



# **ENSURING SUSTAINABILITY: SURVIVING IN A COMPETITIVE INDUSTRY**

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# A LITTLE BIT ABOUT MY BUSINESS...

## TENAGA NASIONAL BHD (TNB)

- Corporatised Sept 1990
- 8 Million customers; 28,000 staff
- Assets: RM70 Billion; Revenue: RM30 Billion
- Major generator, transmitter & distributor of electricity
- Peninsula Malaysia; Sabah (SESB)
- Manufacturing subsidiaries: MTM, TCI, TSG
- Overseas ventures: REMACO, Liberty Power (Pakistan)
- Prime Minister's Quality Award (AKIPM), 2007
- Platts Award: Finalist for Power Company Of The Year
- World Class reliability in Generation, Transmission & Distribution





## AT THE START OF THE NEW MILLENIUM, WE WERE FACING REAL ISSUES & THREATS...

- Potential deregulation of the Electricity Supply Industry (ESI)
- Uncertain stand towards deregulation
- Low/mediocre quality of products and services
- Poor customer- and stakeholder-relations
- Poor reliability of the supply system (generation, transmission, distribution)
- Poor teamwork at many levels
- Sporadic attempts at Quality Excellence
- Established Direction for the Company, but without clear Strategy





# IN 2002, WE SET OUT TO FORGE OUR OWN DESTINY...

- Planned & implemented the T7 Strategy: “To be a Tiger by August 2007”. Tiger = “**Best-run corporation in the country**”
- Laid out 20-Year Roadmap, to achieve the TNB Vision (To be among the leading corporations in the energy and related business, globally)
- SE1010 Program (2007-2010): “Service Excellence”
- Gemilang 2015 (2011-2015)
  - Enhancing business excellence at homebase
  - Business expansion overseas (services business)





“There is a big difference  
between knowing,  
and walking the path!”

- Morpheus, “The Matrix”





“Up to 90% of change programs  
fail, not due to poor planning,  
but poor implementation!”

Robin Speculand  
Bridges Consulting





# FOR EVERY STRATEGY PHASE, WE PLANNED OUT WHAT WE WANTED TO ACHIEVE...

- Strategy >> Strategic Themes >> Key Initiatives >> Key Initiative Workplans
- Workplans: The mandatory elements:
  - Rationale for the Key Initiative
  - Accountability/responsibility: VP's no less!
  - KPI & Targets (**based on benchmarks**), Milestones
  - Value Creation expected; Investment needed
  - Potential Blockers, and their solutions
  - Cross-Divisional Support needed

## WE TRIED TO DEFINE EVERYTHING!





# IMPLEMENTING THE STRATEGY WAS TOUGH!

- Communication
  - Continuous creative communication
- Transformation Management Group
  - Organisation Transformation Unit >> Productivity & Quality Management Dept. (PQM)
  - Report directly to the CEO!
- Initiative Tracking and Performance Review System
  - Monthly, Quarterly, annual review
- Getting the CEO and leaders to walk the talk
- Rewrad & Recognition
- Harnessing the Change Agents & Informal Leaders

# WE NEEDED A STRATEGY WITHIN THE STRATEGY!







# THE INFORMAL LEADERS WERE CRITICAL TO SUCCESS...

- INFORMAL LEADERS:
  - Networkers
  - Fortune Tellers
  - Natural Leaders
- Identify the informal leaders
- Get CEO & Co. to directly communicate to them
- Obtain candid feedback
- Make the expected changes!





# WE NEEDED TO WORK WITH THE PEOPLE WHO MATTER...

- PEOPLE'S RESPONSE TO CHANGE:
  - Mavericks: "Let's do it, Bro!"
  - Groupies: "I'll just follow lah..."
  - Saboteurs: "No way I'm gonna buy this..."
  - Double Agents: "Let's see, whether these guys are serious..."
- Focus on the Mavericks and Groupies!!!
  - Mavericks actively involved in Key Initiatives
  - Roll down targets/Milestones





# THE RESULTS WERE FANTASTIC!

- TNB KPI results: Best among the GLC's
- AKIPM Champion, 2007
- National & International Benchmark in TQM initiatives
- Numerous Awards!
  - CEO of the Year,
  - Platts Award (Worldwide):
    - Top 5 Power Company
    - Top 5 CEO of The Year
    - Top 5 Lifetime Achievement Award





# WHAT WERE THE LESSONS LEARNED FOR SUCCESSFULLY IMPLEMENTING STRATEGIES?

**PS: Success may build complacency!**





# First Big Learning...

What Gets Measured,  
and Reviewed,  
Gets Managed!





