

15 APR 1977

GM'S ADDRESS AT ANNUAL OPERATIONS PLAN (AOP)
1977/78 SEMINAR ON FRIDAY, 15TH APRIL 1977

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Good Morning colleagues,

- 1 The purpose of this morning's Seminar is to discuss the main thrusts of the coming year's AOP. It will also provide opportunity for you to have a bird's eye view of the AOP and how your own department/division plan fits in and complements the other plans to form the AOP.
- 2 I look forward this morning to the intermingling of minds so that at the end of the Seminar each of us will have similar understanding of the objectives, priorities, strategies and tactics of the various plans in the AOP.
- 3 With the GDP growth in 1977 expected to be sustained at the same rate for 1976 at 7%, the same magnitude of demand pressures for the various services will continue in the coming year.
- 4 As most of you are aware, our main financial resources are derived from our international services representing 70% of total revenue. With the very heavy capital expenditure programme we have planned for the next 10 years, viz. \$2,000M i.e. averaging \$200M per annum, net surplus averaging \$135M per annum, cash flow will be one of the problems we will have to tackle in the coming years. It is important that we should ensure that these international services, geese that lay golden eggs, be tenderly looked after and not neglected. We should make sure that they are properly fed to lay even more and better golden eggs to sustain our development programme.
- 5 More marketing must be done to sell our telex service. This should be supported by more attractive tariff and rates structure; and better and quieter telex terminal equipment. We have reduced initial rental payment to 3 months, minimum period of notice of termination to 1 month, and absorb the line rental into the overall terminal equipment rental. This is not enough. We know that many business companies are using other telex subscribers' facilities to pass their messages. How can we attract them to be our subscribers? Therefore concerted marketing strategies are necessary.
- 6 Another avenue for marketing the telex service is to encourage the use of telex for local correspondences.
- 7 The telegram service which not too many years ago was the prima donna of the geese is now falling behind badly due to greater use of telex.
- 8 To the ordinary man in the street, the telegram service is still an important service. There is nothing obsolete about it. How can we sustain and improve this service? One suggestion is to promote greeting telegrams. Perhaps you could come up with better ideas.
- 9 But the international service I would very much like you to improve upon is the international telephone service.

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- 10 The telephone service to a number of destinations (due to shortcomings and congestions at the far end) is simply disgraceful. I regret to observe that Management had not taken any creative and initiative action to see how we can help to improve the grade of service. For example, our services to India, I have suggested that we should go back to double ticket working with advance bookings of calls. To Indonesia, whilst the service to Djakarta is atrocious, those to other towns are even worse. When I had to go to Djakarta recently to discuss the construction of a submarine cable system between the two countries, I took the opportunity and brought along with me our line managers responsible for improving the telephone service to Indonesia to see what we can do to improve our services. I was able to get the Indonesians to provide hardpatch circuits to Medan. I would have expected Management to have negotiated for this at their own initiative months before my visit. It is imperative that Management should recognise that the responsibility for any shortfall in achieving objectives rests completely on the shoulders of the manager responsible for the objectives. It is his responsibility to take all necessary actions to achieve objectives. Failures of supporting units/functions and services are only mitigating factors for his failure to meet objectives.
- 11 I look forward to Management's action to considerably improve those traffic streams where the grades of service are now well below the norm.
- 12 Except for telephone services to these few isolated destinations, I would like to say that I am most proud of our international services. Opportunity is taken here to congratulate the engineers and technical staff at our broadband stations and switching gateways, and our telephone and telecoms operators for their dedication, hard work and sacrifice.
- 13 The 31st March 1978 target for international telephone traffic is 8.7M minutes i.e. an increase of 19.2%. Top Management's suggestions to achieve this target and to improve the grade of service are:
- (a) opening of more destinations with reduced rates during non-busy period;
 - (b) more competitive collection rates;
 - (c) heavier surcharges for manual calls, especially personal calls;
 - (d) much greater promotion of ISD. Compared with other centres our ISD growth rates are dismally poor. The need to pay more attention to the ISD services has been aggravated by changes in the CTRA rules for sharing of ISD revenue, where the originating Administration will w.e.f. 1st April 1977 be accounting with the distant parties at 16 2/3% less than station to station rates. The ISD service will enable our international trunks to be more efficiently used, and also cut down operators costs.
- 14 Going on to the National Telephone Service, one of the satisfaction I derived last year was the breaking of the backbone of our deferred National Telephone Service. The straw that really broke the camel's back of the deferred subscribers problem was the very excellent co-operation shown by everyone concerned.
- 15 What really started it was the brainstorming sessions I held with Engineering and Customer Services personnel to provide virtually street by street deferred subscribers status on an exchange by exchange basis to enable us to brief MPs and members of CCC's.

