



PHOTOS: YEN MENG JIN

# A BLUEPRINT FOR ACHIEVING SUPERIOR PERFORMANCE

Semiconductor firm Systems on Silicon Manufacturing Company has built a culture of continuous improvement based on the Business Excellence Framework

BY FRANCIS KAN

WHETHER it's walking along a corridor or waiting for an elevator at his office building, Systems on Silicon Manufacturing Company (SSMC) CEO Jagadish CV rarely misses an opportunity to engage with his employees on ways to improve the company's operations. "We are very open here; anybody can come directly to me to discuss new ideas," he says. His views on continuous improvement is more than just lip service; rather, it describes a culture that SSMC has been developing since it was established 20 years ago. Indeed, in the highly cyclical and competitive semiconductor sector, the need to constantly find an edge is relentless. The highly uncertain and volatile global environment today has made this focus even more critical for SSMC, which is 61.2 per cent owned by NXP Semiconductors and 38.8 per cent owned by Taiwan Semiconductor Manufacturing Company.

Helping guide the company in its mission is the Business Excellence Framework, an initiative by Enterprise Singapore that enables an organisation to assess its performance based on international benchmarks as a way to achieve superior performance. Specifically, it provides organisations with a comprehensive set of management standards to enhance their systems and processes. The framework is regularly updated to stay relevant to keep pace with the ever-changing business landscape.

"SSMC started operations in 2000, we started the Business Excellence journey in 2001 by having ISO certifications as

foundation, at the same time we leveraged the BE Framework to propel us to greater heights towards business excellence," says Mr Jagadish.

The company has not looked back since. Reflecting its success in implementing the framework, SSMC was awarded the Singapore Quality Award (SQA) in 2005 in recognition of its world-class business management capabilities. It added the SQA with Special Commendation in 2013, which recognises the company's success in scaling even greater heights on its BE journey.

Among other benefits, having the BE in place helps Mr Jagadish and his management team ensure that the company is headed in the right direction, and also identify potential risks on the horizon, as well as ways to minimise their impact.

"The BE helps to keep the entire organisation on the path to pursue excellence in line with our vision, mission and values. For example, during the global financial crisis in 2009, it helped us to see the problems coming and take the necessary actions to ride it out successfully," he explains.

## LEADING FROM THE FRONT

Mr Jagadish believes that leadership is a key success factor for any organisation pursuing business excellence. To help them carry out their responsibilities, leaders at SSMC follow a code of 3Es: Empathy to stakeholders, leading by Example and Effective communication.

In terms of the BE Framework specifically, leadership plays an important role in the strategic planning process. SSMC starts this process in July every year, when the management team comes together to start thinking about what they want to achieve in the following year, as well as the following three to five years.

"We start defining what are the strategic thrusts by looking at the potential business opportunities and what is happening today – whether it's the China-US trade war, economic uncertainty in Europe, or Singapore heading into technical recession – and what impact will be on us," explains Mr Jagadish. "In addition to that, we ask ourselves what do we want to do in the next three to five years and what are the actions we need to take to achieve that."

For instance, if a company expects the labour market to tighten further in the coming years, it will need to put in place a long-term plan for automating more of its processes now to deal with the problem when it eventually arises.

## FUTURE-PROOFING THE BUSINESS

This forward looking approach has resulted in SSMC transforming itself every five years or so to adapt to the changing business environment. Its most recent transformation has seen it specialise in automotive and Internet of Things (IoT) solutions.

Specifically, the company aims to become a specialist chip maker to meet the demand for chipsets in cars. Chipsets are used by the auto industry for a range of applications, including car infotainment, in-vehicle network, vehicle to infrastructure communications, as well as authentication controls and sensors. "New applications are creating bigger demand in the automotive market. By doing automotive chips, SSMC is looking to differentiate itself from the competition" says Mr Jagadish.

As part of this strategy, SSMC ramped up its production in Singapore with the opening of a S\$300 million facility in November last year, resulting in a 34 per cent increase in space for the company's automotive and specialty chip manufacturing. The facility uses advanced technology such as robotics and IoT solutions to boost efficiency.

