pdf

About Singapore Innovation & Productivity Institute (SiPi)

<http://www.sipi.org.sg>

SiPi is the national agency under SMF, funded by SPRING Singapore, that drives innovation and productivity in the manufacturing community in Singapore. SiPi's vision is to be the leading driver of innovative thinking and best practices for manufacturing companies in Singapore. Its mission is to empower these manufacturing companies with the mindset and tools to achieve the highest level of innovation and productivity.

With a strong team of Lean Six Sigma black belt experts, SiPi aspires to steer industry development and collaborate closely with industries and local and overseas experts to develop tools, case studies and methodologies to help manufacturing companies embark on or enhance their innovation and productivity journey.

About Singapore Manufacturing Federation Centre for Corporate Learning (SMF CCL)

<http://www.smfccl.sg/>

As the preferred corporate training and development centre, SMF CCL reaches out to companies and individuals beyond the manufacturing industry, and conducts more than 200 training programmes and trains over 10,000 people annually. As an accredited Continuing Education and Training (CET) Centre, SMF CCL established CET@SMF to facilitate job matching between employers and job seekers in the manufacturing and other related industries. SMF CCL actively collaborates with government agencies and has established training centres to deliver nationwide quality programmes.

About Singapore Manufacturing Federation (SMF)

<http://www.smfederation.org.sg/>

Established since 1932, SMF represents the interest of the Singapore manufacturing community, driving its competitiveness and sustainable growth through serving industry-specific needs. Supported by 10 industry groups and 6 Centres of Excellence, SMF enhances the competitiveness of the industry by encouraging capacity development and capability building, innovation and productivity.

It provides opportunities for companies to collaborate, network; and to grow and expand both locally and internationally. Current membership stands at more than 3,000 corporate members ranging from SMEs to MNCs.

About Singapore Workforce Development Agency (WDA)

<http://www.wda.gov.sg/>

The Singapore Workforce Development Agency (WDA) enhances the competitiveness of our workforce by encouraging workers to learn for life and advance with skills. In today's economy, most jobs require not just knowledge, but also skills. WDA collaborates with employers, industry associations, the Union and training organisations, to develop and strengthen the Continuing Education and Training system that is skills-based, open and accessible, as a mainstream pathway for all workers - young and older, from rank and file to professionals and executives - to upgrade and advance in their careers and lives. For more information, please visit <http://www.wda.gov.sg>.

For media queries, please contact:

<p>Kristin Loo Executive Corporate Communications Singapore Manufacturing Federation DID: (65) 6826-3013 HP: 91713322 Email: Kristin.loo@smfederation.org.sg</p>	<p>Ong Hui Qi Executive Corporate Communications Singapore Manufacturing Federation DID: (65) 6826-3132 HP: 9799 4728 Email: Huiqi@smfederation.org.sg</p>
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<p>Steven Ng (Mr) Principal Manager Corporate & Marketing Communications Singapore Workforce Development Agency DID: (65) 6512-1241 HP: (65) 9850-3367 Email: steven_ng@wda.gov.sg</p>	<p>Jennifer Lim (Ms) Corporate & Marketing Communications Singapore Workforce Development Agency DID: (65) 6307-7474 HP: (65) 9695-5644 Email: jennifer_lim@wda.gov.sg</p>
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QUOTES FROM WDA-SMF PRODUCTIVITY & INNOVATION AWARDS 2013 WINNERS

WSQ CPI Manager Gold Winner - Singapore Technologies Marine Ltd (ST Marine)

Gold winner from the WSQ CPI Manager category, ST Marine is a premier shipyard providing turnkey shipbuilding, ship conversion and ship repair services to a worldwide customer base in the naval and commercial markets. The company had leveraged on WSQ CPI Manager to improve their block joining processes, leading to a significant reduction of manpower deployed, enhancement of safety and quality of the product. "ST Marine always accord high priority in the continual improvement of our productivity to remain competitive. In conjunction with the national productivity drive, ST Marine will continue to formulate more business innovation initiatives and re-engineer our business processes through Kaizen and value stream mapping tools. This award is an affirmation that we are heading in the right direction!" said Mr. Lim Nian Hua, Senior Vice President/Ag COO, Singapore Technologies Marine Ltd.

