



teckwah group®
BEST PEOPLE BEST SOLUTIONS

SQA Executive
Summary Report 2011

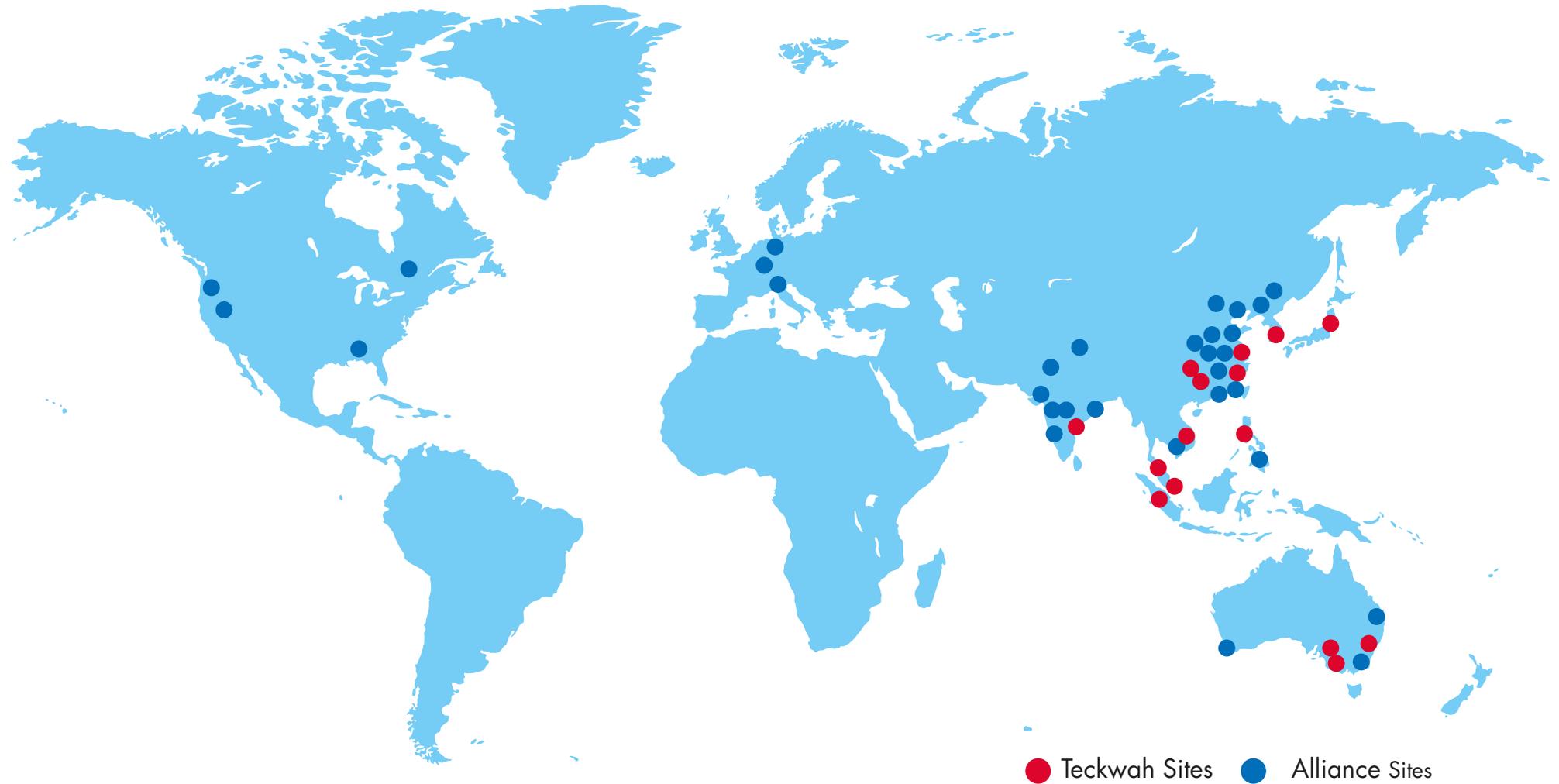


SINGAPORE
QUALITY
AWARD
for business excellence
2006 & 2011 WINNER

Once again,
with flying colours.

With a clear vision, flexibility in operations, energy of our staff and support from our customers and business partners we overcome all odds and soar to greater heights.

Global Access, Local Supply



1960s

1970s

1980s

1990s

2000s

Into the Future



Teck Wah Seng Kee Company was renamed Teck Wah Paper Products Pte Ltd.

The company bought its first offset printing equipment, starting a new chapter of exciting business activities leading to business expansion and positioning itself as a packaging printer for consumer electronics, toy and food & beverage industries.



Of equal importance to business growth, Teck Wah placed great emphasis on staff training & development and quality management.

In recognition of Teck Wah's effort in staff training & development, the National Productivity Board conferred the National Training Award to Teck Wah in 1989. Teck Wah also became the first company in the printing industry to receive ISO 9002 certification that year.

