

Singapore Government

PRESS RELEASE

Media Division, Ministry of Information & The Arts, 36th Storey, PSA Building, 460 Alexandra Road, Singapore 0511, Tel 2799794/5

93 - LBH - 21

Release No. : 36/NOV
16-0/93/11/26**SPEECH BY MR LIM BOON HENG,
MINISTER WITHOUT PORTFOLIO, AT THE LAUNCH OF
THE FUJI XEROX-NPB BENCHMARKING CENTRE
AT THE HYATT REGENCY SINGAPORE
ON FRIDAY, 26 NOVEMBER 1993 AT 6.00 PM**

Many of you may recall the words of the first productivity song called "Good Better Best." This song was made popular when the Productivity Movement was launched in September 1981. The song was played practically everyday over the radio and television (TV) in 1982 and 1983. The chorus goes something like this:

Good Better Best
Never let it rest
Till your good is better
And your better best

These words sum up the essence of benchmarking succinctly. They underline the need for every organisation to constantly strive "till your good is better, and your better best". Benchmarking is the process used by companies to identify the industry best practices; adopt these practices; and then be better than the best, leading to superior or world-class performance.

Why Benchmark?

Why benchmark? Since the launch of the Productivity Movement, the National Productivity Board (NPB) has assisted companies to improve their productivity and competitiveness through various programmes. Companies have been exhorted to train, introduce Quality Control (QC) circles, promote teamwork, and reduce their cost of poor quality. NPB's surveys over the years have shown that company management and rank and file

workers are now more conscious of the need for productivity improvement. Various programmes have been introduced within companies to raise productivity.

The next logical step is for companies to benchmark themselves against the best. As one of the most open economies in the world, Singapore is a place where businesses are subject to intense competition - locally, regionally and internationally. In such an environment, nothing can be taken for granted. Benchmarking will help companies increase their ability to scan the environment, to understand trends that affect them, and to learn lessons from competitors as well as non-competitors. The ultimate goal of benchmarking is to be better than the best - to have world-class work processes and products.

Companies the world over have employed various forms of benchmarking for many years. In Japan, companies benchmark all the time to improve quality, productivity and competitiveness. They have a word called "dantotsu", which means striving for the "best of the best". By practising this all the time, Japanese companies have generated innovative solutions to raise productivity and competitiveness. That is how they have kept their operations lean, minimised costs and continually improved the quality of their goods and services over the years.

The philosophy of "dantotsu" has opened up their minds to learn from the best anywhere in the world. For instance, the Japanese learnt about the just-in-time production system from one of their study missions to American supermarkets. They quickly grasped the relevance of the supermarket concept where customers go to buy exactly what they need when they need it. By applying the same concept to manufacturing, they have achieved inventory turns of 50 to 100 per year in the car industry, compared with 10 to 20 in the traditional approaches. Companies have been able to minimise wastes, make efficient use of money, and satisfy customer requirements.

In the United States, Xerox pioneered systematic benchmarking in the late 1970s. Since then, many companies have

adopted this practice. In a 1991 survey by the American Productivity and Quality Centre (APQC), 75 per cent of companies reported a dramatic increase in their use of benchmarking in the past year. More than 95 per cent expected to do even more of it in the next five years. Eight out of 10 companies agreed that organisations would have to benchmark to survive in a competitive environment.

Benchmarking has become an important tool for total quality management (TQM) in America and Japan. For example, it influences 55 per cent of the points for the criteria in the US Malcolm Baldrige National Quality Award. Companies applying for the Award are required to know about their competitors and the best practices, and must have adjusted their goals and strategies based on these benchmarks.

The Fuji Xerox-NPB Benchmarking Centre

The experiences of leading companies show that benchmarking is an effective means to achieve total quality, raise productivity and improve competitiveness. It is a practice that can be adopted by companies anywhere in the world, whether large or small, and regardless of industry. Our local companies can benefit by learning from the experience of others. How can they do this? What is the cost involved? Obviously, companies would want to know this as benchmarking is a new concept to many of them.

In the United States, the APQC has set up the International Benchmarking Clearinghouse to offer benchmarking services to companies. The Clearinghouse has a database of best practices, conducts training courses, organises conferences and undertakes research studies on benchmarking. With this comprehensive infrastructure, companies are able to undertake benchmarking projects at a low cost.

Similarly, a benchmarking clearinghouse of this nature would benefit companies in Singapore. I am therefore pleased to announce this evening that NPB has teamed up with Fuji Xerox Singapore to set up a benchmarking centre. To be named the Fuji

Xerox-NPB Benchmarking Centre, it will promote and facilitate benchmarking by companies in Singapore.

The centre will provide a mechanism for companies to make their operations lean and competitive, and help NPB achieve its Vision 95 goal of halving the cost of quality. Benchmarking will enable Singapore companies to seek out the best-in-class companies that have successfully applied the lean concept to eliminate wastes in their work processes. The centre will also provide benchmarks to assist companies to strive for the Singapore Quality Award.

I would like to thank Fuji Xerox Singapore for collaborating with the board in setting up this centre. Fuji Xerox, with its ready access to the TQM and benchmarking expertise in its parent company in Japan and in Xerox in America, will provide the expertise needed for the Benchmarking Centre. As in our other partnerships with reputable private organisations, this strategy of pairing up with Fuji Xerox will help NPB save on time and allow the benchmarking programme to have a jump start so to speak. I would like to thank Fuji-Xerox for bringing in Dr Robert Camp, Manager, Benchmarking Competency of Xerox Corporation to help us start the project by sharing his expertise with NPB staff and selected industry representatives. My thanks also to Dr Camp for spending some two weeks with us.

Conclusion

Let me conclude by emphasising that best practices are never static. Learning from the best, catching up with them and then being among the best is not the end of the matter. Learning and making improvements to best practices must be a journey without an end. I hope that companies will find this new Benchmarking Centre a valuable resource base and partner in their journey towards continuing excellence. On this note, it is my pleasure to launch the Fuji Xerox-NPB Benchmarking Centre.

@@@@@@@@@@@@@@@@@@@@