SME QIANG Gold Winner – Horsburgh Engineering (F.E.) Pte Ltd

Gold winner from the SME QIANG category, Horsburgh Engineering (F.E.) Pte Ltd, provides end-to-end services in areas such as housekeeping, landscaping and pest control. Through SME QIANG, the company managed to streamline their work processes for cleaning toilets, which have led to a 25 per cent rise in productivity. "With the tightening labour market, we need to look into ways to improve productivity. SME QIANG is the first programme that is applicable to the cleaning industry. This is a programme that companies can look into to help them stay competitive in the market," shared Ms. Sharon Kee, Director, Horsburgh Engineering (F.E.) Pte Ltd.

FACTSHEET OF WSQ CERTIFIED PRODUCTIVITY & INNOVATION MANAGER (CPI MANAGER)

Background

In conjunction with the national productivity drive to raise productivity growth by 2 to 3 percent over the next ten years, there is a need to initiate more training interventions that encompass continuous improvement, business process re-engineering and lean six sigma methodology that could help companies improve their operational efficiency and productivity. To meet this objective, the Singapore Workforce Development Agency (WDA) and Singapore Manufacturing Federation Centre for Corporate Learning (SMF CCL) jointly developed the Workforce Skills Qualifications (WSQ) Certified Productivity & Innovation Manager (CPI Manager) qualification under Generic Manufacturing Skills (GMS) WSQ framework. Through this programme, participants are trained to become change agents or Productivity Champions in their respective companies to increase productivity.

Course Outline

The WSQ Certified Productivity & Innovation Manager (CPI Manager) is designed for key personnel identified by their organizations to be trained and developed as Productivity Champions or change agents within companies to implement productivity and business innovation tools and initiatives at the enterprise level.

Other than core competency-based training in 5S, Quality Systems, Lean Six Sigma and Business Process Reengineering, participants will be able to apply and contextualise the acquired skills and knowledge from WSQ CPI Manager in an Enterprise Productivity Improvement Project (EPIP) back at their respective organisations.

WSQ CPI Manager also incorporates a mentorship component critical in ensuring the success of the EPIP. Productivity Coaches will be attached to participating companies to implement strategies to raise productivity levels. These will include re-engineering of specific business or manufacturing processes such as operations management, order fulfilment, logistics and warehousing, supply chain management, customer service management amongst others.

Programme Structure

The programme is offered on a full-time basis over a 5-month period customized to the client companies' schedules. The programme consists of 3 modules conducted over 144 hours, followed by a 3-month period for the Enterprise Productivity Improvement Project (EPIP) component of the course.

- **Unit 1: Certified Operations Professional**
 - Supervise Teams at Work
 - Supervise Work Improvement Process
 - Supervise Quality Procedures
 - Supervise Workplace Safety and Health Practices

- **Unit 2: Implement Business Process Re-engineering**
 - Plan Process Re-engineering Strategies in an Organisation
 - Implement Process Re-engineering Strategies in an Organisation

- **Unit 3: Implement Lean Six Sigma**
 - Introduction to Lean
 - Lean Culture
 - Value Stream Mapping
 - Stability & Process Improvement
 - Just-in-Time
 - Measuring
 - Sustaining

- **Unit 4: Implement Enterprise Productivity Improvement Project (EPIP)**

Upon completion of the above units, participants will undertake an identified Enterprise Productivity Improvement Project (EPIP) within their organizations to implement the productivity and innovation tools and initiatives at the enterprise level.

Productivity coaches will be assigned to guide the participants to implement the identified enterprise level project and apply the knowledge and skills acquired from the WSQ CPI Manager training, which will translate into actual productivity gains for the company.

Productivity gains include re-engineering of specific business or manufacturing processes such as operations management, order fulfilment, logistics and warehousing, supply chain management, customer service management and more. At the end of the Enterprise project, the business process is measured for productivity gains and a report on the successes of these projects will be submitted for evaluation.

Target Outcomes

WSQ CPI Manager aims to train and develop Productivity Champions within organizations to acquire new skills and knowledge and implement business improvements and productivity initiatives to enhance the organizations performance. A target 10% improvement in tangible productivity gains for organization e.g. process cycle time reduction, reduced downtime, reduction of errors, increased output, increased profits is estimated, depending on the nature of the project and business model.