Staff training & development and quality management became deeply ingrained in Teck Wah and laid the foundation of its future growth into the new decade.



1980年代

在业务迅速发展的同时, 德华一贯以之的高度重视员工素质的培训提升和品质管理。

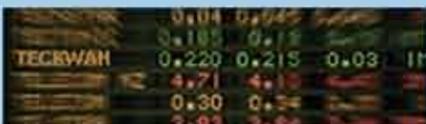
1989年, 国家生产力局特别颁发了“全国训练奖”给德华, 以表彰德华在员工培训发展方面所做的努力。同年德华也获颁 ISO9002 品质证书, 成为同业中第一间获得该证书的公司。

员工培训发展和品质管理在德华已经根深蒂固, 为下一个十年的全面发展打下坚实的基础。



From a homegrown company, Teck Wah expanded its wings into the region. Overseas subsidiaries were set up in countries including Malaysia, Indonesia and China. After 26 years of hard work, the founding members decided to transform the company into a public listed company that distinguished ownership from that of management.

With its structured approach in leading and managing the company, Teck Wah was conferred the Singapore Quality Class status in 1997.



Teck Wah underwent business rationalisation. Emerging from this exercise was a focused and defined business structure. In addition to printing & packaging, Teck Wah began providing integrated software contract manufacturing and supply chain management services in the region.

To reflect Teck Wah's diversification and dynamic changes through the years, the company was renamed to Teckwah Industrial Corporation Ltd and a new corporate identity was introduced.

1990年代

这是德华开始走向区域发展的阶段, 在包括马来西亚、印尼和中国等地建立了海外子公司。经过26年辛勤耕耘, 公司决定在股票市场挂牌, 管理层的所有权也跟着变化。

公司以更理性化的方式来领导和管理, 这使得德华在1997年荣获“新加坡素质级企业”证书。

公司经历了业务合理化过程, 并由此发展成一套精准明确的业务结构。除了传统的彩印包装, 德华也开始为区域客户提供完整的软件合同制造和供应链管理服务。

为了准确反映德华这些年来的业务多元性和充满生机的改变, 公司决定改名为“德华工业控股有限公司”, 并推出了新的企业司标。

In line with Singapore's direction of moving into a knowledge-based economy, Teckwah inaugurated its Technology Licensing Programme (TLP). With TLP firmly implemented, Teckwah through its licensees in various countries including Korea, China, Japan and Malaysia to provide Supply Chain Management Services was able to meet the increasing outsourcing needs of its customers.

Embracing the new economy model, Teckwah sold its flagship-building, TIC Tech Centre, in 2004 and channelled its resources towards enlarging its human and knowledge capital in setting the stage for a new chapter in the company's growth.



Teckwah identified and established its 2nd growth engine - logistics services. The logistics arm grew to provide wide host of services including reverse logistics and spare inventory management services.

In 2006, Teckwah received the pinnacle of excellence awards - the Singapore Quality Award (SQA), signifying the company's attainment of world class performance standards.

2000年代

为了配合新加坡迈向知识型经济的趋势, 德华推出了技术授权许可经营计划 (简称 TLP)。随着 TLP 的贯彻执行, 德华通过它在韩国、中国、日本和马来西亚等地的技术授权许可经营伙伴, 提供供应链管理服务, 满足了客户日益增长的外包服务需求。

2004年德华出售了旗舰大厦德华概念中心, 以迎合新的策略经营模式, 将其资源投向人力和知识资本, 为公司成长翻开新篇章而铺路。

德华把后物流服务确定为推动其持续发展的第二引擎。后物流服务旨在为客户提供包括反向物流和备用存货管理等多领域服务。

2006年德华荣获了最高企业卓越奖 - 新加坡素质奖(SQA), 标志着公司管理已臻世界级水准。

Over the decades, Teckwah has changed and adapted: from a family-owned to a public listed company; a homegrown company to a multi-national corporation; from a packaging box manufacturer to a solution service provider.

For Teckwah, the future holds no boundaries.



"Change before you have to. Willingness to change is a strength, even if it means plunging part of the company into total confusion for a while"

Jack Welch
Former General Electric
Chairman & CEO

展望未来

回首往事, 短短几十年间德华发生了巨大蜕变: 从家庭作坊到上市公司; 从本地企业到跨国集团, 从纸盒制造厂到服务方案供应商。

德华的未来无可限量。

"赶在外界环境迫使之前, 主动做出改变。求变是我们的长处, 哪怕改变有时会使得公司部分运作陷入短暂的混乱"

杰克·韦尔奇
美国通用电器公司前主席兼总裁



Teck Wah Seng Kee Company was established as a sole proprietorship to make plain paper boxes.