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16 The results were that we exceeded our AOP target last year, from 26,000 deferred subscribers (10%) to 11,500 (4.3%) as at 31st March 1977. There were also no brickbats at us in the last Parliament session. I am most grateful to all concerned. Not least of course were our planners.

17 In the coming year, I would like us to concentrate on reducing waiting time for service. I think the AOP target of no deferred subscribers of 18 months is still too long a wait. I would like to see that we quickly reach the situation that no applicant need to wait for more than 6 months for service. The current year's target is 75% of total deferred subscribers to have waited not more than 6 months. The problem is perhaps one of optimum economic practice rather than planning. Too much spare capacity would mean costly services and we should avoid this. A happy medium has to be practised.

18 I have directed Management to put in more public telephones in pockets of areas where there are serious deferred service problems and where the waiting time for service is long. As more people are provided with telephone service the demand for public telephones would also increase. Decision has been made to double the present number of 4,500 to 9,000 by 31 March 1978. This means that 14 public telephones would have to be installed everyday for the next 12 months.

19 Perhaps the most unsatisfactory aspect of the National Telephone Service today is the speed at which we can restore service. Recently I have held a brainstorming session on telephone maintenance. The problem as I see it is essentially a management one.

20 I have analysed the 2,000 odd reports of faults we receive daily. About 40% are found to be fault free when tested. I am told that other administrations have similar figures. But what a waste of our manhours and loss of tempers by subscribers! The thing is that even if the RWT is 40%, we still have 2,000 upset subscribers and if we count callers trying to get into the faulty telephones, the figures may be multiplied a few folds. This number will increase with greater density of telephone. Something has to be done about this.

21 A further analysis shows that 57% of faults are found within subscribers' premises i.e. in the internal wiring or the telephone instruments. These faults require us to send our repairman to the subscribers premises. Errors in the decisions whether or not to do this means frustrated subscribers or loss in productivity.

22 I would suggest a twin attack on the problem:-

- (a) streamline the fault isolating and testing procedures. My own personal observation is that the experience and training of the present staff is not good enough to efficiently and quickly diagnose the fault so that correct and swift actions can be taken.
- (b) an immediate introduction of much more preventive maintenance.

23 Management in devising improvements should consider more innovative management rather than invented technology. In other words, I think the engineering test procedures are perhaps quite efficient and effective but much improvement can be achieved by rational assessment of the problem, the priority of objectives, the development of strategies and tactics to achieve the objectives, the proper direction of resources and finally the motivation of the staff concerned.

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24 Underground and overhead cable faults account for 40% of faults. Mostly due to O/H cable faults, I think. Perhaps we need more determined efforts to reduce the quantity of O/H lines in our network. This 40% figure becomes more serious when one considers that these faults take longer to restore - as long as 3 days. I look forward to a concerted effort in innovative management type solutions to these problems.

25 Only 3% of the faults reported are localised in the exchange, a relatively small figure. I however have a strong suspicion that there are a number of categories of faults which keep on recurring. One very prevalent complaint is no ringing at the telephone when it is being called. This can be most annoying to the subscriber. Such faults are rectified only after many complaints and restoring actions by our staff.

26 I suggest an analysis of fault complaints to see whether there is any design or maintenance shortcomings that can be rectified or improved.

27 Ultimately I would like to see all faults reported to be cleared within 24 hours, Sundays and holidays not excepted. The AOP target for the year are 65% and 95% of faults to be rectified within 24 hours and 48 hours respectively. A far cry from what I like to see done.

28 To sum up, the Manager has to spend more time and effort on management rather than engineering improvements although the latter should not be neglected.

29 Do you know it is most frustrating to the subscriber to be in the dark as to when he can expect his telephone service to be restored. We have to be much more customer-oriented. There has been too many complaints of "we will send someone" or "we will attend to fault immediately". Subscribers often find in the former, no sign of any repairman and in the latter the service still not restored after 24 hours or worse, 48 hours. What we need to do is to be able to tell the subscriber, factually and accurately what is wrong and when service can be restored. And to have this told to them by staff who know what they are taking about, not by staff who will say anything just to get the subscribers off his back. Similar complaints are also received from subscribers who are awaiting for their telephones to be installed. The situation is aggravated when the subscriber takes a day off and waited in vain.

30 In this respect, I personally feel that the '900' operator fault reporting centre could well be one of the causes of our problem. Although we have discussed, I would like Management to restudy this again.

31 Talking about the '900' operator service positions, leads me to our operator services. As a whole, most of our service and PABX numbers are very well attended, constantly hitting the 90% and 95% targets of successful calls and calls answered within 10 seconds, respectively.