About Lean Six Sigma

Lean Six Sigma is an integrated set of methodologies that encompasses both Lean and Six Sigma concepts. It combines two powerful approaches to provide the tools necessary to address all aspects of quality, cost, and delivery. Lean focuses on providing products and services at competitive prices by eliminating waste and its drivers, whereas Six Sigma focuses on minimizing and reducing process variations that lead to defects. Lean Six Sigma integrates traditional Six Sigma thinking and methods with Lean thinking and approaches to allow organizations to achieve value more quickly at the lowest possible cost while aligning processes with customers. This module is referenced from the Association of Operations Management (APICS) Lean Six Sigma module.

About Business Process Re-engineering (BPR)

BPR is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed. BPR advocates that enterprises go back to the basics and re-examine their very roots and aim for total reinvention. BPR focuses on processes and not on tasks, jobs or people. It endeavours to redesign the strategic and value added processes that transcend organizational boundaries.

Target audience

The WSQ Certified Productivity & Innovation Manager (CPI Manager) is targeted at Professionals, Managers and Executives (PMEs) in any sector who are identified to be Productivity Champions or change agents by their companies to review business process improvements to increase productivity.

Funding Details

WDA funding is available at prevailing rates and GST.

Contact Details

For more information, please contact SMF CCL at:

Tel: 6826 3100

Fax: 6826 3021

Email: ccl@smfederation.org.sg

or access the following hyperlink:

<http://www.smfccl.sg/index.php/courses/productivity/certified-productivity-innovation-manager/>

FACTSHEET OF SME QUALITY INITIATIVES TO ASSIST, NURTURE AND GROW (SME QIANG)

Introduction/Background

SME QIANG (Quality Initiatives to Assist, Nurture and Grow) is a jointly developed training programme by the Singapore Workforce Development Agency (WDA) and the Singapore Manufacturing Federation Centre for Corporate Learning (SMF CCL).

It is modelled after the successful WSQ Certified Productivity and Innovation Manager (CPI Manager) programme, and is an effective training solution to enhance productivity in SMEs. Taking into consideration the constraints of small workforce and infrastructure limitations, the training programme is structured to cushion impact to SMEs' daily operations while addressing the specific challenges of optimizing output through productivity enhancements.

Course Outline

The whole programme is divided into 3 units as below

- **Unit 1: WSQ Manage Productivity Improvement to Achieve Business Objectives**

Management buy-in is half a productivity battle won. This unit offers senior management a 1-day Business Champion workshop to equip them with the knowledge and know-how to effectively deploy project teams, manage change and promote executive sponsorship. The workshop will also highlight key areas that are essential for achieving the breakthrough improvement in their business process performances.

Duration: 1 Day Classroom Training

Course Outline

- Understand Lean Six Sigma (using a Lean simulation game)
- Alignment with Business Strategy & Objectives
- Role of Executives and Champions in a Productivity Initiative
- Understanding, Leading and Dealing with Change
- bizSAFE Level 1
 - Overview of WSH Act, subsidiary legislation and Director's guidelines

- Introduction to Risk Management concept, bizSAFE concept (etc), Corporate Social Responsibilities of companies
- How to create a conducive safety culture in the company
- Financial planning; balancing profitability and safety in the organisation
- Business case studies, tangibles and intangible consequence of an accident

- **Unit 2: WSQ Implement Lean Six Sigma + Productivity Improvement Project**

Connect these knowledge and skills for maximum benefits. Recognising that SMEs take more positively to skills and implementation outcomes, this unit weaves classroom training into project implementation guided by black belts in a blended approach over an 8-week period.

The training mechanics involve segmenting the 8-week project implementation period into 4 x 2-week project phases. The start of each phase is a 1-day intensive classroom training to impart relevant skills for that phase, followed immediately by project work for the remaining phase. A 1-day workshop during the phase allows the trainees to be coached on how to apply the skills to the real project to maximise knowledge transfer.