1960年代

德华成记(独资公司)成立, 生产简单纸盒。

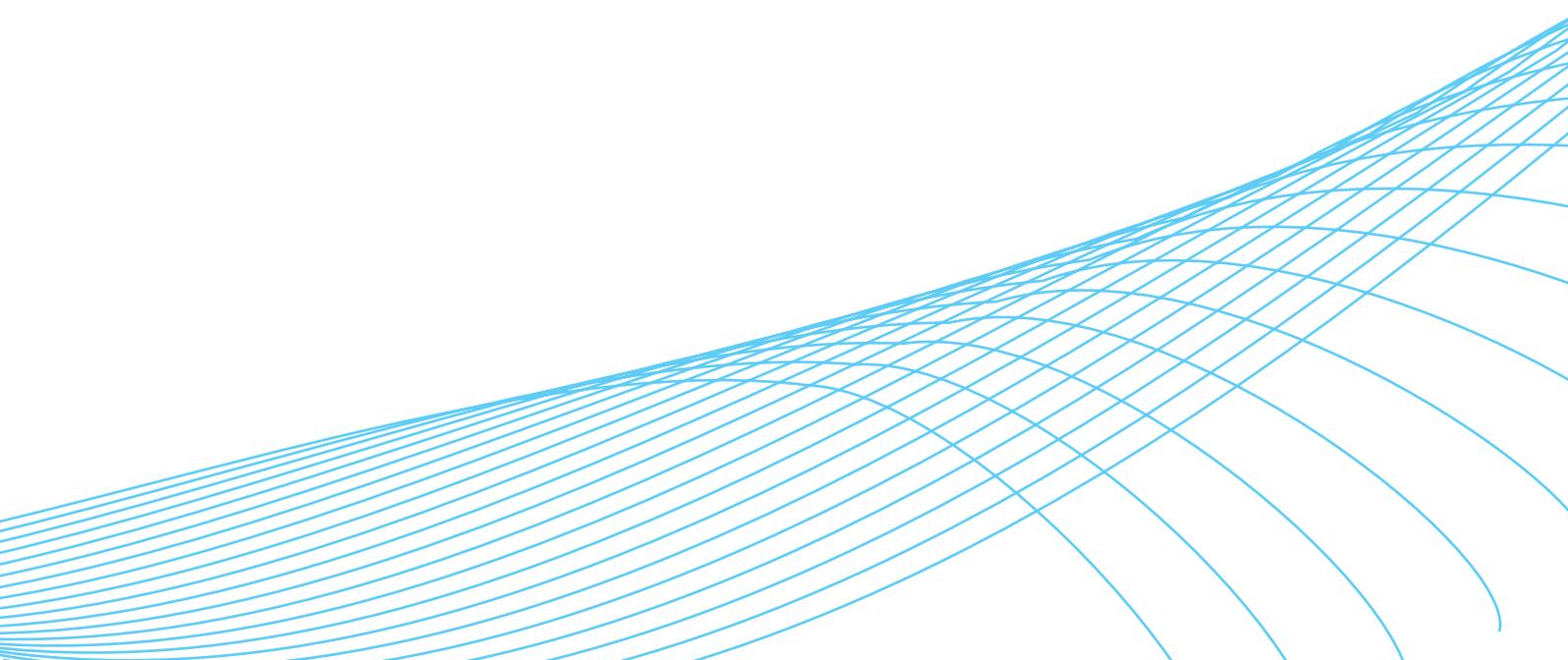


1970年代

德华成记公司正式注册为德华纸制品厂私人有限公司。购买第一台印刷机为业务掀开新篇章。德华定位为家用电器, 玩具, 食品和饮料业产品包装的印刷商。由于业务扩展的需要, 公司在70年代先后三次搬家, 迁移到更大的厂址。

contents

02 Foreword | **03** Organisational Profile | **11** Leadership | **19** Planning
23 Information | **29** People | **39** Processes | **45** Customers
50 Results | **64** Appendix



foreword



In the history of our company which spans more than 40 years, we have garnered several accolades but none that commands the prestige and recognition of the Singapore Quality Award. Being conferred the prestigious SQA in 2006 and in 2011, is, therefore, a rare achievement and a great honour.

We embarked on the Business Excellence journey towards achieving the SQA in 1996 to improve our management systems and processes and to enhance our performance standards. We were recognised for our efforts by being among the first companies certified for the Singapore Quality Class 1997 culminating in our first SQA in 2006.

Since then, we have stringently implemented and adhered to the framework covering all the areas necessary to achieve business excellence which is aligned with our strategies for long term growth and sustainability. The framework enabled us to assess our organisational performance using objective and tested benchmarks based on internationally accepted criteria for world-class standards of excellence in the areas of leadership, planning, information, people, processes and customers. We were able to formulate and then implement processes and systems to address the areas for improvement in our organisation.

