

GLORIOUS SUN ENTERPRISES LTD

REPORT SUMMARY

STEERING TOWARDS TOTAL QUALITY MANAGEMENT

Glorious Sun Enterprises Ltd (GS') is an international group with its core business in causal wear retailing, trading and manufacturing.

Founded in 1974 by Dr. Charles Yeung and his brothers, GS started off as a local jeans factory. Later on, with the efficient production process of the then popular “patch-matching” jeans, the business picked up a stable growth. With its commitment to improve the quality of its products and services, GS managed to maintain its competitive strength in the market till today. Operating an extensive causal wear retailing network with more than 680 shops, and having an annual production capacity of over 30 million pieces of garment with a turnover of more than 26 billion Hong Kong Dollars. GS is one of the biggest manufacturers, retailers and exporters in South East Asia. Dr. Yeung was metaphorically referred to as the “King of pants” in a Hong Kong television documentary. This tremendous growth of company business from a small factory to a conglomerate in the past twenty years is very much enhanced by the wide spread philosophy of seeking “Continuous Improvement” within the company.

EXCELLENT LEADERSHIP

GS believes that the indispensable elements of a successful enterprise is to have a team of good leaders who can: on the one hand, set clear and right directions for the company and on the other hand, build and sustain a leadership system conducive to effective communication among all levels of staff, so that efforts of the whole company are focused at a set of common objectives.

The management of GS demonstrates a very good example in these aspects. They not only make clear directions for the company but also create, practise and promote core values of the company —the corporate culture —themselves. Therefore, a very strong sense of belonging and widespread team spirit is developed throughout the whole company

CORPORATE STRATEGY

With right and clear directions, one still has to formulate detailed action plans to guide overall resources allocation and drive the alignment of measures for all work units to ensure final results. The growth of GS' s business is through both vertical integration and horizontal expansion. Vertically, GS expands its garment manufacturing business to the trading and retail business, which not only expands its business scope but also creates a synergy effect through such a vertical set-up. Horizontaliy. it expands into different markets and production bases in order to further diversify its business as well as to spread out its risk exposure.

The platform of GS' s strategy is “to have things which others are not having; to excel in areas where others are sharing and to diversify when others are reaching excellence”. In a nutshell, GS' s objective is to make good use of its comparative advantages and to uplift its competitive edges in all aspects. To actualise its goals, GS makes out annual action plans, sets up key objectives for every business unit, and monitors and reviews all progress at regular meetings.

CUSTOMER AND MARKET FOCUS

GS positions itself in the middle price casual wear market where it possesses the strongest manufacturing backup. Through trading firms and retail chain stores, the company has the consumer market at its fingertips. This not only enlarges the customer base but also reverses the traditionally passive role of being a manufacturer. In order to establish better relationship with its customers and to build up their loyalty towards its products and services, GS has been bringing forward service commitment and value-added service programme to its customers over the past few years.

MANAGEMENT BY FACT

All key information has to be effectively managed to drive improvement of company performance and competitiveness. The principle for information selection and analysis in GS is “management by fact, i.e., measurements are derived from the company strategies and critical data and information about key processes and results are gathered and analysed to form the base of decision-making. To achieve such an objective, GS employs the latest information technology to build up an integrated information system to share information efficiently across all levels of staff. Moreover, to keep operations on the right track, quantified indicators of key processes are set up and put under regular reviews.

HUMAN RESOURCES MANAGEMENT

As to the human resources development and management, “capability” and “willingness” are the two most important criteria for evaluating its staff. GS provides sufficient and appropriate training programmes to different levels of staff and ensures they have enough self-development opportunities. A result-linked compensation scheme is also established to ensure an alignment of incentives of its staff with the achievement of key company objectives. Moreover, to strengthen communication between the company and the staff, GS is devoted, apart from regular staff activities, to its monthly corporate bulletin - “Voice of Glorious Sun” which has been in circulation for the last 14 years. During recent years, GS has also adopted a staff satisfaction survey to ensure its human resources policy will meet its staff’s needs,

PROCESS REENGINEERING

One of the critical factors for a successful company is to maintain a consistent level of product and service quality. Starting from the early 1990s, GS adopted the ISO9000 quality management system with the objective to uplift its products and services quality. Through the implementation of ISO9000 project GS not only establishes a documented quality system which forms the ground for regular review of all operational and supporting processes but also facilitates the later implementation of process re-engineering projects which aim at breakthrough improvements. Both the garment factory, trading firm and retail outlets under GS were among the first ISO9000 certified companies within the trade.

RESULT ORIENTED

GS believes that tasks can be accompanied by various approaches. GS welcomes different management applications as long as the same can bring about good solid results but not merely superficial illusions. After launching the TOM programme, the level of customer satisfaction of its export business improved, the brand awareness and market share of its retail section also recorded an encouraging uplift. In terms of financial results, overall turnover and operating profit, they also recorded a steady increase in the last five years. Staff turnover rate maintains a relatively low-level when compared with the industrial average and key performance indicators of its main processes are all improving. All the evidence proves that GS is moving in a right direction.

CONCLUSION

GS believes that the essence of Total Quality Management is a “Continuous Improvement” and that the word “total” means full participation of the entire establishment, i.e., every business unit and every individual of the company must participate to deliver the results. GS believes that if it can insist on the “Plan, Do, Check, Act cycle to achieve continuous improvement, the vision of being the best in the trade and becoming the leader in the market will eventually come true.

GS pledges to,

- Insist on its corporate culture as the foundation of its development,
- employ the ISO9000 quality system approach to monitor and improve its key processes,
- promote individual and organizational learning opportunities as a means to excel,
- employ latest technologies applications as a lever to elevate its efficiencies,

GS thus embeds a self-improving mechanism in its system, and through that GS shall be able to attain its goals.