# WHAT GETS MEASURED, AND REVIEWED, GET MANAGED!

- MEASURE
  - Establish KPI's for everything
  - Set Targets & Milestones over the Strategy timeline
  - Stick to them: Don't bring Penang to Ipoh, just because you're late!
- REVIEW REGULARLY
  - Monitor & Report
  - Analyse: " Actual - Target = Variance"
  - Corrective Action on the Variance: Playing Catch-Up!





## Second Big Learning...

If there is someone or  
something looking from behind  
your shoulder at what you are  
doing, you will do a good job  
of it!





# THE MAGIC OF AUDITS AND ASSESSMENTS

- Get Certified
  - ISO9001, 14000, OHSAS18000, 27000, 50000, PAS55 etc
- Be serious with Internal Audits
  - The more NCRs and OFIs, the better!
- Publish results for all to see
  - Pressure on all business units to strive
- Establish a holistic Q assessment for all business units
  - Company-wide total quality excellence assessment/award
  - Malcolm Baldrige/Prime Minister's Q Award/President's Q Award







## Third Big Learning...

There is **ALWAYS** a  
better way of doing  
things!





# CONTINUOUS IMPROVEMENT, BOTH IN PROCESSES AND IMPROVEMENT APPROACHES...

- QCC/ICC
- Work Study/Method Study
- 5S....6S (Save...Energy, Money, Environment)
- President's Quality Award
- ISO9001, 14000, OHSAS1800
- ISO27000, 50000, PAS55
- Automated processes: ERMS, 15454, PAK,
- BPR/BPI/BPM
- Attacking the low hanging fruits
- Lab Approach





## HOWEVER, SOME THREATS STILL SEEM INSURMOUNTABLE!

- Competition with IPP's
- Deregulation : Breaking up an integrated supply system with an already-world-class delivery?
- "High Fuel Costs vs Low Sales Price" = doomed business!
- Almost exhausted cost efficiency measures
- Drained morale of the people

**WE FOUND OURSELVES TO BE AN 'APPARENT  
MONOPOLY' IN A 'COMPETITIVE' INDUSTRY!**





# SOLUTIONS LIE IN THE BLUE PART OF THE OCEAN!

- Business Expansion (Related businesses): Overseas ventures
  - Middle East
  - ASEAN
- Services business only: less investments required
  - Repair & Maintenance Services: REMACO
  - Technical Services: TNBR
  - Training Consultancy: ILSAS
  - Management Consultancy: PQM (that's me!)

## WE ARE SELLING OUR DEVELOPED TALENTS IN OTHER MARKETS





# MEANWHILE, WE NEED TO BE BETTER THAN EXCELLENT, AT HOME!

- Sustaining product performance
  - Maintaining world-class reliability
- Improving customer service
  - Enhancing CRM
  - Further improving customer service
  - Stakeholder Relations
- Going Green
  - Green generation: Solar, Solar-Diesel Hybrid
  - Incorporating Green in 5S Program
  - Communicating green approaches to all staff
- Even more cost cutting!
  - Ops Trim-X





# EVEN WITH ALL THESE ADVERSITIES, WE STILL DARED TO DREAM...

- Gemilang 2015 Strategy





# WE ARE CURRENTLY DEFINING THE EXPECTED BEHAVIOUR OF OUR PEOPLE, FOR GEMILANG 2015

- Defining Current Culture
- Defining Desired Culture: 2015
- Implementation Program
  - Culture Change Workplan
- Thrusts for culture Change
  - Results Oriented
  - Cross-functional teamwork: Breaking all silos
  - Learning & Coaching
- Aligning expected new behaviours with Shared Values:
  - Integrity; Business Excellence; Customer Focus; Caring





**SUCCESS IS NEVER ASSURED,  
NOR IS IT AN ASSURANCE...**







# THE KEY LIES IN VIGILANCE AND PERSISTENCE!





# A Final learning...

**BELIEVE** in what you want to  
achieve...

...and the challenges are but  
mere irritations!





# THANK YOU!

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