Aside from processes, systems and benchmarks, one of the key components of success in navigating this journey to business excellence is the commitment of everyone in the organisation towards attaining higher standards of performance. At Teckwah, this commitment to excellence has been embraced at every level of the organisation. We were each challenged within our own spheres, be it at a leadership level or at a purely operational level. We had to continuously set higher targets and achieve those targets through a strict adherence to best practices formulated in relation to specific areas under review. It was an exacting process to undertake and one that necessitated much discipline on the part of every one. On the hindsight, I would say that it was worth the effort and we have become stronger for it.

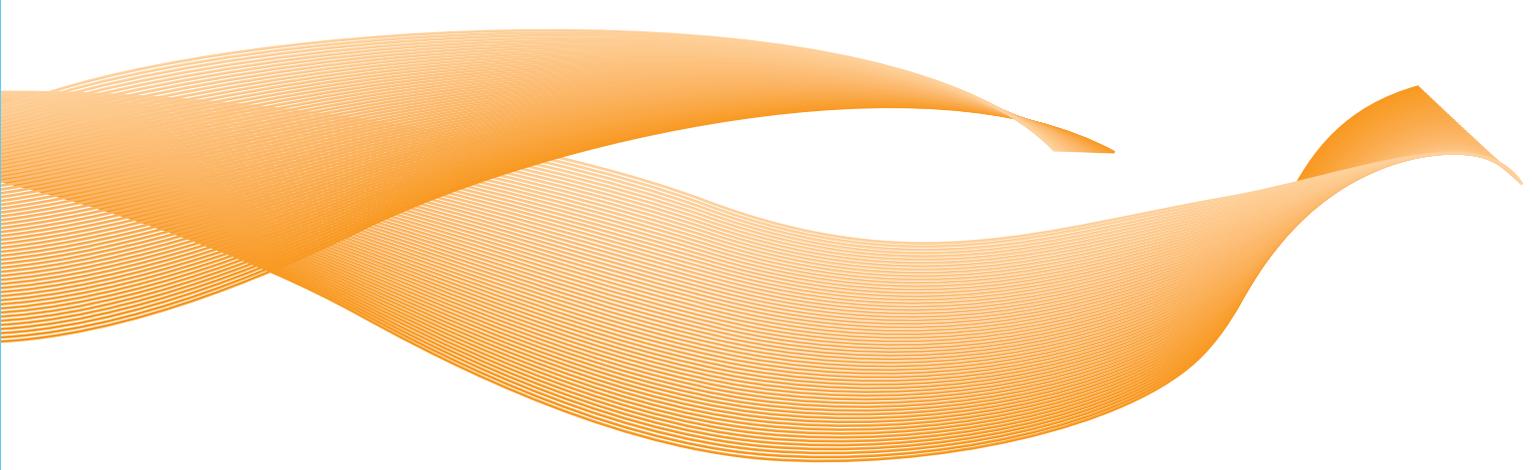
We hope that through this summary, you will be able to benefit from our key learnings and experiences and be inspired to undertake your own Business Excellence journey with greater insight, having had the benefit of our experiences and those of other SQA recipients.

I wish all applicants the very best in your endeavours towards achieving the SQA.

Thomas Chua Kee Seng
Chairman and Managing Director
Teckwah Industrial Corporation Ltd



Organisational Profile



Organisation Profile

1. Organisational Environment

1.1 Main products and services

Teckwah was established in 1968 in Singapore to produce packaging boxes. Our focus on staying relevant with time and customers' ever changing needs has resulted in our evolution into a group of companies providing full suite of services that make strategic differentials to the supply chain of our customers.

Our services are segmented into Print-Related Business and Non-Print Related Business. While Print-Related Business remains as our core business, Non-Print Related Business is gaining increasing importance as a growth contributor to the Group.

Print Related Business includes:

- Packaging Solutions
 - Design
 - Database Management
 - Printing and Converting
- Software Turnkey Manufacturing
- Hardware Postponement / Localisation
- Web-based procurement and fulfilment (click solution™)

Non-Print Related Business includes:

- Service Parts Logistics services
- Reverse Logistics services

Through our Global Access Local Supply (GALS) business model, we have established network of 76 locations in the Asia Pacific region, North America and Europe to serve our customers globally. Teckwah's global network is charted in the map below:



Figure OP-1.1-1 Teckwah's Global Network

1.2 Organisation's Purpose, Vision and Values

Our Purpose

To build an organisation that creates values to stakeholders including customers, shareholders, staff and community.

Our Vision

Teckwah will be The Preferred Business Partner of Global Companies, creating & delivering the Best-in-Class Value Chain Solutions worldwide.

Our Core Values

Teamwork
Initiative
Commitment
Continuous Improvement

Our Pledge

Teckwahers are committed to:

Total Quality
Entrepreneurial Management
Customer Oriented
Keeping up with changes
Workers' Participation
Advanced Operation System
Human Resource Development

These PVVs (Purpose, Vision and Values) are strongly etched into the operating mindset of the organisation.