Duration: 4 Days Classroom Training + 2 Months Productivity Improvement Project

Course Outline

- Introduction to Lean
- Lean Culture
- Value Stream Mapping
- Stability and Process Improvement
- Just-in-Time
- Measuring
- Sustaining

- **Unit 3: WSQ Plan and Implement Productivity Framework**

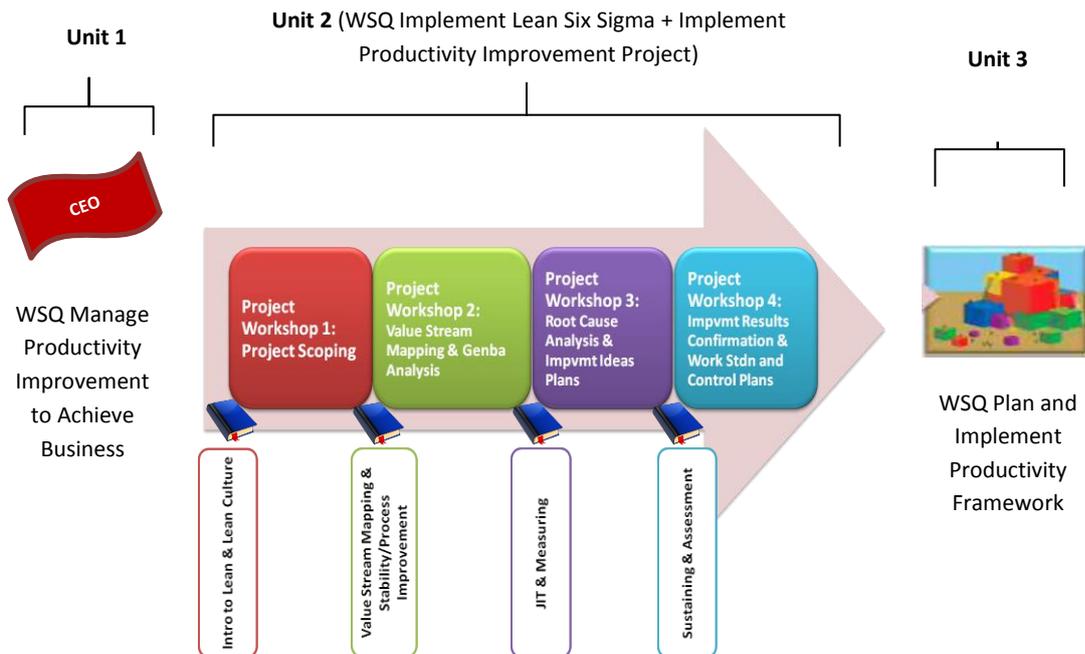
Productivity is not a destination but a journey. This unit helps the company to sustain its productivity drive by guiding the team of designated Business Champions and trained Productivity Managers to set up a productivity framework.

Duration: 1 Day Classroom Training + ½ Day Workshop

Course Outline

- Implement Project Identification Process
- Define Productivity Metrics & Implement a Progress Tracking System
- Implement Incentive Scheme

Overall diagrammatic representation



Attainment of Statements of Attainment (SOAs)

Candidates who completed the WSQ training and successfully passed the assessment will be awarded with Statements of Attainment (SOAs) for the respective competency unit.

Benefits of the programme:

By signing up for the programme, the senior management of the SMEs will acquire productivity concepts and knowledge. The productivity agents identified by the SMEs will be able to implement the productivity improvement project under the guidance of Black Belt Consultants from SMF, and be able to apply and contextualize skills and knowledge acquired during the training, by embarking on the continuation of the companies' productivity drive by setting up a productivity framework within each company.

Funding

WDA Funding is available for Singapore Citizens and PRs.

Funding Component	Funding Rate
Course Fee Support	Up to 70% course fee*
Absentee Payroll Support	Up to 80% of hourly salary capped at \$4.50/hr*

*For companies which are eligible for WDA's Enhanced Training Support (ETS) scheme, course fee support will be increased to 90%, and absentee payroll support to \$7.50/hour, capped at 80% of hourly salary.

Application for the Programme

For more details, please contact SMF CCL at

Tel: 6826 3100

Fax: 6826 3021

Email: ccl@smfederation.org.sg

or access the following hyperlink:

<http://www.smfccl.sg/index.php/courses/productivity/sme-qiang-quality-initiatives-to-assist-nurture-and-grow/>