

INTEGRATED SOLUTIONS LIMITED REPORT SUMMARY

John Steinbeck, the great American author, once said, "It is the nature of man as he grows old to protest against change, particularly change for the better." What launched us into the quality journey was that we did not want to grow old.

The time was in the seventh year of the company history. Starting with practically nothing, we were able to grow from a staff of three to a staff of thirteen, with a user base of 100. But maintaining the staff and the customers were becoming more and more difficult, as their expectations often grew greater and higher. Turnover rate for that year was 33%. Staff was leaving quicker than we could find them, and the same could be said about our customers.

We were in a hole, but what got us out of the hole was the book, *The Eternally Successful Organisation (ESO)* written by Philip Crosby. His ESO rating on an organisation consists of five parts:

- People do things right routinely.
- Growth is profitable and steady.
- Customer needs are the priority.
- Change is planned and managed.
- People are proud to work here.

We used them as the focus of an internal study, and our first benchmarks were established. The biggest problem faced by us at that time was three-fold:

- we did not have a good management system in place,
- we did not have good self-image, and
- We did not understand our customers well.

These findings were alarming, and it was clear to us that either change or destruction was imminent. Consequently, a number of strategies were devised.

DEPLOYMENT OF THE ISL MANAGEMENT SYSTEM

As the number of staff increases, more attention has to be placed in human resources. We started to work first on improving our overall management skills.

Building a company is like putting a jigsaw puzzle together. However, sometimes you may not have all the pieces, and you have to settle for a less than perfect result. As the leader of ISL, I was reaching the limit of what I could do single-handed for the company. We needed another layer of people to move the company forward.

It is similar to a gymnastic act. In stacking people up, you can bring someone from the outside, or use existing front-line staff. Either approach has its shortcomings. We have done both, and have learnt our lessons.

In our nine years as a small business, surely we have experienced teething pains, and made scores of mistakes, but they were essential in the making of a successful organisation. Our first fruit was when we successfully put a strong management team together. As we prepare ourselves to rejoin and make an impact on our motherland, it is crucial that we have it.

To ensure consistencies in our work and to communicate company expectations, we also needed to take a more structured approach. This is in the form of a Company Handbook. It is personalised to each staff member, and holds information concerning company background, organisational structure, job descriptions, company procedures, document flows, and policies.

For all our staff members, the Company Handbook is a launching pad to a successful career. It spells out disciplines and respects for other individuals, and it is the basis of our quality value.

At ISL, we meet for different reasons. Firstly, we work together to resolve customer support issues. Secondly, we share experience and knowledge which is conducive to each other's growth. Lastly, we review operational results and revise plans accordingly. Management's role is supportive, and is to provide necessary feedback for work done. Departmental structure is there to facilitate team-building, and not extended to wall-building.

We have had comments that personal growth facilitated at Integrated Solutions was worth two to three times outside. We believe that is possible only because we take management seriously.

DEPLOYMENT OF THE ISL TRAINING PROGRAM

Technology companies emphasize a lot on technology, or product, but often end up not meeting the needs of the customers. ISL, as an information system developer, considers a wider spectrum of resources to be managed:

- product,
- people,
- user-base, and
- marketing channels.

Most software companies in Hong Kong are tailor-made shops. They encourage individualism, and customize to the users' needs. It is a profitable business only if cost is controlled properly. However, since users very often do not understand their needs, subsequent developments are laden with problems in delivery, functions, and quality.

ISL, on the other hand, focuses on the many common characteristics of companies. In developing its flagship product, M.I.S. (Manufacturing Information System), the main purpose was to learn from the manufacturers on how to manage a factory.

With this attitude, we were able to capture the skills and practices of H.K. manufacturers (not from a single industry, but different types of manufacturers). In fact, we tend to look at ourselves as a dynamic melting pot of production management experience, rather than a static software product.

M.I.S. users, consisting of medium to large size companies, are able to use M.I.S. as a model to grow into. In many ways, M.I.S. helps to re-engineer their business processes.

Even though there is a strong push for Hong Kong to develop its software industry, it is currently still at an infant stage. The only sustainable effort has been the Software Exhibition organised by the H.K. Productivity Council each year. ISL, as a result, has to make significant effort in the promotion of computerisation; and M.I.S. had to settle for a Certificate of Merit of the Governor's Award for Industry in the Machinery and Equipment Design category in 1992.

