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cc: (bcc: NHB NASReg/NHB/SINGOV)  
Subject: Revised speech by Mr Inderjit Singh, 24 May 2000

**REVISED**

**SPEECH BY MR INDERJIT SINGH,  
MEMBER OF PARLIAMENT, ANG MO KIO GRC  
AND PSB BOARD MEMBER**

AT THE OPENING OF SAQC WEEK ON WEDNESDAY, 24 MAY 2000 AT 9.00 AM AT  
THE PSB AUDITORIUM

Good morning, ladies and gentlemen.

1. I am pleased to be here this morning to launch the SAQC Week. The Week's activities organised by PSB and the Singapore Association of Quality Circles, range from the Top QC Competition, seminars and workshops to a QC Walk Rally. It will be an eventful Week for some 1,000 QC members and professionals in Singapore.

**CURRENT TRENDS**

2. In recent months, we have heard a lot about preparing ourselves for the new, or knowledge-based, economy. As our economy transforms from an input-driven phase to an innovation-driven phase, there are new challenges that we have to face. We need to reassess our competitiveness as competition has now become global and the innovative applications of information and knowledge will become key factors in enhancing competitiveness. While in the past, we competed with local companies effectively, today competition is from outside and recently we have seen how difficult it is for local companies to effectively compete in the global market.

3. For example, take our conventional bookstores that used to compete with the bigger companies such as Times and MPH. They have realised that competition has become more intense when giants like Borders and Kinokuniya appeared on the scene. They now know that survival has become tougher as global players like Amazon.com take book retailing by storm with the push for e-retailing. Books can now be bought at the click of a "mouse". The customer no longer needs to browse through the shelves and stand in a queue.

4. A decade ago, the richest men on earth owned assets such as oil, property, land and diamonds. In 1996, Bill Gates became the richest man on earth. His wealth did not come from any of these assets. Unlike billionaires of the old industrial economy, his wealth came from control of the knowledge process that he has acquired with the launch of the DOS operating systems, and later the Microsoft Windows 95 and the Internet Explorer Browser. The two examples clearly highlight the innovative application of knowledge to gain a superior edge. Hence, the organisation that has the most information, and is able to effectively exploit it, will lead the competition.

## **WHERE KNOWLEDGE RESIDES**

5. Every individual possesses knowledge. One need not have high educational qualifications. Knowledge is not measured by how educated one is although this is often a proxy measure. Every one of us has some form of knowledge that we acquired from our work environment, the training we received and our life experiences, which others probably would not know. The beauty of the knowledge-based economy is no longer how much we know but how we can tap the knowledge of one another to achieve a synergistic effect, where one plus one equals three or four or many, many times more. Increasingly, employers recognise that important knowledge resides with their staff and the application of such knowledge can be effected through programmes like Quality Circles (QCs).

## **QCS AND THE KNOWLEDGE ECONOMY**

6. How then can we more clearly associate the relevance of QCs with the KBE? The KBE is not about streamlining staff strength so that everything becomes automated and computerised. Rather, it is about tapping the knowledge of the individuals and converting it into tangible assets for the organisation. In the KBE, QCs will continue to play an important role in productivity improvement and promoting teamwork. In addition, QCs, through the combined knowledge of their members, will help the organisation build up its intellectual capital. The knowledge can be stored within the organisation and transferred to others for their use. Knowledge, when not utilised, does not create any value. Hence, organisations need to recognise and use the ideas put forth by their QCs to improve their operations.

7. To fully exploit the vast reservoir of knowledge that exists within the organisation and its stakeholders, cross-functional circles and stakeholder circles are useful mechanisms where internal and external knowledge can be tapped to create value. Through cross-functional circles and stakeholder circles, cross fertilisation of ideas from various departments, and outside the organisation, can aid the cross-examination of problems and formulation of solutions. This could help to provide a well-balanced view of the problem from various perspectives as well as throw up solutions that are feasible to all parties involved.

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## **INNOVATION AND THE KNOWLEDGE-BASED ECONOMY**

8. When we say an employee is innovative, it means that the person is able to come up with creative ideas and have them implemented to create value for the organisation. Very often, this would require an element of entrepreneurship and a daring spirit. It is not that our workforce is not innovative; more often than not, some people may not put forward their ideas for fear of rejection. This is because of the way we have developed as a society and our low level of tolerance to failure. This needs to change so that everyone will be more comfortable taking risks.

9. The importance of QCs cannot be under-estimated. The QC environment, to a certain extent, breaks down the barriers to creativity. Working in small groups enables employees to bounce ideas off one another and facilitates a freer exchange of ideas. Through the informal

setting of a circle, workers will be able to express themselves more freely. These ideas may just be the ones that can create a quantum leap for the organisation, or result in a breakthrough improvement. As I mentioned earlier anyone can come out with such winning ideas and there may be among us who may come out with a winning idea like Bill Gates did.

### **NEW DIRECTIONS FOR QCS**

10. In this new economy, there is a need to transform the workplace into an oasis of creativity and innovation. This calls for several simultaneous mindset shifts in QCs. QCs must be re-positioned to be ready for the challenges ahead. Instead of focusing on problem solving, QCs should be innovation-focused. Rather than wait for problems to surface, QCs should take the lead to be more proactive, to constantly examine and question their work environment and processes. They should look into projects to better the processes and the business. QCs should not be content with cost savings alone but look into value creation, which will generate sales for their organisations. So QCs should not wait for problems to arise and for opportunities to solve them but rather look for opportunities to innovate and create wealth for the company.

11. Instead of the current one project a year, teams should shorten project cycles, from 12 months to perhaps weeks, or even days! In the new economy, speed is of the essence. Recently, I talked about one internet year is equivalent to seven physical years in the new economy. So I guess if each of you can shorten your cycle times by seven times, then we could do seven more projects than before and we all should be in good shape. Taking one year to come up with a solution for a problem would be too long. New and innovative methods to analyse a problem should also be encouraged. Instead of using only the PDCA cycle, the fishbone diagram and Gantt chart, other methods can also be introduced. Techniques that boost creativity, such as the idea mapping technique and visualisation technique, can be used to reap better results.

12. QCs must also be versatile. By becoming Innovation and Quality Circles (IQCs), there will be greater emphasis on breakthrough ideas, learning, knowledge-sharing and value creation along the entire process chain of the organisation. I am told that PSB has revised the QC judging criteria to give greater weightage on innovation. Details will be announced later. Meanwhile, management needs to prepare workers so that they can rise to the challenge. This can be effected by equipping workers with the skills and techniques to harness the creative streak in them, and to think out of the box.

### **SAQC**

13. The Singapore Association of Quality Circles is in the midst of preparing itself to face the challenges of the new economy. The association has come a long way since it was set up in 1985. It has organised a wide variety of training and activities including workshops, residential training programmes, seminars and rallies. Together with PSB, the SAQC has raised the QC Movement to new heights.

14. Today, we celebrate the SQAC's 15th Anniversary. The SAQC Week promises to be a week of activities for participants to learn from leading QC organisations and experienced trainers who will impart knowledge that will sharpen the competitive edges of QCs. The Week will conclude with the IQ Challenge, a QC Walk Rally, where participants will learn and apply QC tools in a fun and interactive way.

#### **CONCLUSION**

15. In conclusion, I would like to wish you all a wonderful week of fun and fruitful learning. There is much to be shared with one another. The Week will provide an excellent opportunity for such learning and sharing. It is now my pleasure to launch the SAQC Week.

Date: 23 May 2000

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