1.3 Core Competencies

Teckwah has transformed from a family business to a professionally managed global company; from a simple packaging box manufacturing company to a service provider creating and delivering best-in-class supply chain solutions to global companies worldwide. Our continuous ability to transform and to compete on the global stage is the testament to our core competencies as follow:

- Strategy development and deployment
- Human capital management
- Respond to changes with speed
- Full spectrum of Print & Packaging Capabilities
- Creating and delivering niche and customised services to suit the unique requirements of our customers, individually.

1.4 Employee Profile

Teckwah Group has a total workforce of 1,410 employees of which 701, (as at 31 December 2011), are employed in Singapore.

The employee profile can be described as a cross-generation, cross-cultural and wide range of educational qualifications. The Singapore employee profile is summarised in Figure OP-1.1-2.

1.5 Major equipment, facilities and technology used

As a capability driven organisation, Teckwah invests in technology extensively to enhance and differentiate our business operations.

Knowledge and information management in Teckwah is facilitated by a comprehensive and multi-dimensional IT applications architecture. Teckwah has embraced cloud computing since 2004 by creating our suite of solutions. This suite of solutions integrates the business information of our customers, partners and Teckwah's Operations. We also have web-enabled B2B ERP Business Systems to house all customers' production/manufacturing requirements.

We have Computer Integrated Printing (CIP) for the full colour offset printing; Direct Computer-to-Plate, Digital Printing; Label Printing; comprehensive in-house converting processes; media duplication systems; semi-automatic kitting line; Automatic Storage and Retrieval System (ASRS) for logistics management services, etc.

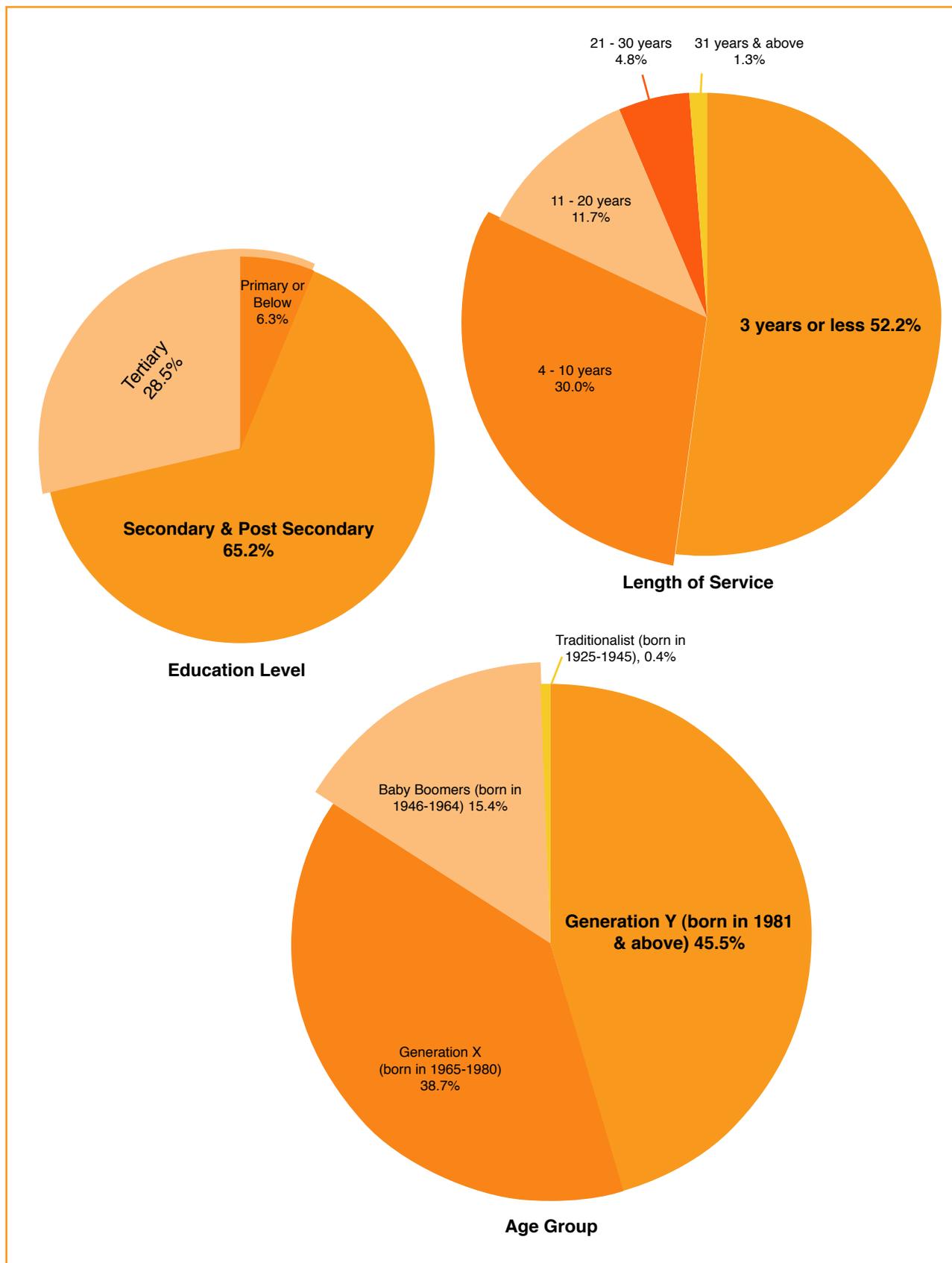


Figure OP-1.1-2 Employee Profile

1.6 Regulatory Environment, Occupational Health and Safety

Being listed on Singapore Exchange (SGX), Teckwah is governed by the provision of Singapore Companies Act as well as regulations of the Singapore Exchange Ltd.