32 The few occasions when we hit into bad patches were invariably due to poor Management decisions in terms of assessment of situation, priority of objectives, development of strategies and tactics, deployment of resources and motivation of staff. Most disappointing is that a few poor Management judgement and actions have marred an otherwise very good, efficient and courteous service. Of the latter, I should add that there are a few black sheep within our pool of operators.

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33 The solution is the introduction of service observations on how the operators handle calls. This will not only improve the quality of our operator service but also optimise use of trunks, channels and equipment. In fact I have made such a suggestion and am awaiting feedback on what has been done.

34 As a whole, service-wise, we have done very well and we should congratulate ourselves. I am most grateful to all of you. Without your co-operation and dedication these would not be possible. It is too early to ascertain the fruits of the Courtesy Campaign. Whatever the effect it can only have made the grade of service better, no matter how little. Although the Courtesy Campaign is officially ended, I trust Management will continuously remind the staff to pay proper attention to courtesy in Telecoms.

35 During my visits to frontliner staff during the Courtesy Campaign one of the by-product was the directive to Property Management Division to improve their maintenance services and also improvements in the physical environments of our establishments.

36 This year, top Management has been very strict on making provision for manpower increase. We have set a maximum increase of 9%. It has been averaging 17% to 18% in the past since Merger.

37 Of the increase of 819 staff, 617 or 75% are for increases in areas such as telephone maintenance, switching maintenance, line plant operations and telephone operations, underlying the main AOP thrusts on improving grade of service to our subscribers and on sustaining service areas with larger growths.

38 In the coming year, greater efforts will be exerted by Management to improve productivity in Telecoms. I will have much more to say on 26th April 1977. Meanwhile I will only like to say that at this point of time I am not interested in productivity improvements of what I call the nitty-gritty kind e.g. motion study is definitely out. What I hope I will be able to instill into Management is greater productivity through inventive management rather than invented technology, greater productivity through better management i.e. (as mentioned earlier)

- (a) rational assessment of a job/problem;
- (b) priority selection of objectives;
- (c) proper deployment of resources;
- (d) proper organisation, direction and control of activities;
- (e) proper motivation of the subordinates;

and greater productivity through creative and innovative changes in the ways and means (techniques) by which he and/or his staff carry out their responsibilities and duties. For example introduction of plug and socket system to terminate telephone instruments, make developers wire all telephone service requirements in multi-storey office buildings (to make a few creative and innovative productivity improvements thought out by top Management).

39 Public Relations shall continue to receive maximum attention by the GM and top Management inspite of the great strides we have made especially in the past year. The public must be made to understand our policies and our actions, our problems and the strategies and tactics adopted to solve them.

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40 We need to explain the high capital intensive nature of our business, our cash flow problems (inspite of large surpluses) the long lead time for planning, the hazards of forecasting and the need to follow good economic practice in the provision of our services.

41 And we should recognise that we have two public, one internal i.e. the staff and the other external, our subscribers and the public in general. Both must be looked after.

42 Lastly, each and everyone of us is a public relations officer. It is important that we should not (it should be taboo) at all costs, talk disparagingly of other colleagues, units, departments, divisions, directorates and Telecoms. When we speak we will always be considered as speaking on behalf of Telecoms and we must therefore be careful of our behaviour, attitude and speech.

43 Looking at the Budget estimates, it shows increasing deficit, being \$37M for 1977/78. Because of this cash flow position the capital budget was trimmed down from \$268.5M to 216M. Projects of lesser priority were deleted, deferred or scaled down. I had, however, assured Directors and Deputy Directors that urgent and essential capital projects that have been affected could be reviewed at any time during the financial year and if a good case could be developed, allocation of fund would be made.

44 Similarly the capital expenditure for furniture, fittings and office equipment for all directorates were arbitrarily reduced by 50% to encourage austerity and strict control in this expenditure area.

45 The budget for vehicles except bicycles was also arbitrarily reduced by 50%, in line with national policy to minimise vehicles on the roads. A Vehicle Control Committee will approve requests individually.

46 However, inspite of the deficit of \$37M, we will still be self-financing and would not need to borrow. Financially, we are still very healthy.

47 There are many other areas of our responsibilities that I have not touched upon, e.g. the very important Changi Airport Project, to name only one. It does not mean that I have forgotten them. Neither should you neglect them.

48 The objectives of AOP can only be achieved, if we all work as a team. All of you supervisors and managers here this morning must set the example to the rest of the staff. You must remember to practise innovative management and not only introduce inventive technology to achieve your objectives. I look forward together with you in achieving the targets we have set out for ourselves in the AOP this year.