



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
- Reward & 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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