Teckwah's operational environment in Singapore are developed and managed based on:

- ISO 9001
- ISO 14001
- OHSAS 18001
- SAS70 (Statement on Auditing Standard No 70)
- STP (Secure Trade Partnership) Certification
- FSC-CoC (Forest Stewardship Council-Chain of Custody)
- SS:540, the Singapore Standard for Business Continuity Management (BCM)
- Process Standard Offset (ISO12647-2)

Teckwah prides itself as the first company in the private sector to achieve certification on SS:540.

Teckwah is one of the early adopters of the Singapore Business Excellence framework and was conferred the Singapore Quality Award (SQA) in 2006 and 2011.

2. Organisational Relationships

2.1 Corporate Structure

Currently, Teckwah Industrial Corporation Ltd has total 26 subsidiaries / associate companies spanning across the region including Malaysia, China, India, Indonesia, Taiwan, Japan, Thailand and Australia. Singapore serves as the business and operational headquarters for the Group, it is also the main revenue generator for the Group.

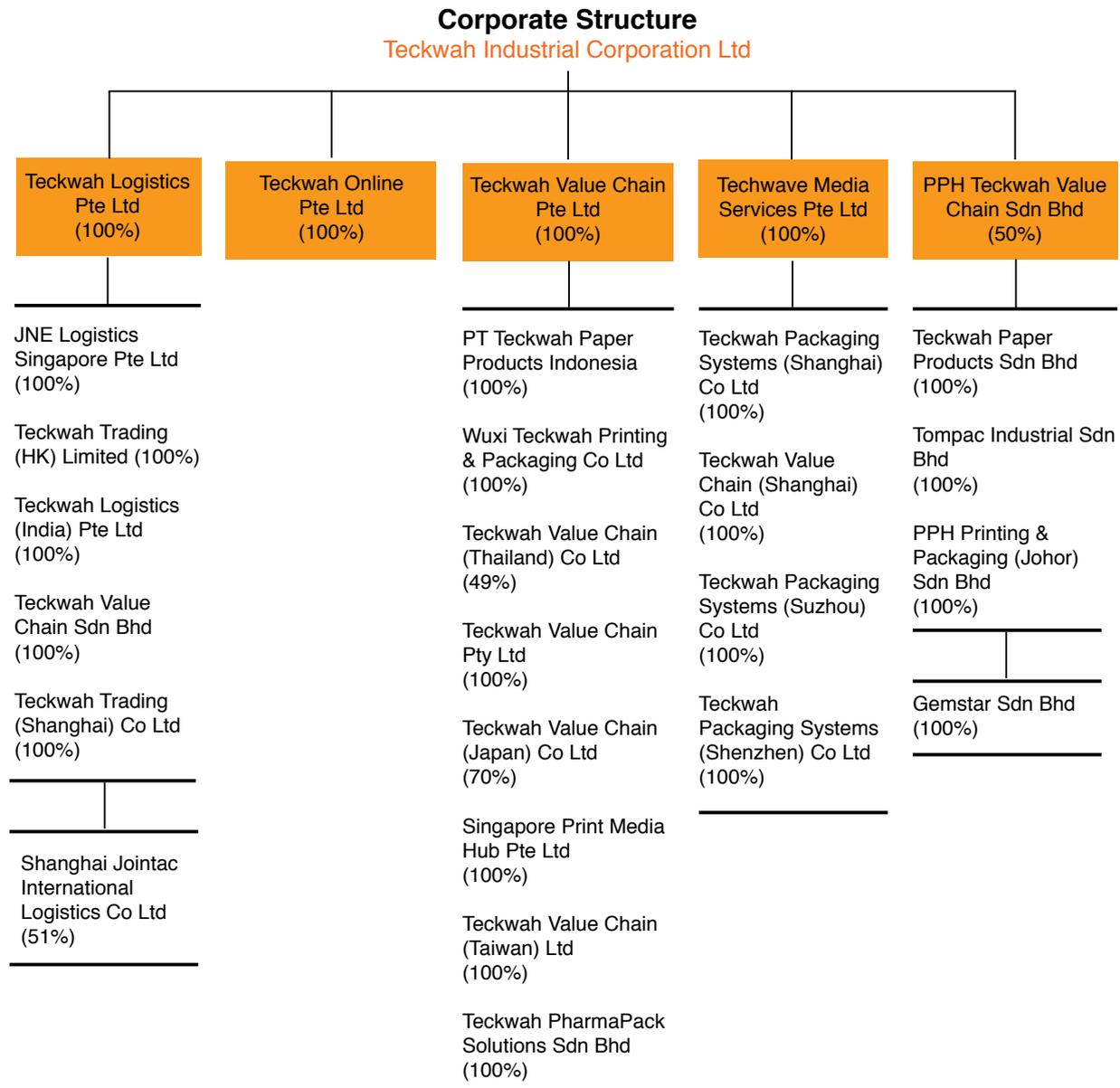


Figure OP-2.1-1 Teckwah's Group Structure

2.2 Relationship with Customers

a. Organisation's major markets and principal customer types

Teckwah serves well known global companies from three major industries - InfoComm, Biomedical and Consumer Products.

b. Key customer and market requirements for Products and Services

The key customer requirements for Teckwah's products and services are consistent across the three industries we serve. They are listed in the figure below:

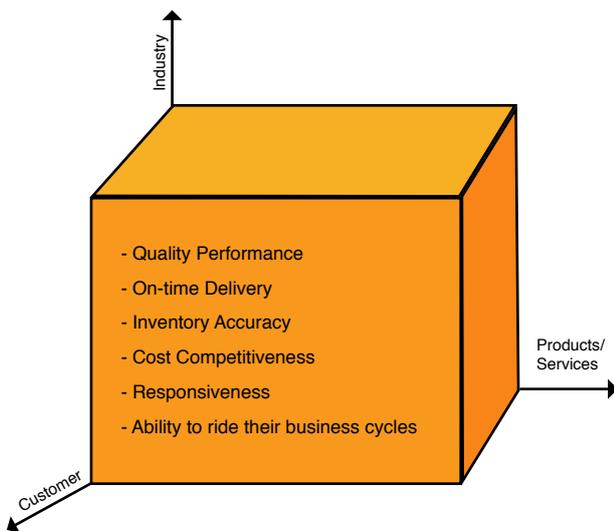


Figure OP-2.2-1 Key Customer Requirements

c. Special relationship with Key Customers

Over the years, with the commitment and adaptability shown by the leaders and staff, Teckwah has forged a strong relationship with key customers. The relationship has grown beyond supplier-customer relationship; it has become a strategic partnership relationship. Our key customers frequently request Teckwah to participate in their strategic re-engineering of their global supply chain model, as well as after market care services to their end customers.

With our proven track records, our key customers have also become our "promoters" by referring Teckwah to other global companies.

2.3 Relationship with Suppliers and/or Partners

a. Number and types of Suppliers and/or Partners

As a solution provider, Teckwah's suppliers and partners play an important role in the delivery of services to our customers.

