

01/02/1997

Top of the world

Michael Yeoh

WITH THE ONSET of trade barriers and increased global competition, companies will have to be increasingly world-class. Corporate management will have to focus on world-class standards and international bench-marks to compete against the best in the world.

We need to be able to enhance productivity, quality, management systems and internal processes in order to become world-class. Malaysia should aspire to have some world-class companies that can rank among the best in terms of products, services, operations and profitability. Achieving world-class status should therefore be a priority and an important agenda for Malaysian managers.

The journey towards world-class status requires total commitment and support of the entire organisation. It should not just be the goal of the chief executive officer (CEO) or the top management. It should be a corporate mission that is taken up at all levels in the organisation. It should be a 'battle-cry' that energises the entire team to upgrade their performance and to seek continuous improvements.

With globalisation and growing competition, we need to raise our sights. If we do not target at becoming world-class, others will leap-frog over us. To become a world-class organisation is no longer an option. It is an imperative for business survival and growth in the 21st Century. We need to therefore prepare ourselves for the onslaught of global challenges and fine-tune our organisations to peak performance so that they are world-class players on the international scene.

What can we do to become world-class? Striving for continuous improvements and a quest for continual learning would be a starting point. To become world-class, companies must have the desire and motivation to continue to learn and to improve. Seeking improvements is a good beginning as the journey towards world-class status requires making adjustments and improvements all the time. Managers and staff must be challenged. They must have stretch goals. They need to innovate and come up with new ideas and concepts.

In fact, Professor Rosabeth Moss Kanter of Harvard Business School suggests that to become world-class, companies need to have the right concepts. Concept is the first of the 3 Cs that Kanter identifies as key success factors in becoming world-class. The others are Connections (having cross-border strategic alliances with international partners) and Competencies (having the right skills and attitudes to be world-class). Dr George Labovitz, chairman and CEO of a world-class consulting company, Organizational Dynamics Inc (ODI) suggests that there are several characteristics of a world-class organisation. According to Labovitz, a world-class organisation

- * exists to delight customers

- * responds to opportunity

- * is staffed by confident, empowered employees

- * seeks to consistently lead customers by providing extraordinary, unanticipated value

- * consistently seeks a stream of integrated data from the market, environment, customers, employees and work processes for continuous improvements.

To become a world-class organisation requires a strong focus on people, service and profits. Hence, the company needs indicators to know it is

doing well financially and in terms of customer and employee satisfaction. Federal Express sums up its world-class philosophy as 'world-class people delivering world-class service'.

The key is to be able to stay focused on the main thing. In fact, the former CEO of Federal Express, James Barskdale, who as president of Netscape Communications was recently appointed by Prime Minister Datuk Seri Dr Mahathir Mohamad to the International Advisory Panel of the Multimedia Super Corridor, argues convincingly that, 'the main thing is to keep the main thing, the main thing'. Hence in our quest to be world-class, do we know what is our 'main thing' and how do we keep focused on the 'main thing'?

The key to our future challenges in becoming world-class is leadership. It is ultimately the quality of management that matters most. Managers need to get better and faster all the time. They need to develop a strategic world-class vision, clearly articulate that vision, build a supportive organisational structure and identify the critical business issues that must be addressed. To be world-class, leaders must be able to provide a paradigm shift and change mind-sets. 'If you always do what you always do, you always get what you always got'. Hence, there is no breakthrough thinking.

World-class companies require goals that focus on customers and employees. World-class companies are also usually integrated. Research has shown that integrated companies outperform their competitors.

Organisational integration is therefore important. Therefore, there has to be alignment, commitment and integration. Top managers in these organisations need to define clearly the company's strategy and then quickly deploy the strategy throughout the organisation. The strategy should have a total customer focus and involve continuous process improvement.

World-class organisations also require world-class people to make things happen. The core of the strategy in many world-class organisations involves people, service and profits. Focusing on customers and employees should be top priorities of the business. Good, carefully-trained people will deliver exceptional service and this will increase customer satisfaction leading to higher sales and better profits.

In this regard, world-class companies would also focus on changing attitudes and behaviour of their people. Training is therefore essential. In world-class companies, top managers will listen to nuances in their organisations.

Another key attribute of world-class organisations is the strong focus given to Total Quality Management. Commitment to quality pervades the entire organisation. The necessary architecture for TQM is put in place and there is top management commitment as well as total employee involvement in the quality process. Invariably, a Quality Council will be established comprising top management. A Quality Steering Committee is also always established to decide on process management. Below that will be the Quality Action Teams. Performance management is a vital aspect of the total quality process to be world-class.

Bench-marking is also imperative to set higher targets. Bench-marking and performance management will enable top management to determine what to measure. What management decides to measure drives behaviours. Performance management also needs to take into account training, rewards and recognition. World-class organisations that focus on their people, will also help them deal with change and to accept strategic changes. The importance of value-creation for customers and strategic partnering should also be recognised. World-class organisations strive to be recognised by their customers as providers of the best value to them.

Establishing a goal based on achieving what the customer views as superior value will allow the organisation to achieve maximum customer satisfaction.

Customer satisfaction is putting your customers first in all that you do, listening carefully to find out what they really want, anticipating what they need and meeting their expectations all the time. For each area in the customer chain, management should develop a customer value measurement tool aimed at determining customer assessment of the overall value of the products and services.

Forming strategic alliances with suppliers is another vital aspect of world-class management. Supplier chain management is vital to the quality process. Increasingly, partnering with key suppliers is a strategy adopted by many world-class companies.

In short, the strategy to be world-class depends on having the right concepts and competencies in place, a strong focus on what is the main thing as well as on people, service and processes as well as having clear goals for everyone. Then, comes challenging your team to run with the ball and providing them with regular feedback through performance review and management. In this age of globalisation, we cannot afford not to be world-class.

(END)