A good product must be supported by a team of good people. Unfortunately, small companies usually have a problem with getting top graduates, and have to be less selective. Our criteria therefore focus on education, quality concept, and inter-personal skills.

With the attitude of making the best out of what we have, we launched our colloquim program to train our relatively young staff. This weekly gathering accounts for over 52 hours of training. It is about learning together, growing together, and winning together.

It was not easy to begin this program and keep the momentum going. However, our direction is clear, as this is the way for us to build skills, staff morale, and confidence. We have invested a lot into our product, and we have to focus now on people.

We are well into the third year of our training program. There have been many encouraging and rewarding sessions. We are beginning to use what we have learnt from the colloquim. As a result, our work and our processes are improving. The management team can only carry the company so far. To move even further, we are putting our hope on our people.

RE-ALIGNMENT OF THE ISL CUSTOMER FOCUS

Customer focus means having a wider scope instead of concentrating only on self interest. This is not a common norm in Hong Kong, as tourist complaints are most indicative. There is also an attitude that people are only interested in short term gain (such as salary and benefits), and have little concern with job satisfaction.

By promoting quality as a human value, we teach our staff what quality means. Once you start to evaluate others, and form an opinion about poor workmanship, you can then raise expectation for yourself. This is to say that if you want to be a good chef, you must know what good food is.

Each front-line staff would have an opportunity to serve customers. By providing them good training, they can be tuned to customer's needs and still have room to adjust in situations when expectation is increased.

TQM IN SMALL BUSINESSES

TQM is just another word for always trying to do one's best. This has no bearing on the size of the company. Customers' expectation is changing fast in the current information era. So it does not matter what size your business is, you have to plan in meeting customer needs.

Small businesses are seldom sensitive to their environment. This is because it involves understanding the current situation and strategically planning for the future. If you are only concerned about tomorrow, then normally you would not be interested in a quality journey that takes a life-time.

Using an example of a U.S. Malcolm Baldrige Award winner in the small business category, it was a 50-year old company with slightly less than 500 employees. ISL has only 20 staff, therefore, it is hard for other people to imagine the level of stamina it would like to continue the quality journey.

We consider quality as important as survival. In today's competitive world, you can only allow yourself to be the best, and nothing less. Small businesses would play a significant role in the nineties, as it would be easier for them to become lean and mean. ISL, being a member of that group, can attest to that.

WHO ARE OUR CUSTOMERS?

The people who use our product give meaning to our existence. Their initial benefits come from using our product. But our value extends beyond that as we have to maintain their systems and continue to be their partners in information management.

While their own computer and operation people may have deserted them for greener pasture, we are always there to help them. In Hong Kong where staff turnover rate is high, keeping an information system running is no easy task. We know how crucial we are in the business of our customers, therefore, we value our work because keeping the manufacturing industries going is important to the well being of society.

Our staff are also treated as our customers. If they are not happy, our service will be disastrous. ISL provides an environment for people to exercise and reach their potentials. We have a management system that emphasizes consistency and fairness, facilitates personal growth, and invites creativity

At ISL, we aim to be an ideal place to work as we devote our services to external as well as internal customers.

DOING WHAT WE PREACHED

We are not perfect. This applies to our product, our service, and ourselves. However, we do have a system in place so that things can be better tomorrow than today.

We preach quality improvement, cost control, information management, but we want to be a proven model as well. Not only do we want to continue to influence Hong Kong manufacturers in the management of their companies, we also want to extend our impact to China.

Our experience is the experience of the Hong Kong manufacturers. If what they have done in the eighties can bring them prosperity the same can be applied to the enterprises in China. We have already established a support centre in Shenzhen to service M.I.S. customers in the Pearl Delta. A recently signed contract with the Shantou Institute of Ultrasonic Instruments, a China state-own enterprise, has also demonstrated strong potential of our impact, as a information system provider and management consultant.

We now have a more thorough understanding of Philip Crosby's ESO concept. In our daily duty, we teach people how to better manage their business, improve productivity, and make quality decisions. And since quality is an instilled value for ISL staff, we can share our quality experience as well.

The HKMA Quality Award is a milestone for ISL, but our quality journey continues. We are now commissioned to be an ambassador of quality, in helping others to improve themselves, and in bringing more people into this quality journey. What is TQM in a Chinese context? We hope to formulate this model through experimentation using ourselves or our customers as case studies, and contribute in this quality movement.