The classification of Suppliers and Partners for the two business segments of Teckwah is summarised in Table OP-2.3-1. This classification of Suppliers and Partners are based on the nature of business relationship Teckwah has with the respective parties.

Type
Approved Suppliers
Partner Suppliers
Key Suppliers
Suppliers
Strategic Partners
TechLP Licensees
Coopetition Partners

Table OP-2.3-1 Supplier/Partner Classification

Approved Suppliers are commodity suppliers who have qualified stringent selection criteria.

Key Suppliers are suppliers who supply about 80% in value of a commodity.

Partner Suppliers are suppliers involved in joint development/training programme; strategic information sharing mutually with Teckwah.

TechLP Licensees are our Technology Licensing Programme Licensees who are authorised via Teckwah's Technology Licensing Programme which was launched in 1999 to support the GALs business model innovated by Teckwah.

Coopetitive Partners are our strategic partners who jointly participate with Teckwah to secure new contracts to serve our global customers.

b. The most important types of suppliers and/or partners.

The raw material suppliers; licensees, alliance partners and joint marketing partners are of utmost importance to our businesses. The suppliers provide raw materials and components such as paper, chemical, CD, etc.

The licensees and alliance partners provide services to our customers globally in accordance to method, systems and quality level prescribed by Teckwah.

As a joint partner in securing new contracts, our joint marketing partners are critical in our ability to secure new contracts, specifically in the United States and Europe.

c. Limitations or special relationships with suppliers and partners

To fulfil our customers’ needs, Teckwah has to work closely with suppliers who were nominated by our customers. These suppliers could be our competitors. Therefore, Teckwah has to balance between the needs of the customers and the sensitive relationship with such suppliers.

On a similar note, our joint marketing partners are also competitors for the respective services jointly rendered. Teckwah has successfully created these cooperative relationships by structuring mutually beneficial business models to achieve the desired outcomes for our customers.

3. Organisational Challenges

3.1 Competitive Environment

a. Number and types of competitors

The combined services of the two business streams of Teckwah result in a unique end-to-end global supply chain solution for our customers (Figure OP-3.1-1). This extended supply chain management service scope, implemented on a regional scale, has few peers globally.