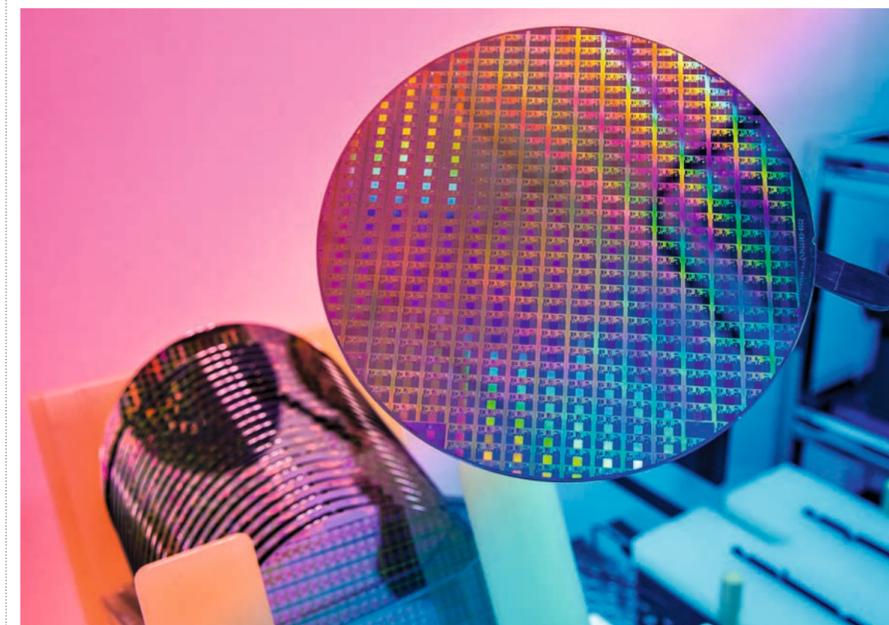
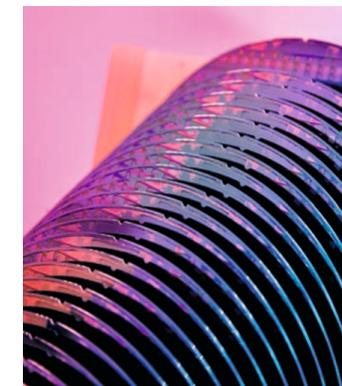
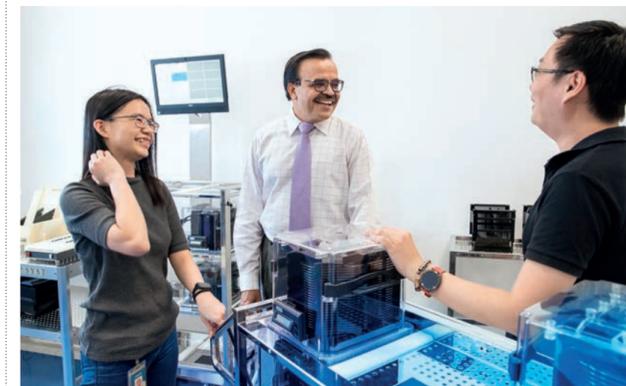
## FOSTERING INNOVATION

One key aspect of SSMC's pursuit of business excellence is its success in fostering a culture of innovation across the entire organisation. All employees from senior managers down are encouraged to propose ideas for improvements through an online platform for capturing these suggestions called the Transform Portal.

SSMC staff can use the Transform Portal to submit an idea for how the company can achieve cost savings of \$10,000, or a '10k Idea'. The thousands of suggestions that flow through

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– Jagadish CV, CEO of Systems on Silicon Manufacturing Company (SSMC)



the portal annually are then reviewed and assessed for their feasibility. Employees who contribute suggestions that are implemented are recognised and rewarded by the company, while the best ideas are also showcased at the company's annual Transform & NIQC (National Innovation and Quality Circle) Convention.

"The Transform Portal helps our people to create a culture of quality, productivity, innovation, continuous improvement, sharing and learning, all as part of our business excellence journey," says Mr Jagadish.

He adds: "SSMC's company-wide dedication to business excellence has seen the company grow from strength-to-strength over the years, and will take us to the next level of our transformation in the coming years." ■

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