

TSE SUI LUEN JEWELLERY CO., LTD

REPORT SUMMARY

The Company

TSL was founded by Mr Tse Sui Luen more than 30 years ago. Since its establishment, the company has been striving to offer customers with high quality and trendy jewellery products. Now, it has evolved into a leading jewellery group in Asia, operating 80 sales outlets in 6 countries, with a total work force close to 2000.

The Road to Quality

To ensure long term success, TSL understands that the key is to instill a quality culture. This cultural transformation began in 1995. The first step was to formulate a 5-year strategic plan for the company, which became a roadmap for future development. The second step was to design and implement a comprehensive customer service programme for all retail staff. The quality of service has improved substantially. In 1996, the company received the Service and Quality Award from the Hong Kong Retail Management Association, which was an important milestone in the company's quality journey.

Leadership and Strategic Planning

The Chairman, Mr Tse Sui Luen and the Chief Executive, Mr Elliott Yuen, are two key persons leading the quality journey. Mr Tse has over 40 years of experience in jewellery industry. Mr Yuen has over 18 years of experience in consumer goods marketing. Their joint efforts have blended Chinese entrepreneurship and Western management practices together. At the beginning of each year, the Chief Executive announces the corporate objectives to all senior managers. This is followed by a disciplined and structured strategic planning process employing a variety of strategic tools. All plans are publicly presented and discussed among the senior managers, which will ensure alignment with the corporate objectives.

Customer Focus

To find out the customers expectations and to benchmark with competitors, TSL commissions independent research company to conduct customer survey annually. The survey results are used to formulate annual strategic plan, design marketing programme and improve the service delivery process. To understand the customer needs of different sales outlets, information about customer profile and purchase pattern are captured in every sales transaction. Together with the feedback from frontline staff, TSL has continuously improved its products and services.

TSL also closely monitors the quality of customer service through a Mystery Shoppers Programme. This monthly survey provides rich information for each retail outlet to identify the strengths and areas for service improvement. Management also uses the results as an objective tool to reward outstanding performance in customer service.

Human Resources Management

TSL has taken an integrated approach in human resources management. To motivate and retain quality staff, TSL has implemented numerous human resources programmes in 1996 and 1997:

- Rewrite all job descriptions
- Conduct job evaluation and build a new salary management system
- Develop a new appraisal system based on the latest job descriptions and the management competencies
- Implement Management By Objectives (MBO) system for senior managers
- Thoroughly review and improve the retail commission system

Training and development has also played a strategic role to support the quality journey, as organizational changes often requires new mindsets and skill sets. Since 1995, the company has continuously increased the investment and commitment to training. In 1997, TSL has pioneered a Jewellery Consultant Service in Hong Kong. Certified by the Gemological Institute of America (GIA), all jewellery consultants received comprehensive training in diamond knowledge, professional image and interpersonal skills. Their role is to provide professional advice to customers, helping them to select the right merchandize.

Business Results

TSL has built up a professional management platform since 1995. The quality culture has been taken shape, which is gradually reflected in the company's business results. In terms of customer service, TSL was found to have the highest service quality among the major competitors in an independent service quality survey conducted in 1996. The number of loyal customers, as reflected in Wong Tai Sin Club membership, has growth from 10,000 in 1996 to 20,000 in 1997. The number of customer complaints have been significantly reduced from 1995 to 1997. And staff turnover has dropped from 37% in 1996 to 27% in 1997. The challenge ahead is to build on these quality results and set sail on the never-ending journey in pursuit of quality and excellence.