Figure OP-3.1-1 Teckwah’s Extended Supply Chain Management Solution

b. Organisation’s competitive position

As highlighted in Item 3.1a, Teckwah is the industry leader in our end-to-end supply chain management service scope, with very few competitors with equal capabilities to deliver the same set of solutions to global customers at a regional level.

With our accumulated knowledge, the trusted reputation we have implanted amongst our global customers, and the strategic thinking capability of the Senior Leaders, Teckwah is not just competing for market share in the existing markets but for the opportunity share in the future markets of the print media industry.

Teckwah has embraced “coopetition” strategies since 2007. This has led to securing new contracts and hitting new markets with our global coopetition partners. At the core of our successful coopetition strategy is Teckwah’s ability to structure mutually beneficial business models with the coopetitors. This ability coupled by the availability of systems, know-how and business networks which Teckwah has developed to achieve the desired outcomes for our customers.

The competitive position that Teckwah has today is attributed to the visionary leadership and the corporate culture that gels everyone in the company to strive for the common destiny.

c. Changes taking place that affect competition

Teckwah has anticipated the changes in the economic pillars of Singapore in the early years of the 21st century. Specifically, the shift in focus from Manufacturing to Service Industry, growth of the Biomedical sector and Green Technology sector will have impact on the competitive landscape of Teckwah. This early insight has been acquired through active listening of what the Government has shared on the strategic directions of the country and future economic development directions.

The key impact of these macro-economic changes include:

- i. Increased in demand for high end packaging solution produced in environmentally controlled production facilities with good manufacturing practices. This change pushed out the low to mid tier packaging companies.
- ii. A new wave of re-invention of many products and their related packaging, incorporating green materials and green technologies into the new products. This change creates new opportunities for interested players in the industry, as well as other industries, to participate in the creation and design of new materials, products and packaging.
- iii. On the same note, supply chain models are being re-designed to minimise the carbon footprint and the total supply chain cost in the delivery of products and ensuring end-consumer satisfaction. This change encourages product owners to near shore their supply bases to their target markets. Correspondingly, logistics service providers have to establish in-county presence, global reach networks and infrastructure.
- iv. The growth in eCommerce business creates a corresponding growth in the demand for web-based procurement and fulfilment services. The expedient growth seeks for service providers who are able to deliver customerised solutions for the brand owners.

The visionary leadership of our Senior Leaders has allowed Teckwah to develop and deploy both mid and long term competitive strategies to ready Teckwah to compete on the world stage.

3.2 Strategic Challenges

Teckwah adopts a blue ocean strategic mindset by deliberately seeking out for new green field solutions and new markets so as to avoid head-to-head competition with competitors. Based on this strategic premise, Teckwah has these key challenges to manage:

- i. Creating and capturing of both local and regional markets which have ample opportunities for growth.
- ii. Developing and acquiring new capabilities and business networks to create distinct value propositions for target markets.
- iii. Attracting, grooming and retaining a pool of talents equipped with the knowledge and skills to perform on the world stage. The pool of talents requires complementary competencies to pursue the targeted markets, create and deliver Teckwah's distinct services at both regional and global level.
- iv. Charting and propelling organisation transformation as Teckwah steps up to operate in multiple geographies, push multiple service lines, reach out to new markets and face a varied set of competitors. This challenge necessitates Teckwah to operate with high fluidity. The organisation must be able to bring relevant scale and expertise to bear in any business operation, keep it there as long as needed, and move on when the next opportunity presents itself. This has to be executed without stretching or inflating the limited resources of Teckwah.

3.3 Organisational Directions

The recent years of economic events have shown that to survive, companies today must have both the ability and dexterity to anticipate, react and manage change. Teckwah constantly seeks every means to improve our operations through increased automation and improved processes. While these are the more immediate measures we adopt, our strategy for growth on the longer term will focus on:

- i. Close scrutiny on the rising costs and seriously considering and pursuing workable alternatives
- ii. Moving up to the higher end of the print media value chain
- iii. Focus on service-oriented business
- iv. Expanding our non-print related business exponentially via strategic alliances and acquisitions

To do this, Teckwah strive to:

- i. Strengthen the current competencies of the staff and to provide the platform for them to acquire new competencies to meet new and future requirements of customers and market
- ii. Re-invent the business model to face the regional & global competition
- iii. Attract and retain required human resource talents who are ready to meet the business needs regionally and globally
- iv. Increase the number of global companies as our Partner Customers
- v. Improve the profitability and liquidity to support the strategic objectives of the organisation

3.4 Performance Improvement System

Performance improvement is embedded in our core values – Teamwork, Initiative, Commitment and Continuous Improvement. Our Core Values have guided our behaviour of constantly challenging current practices so as to systematically seek improvement or breakthrough.

Complementing our Core Values and operating principles, Teckwah has chosen to leverage on proven improvement systems to inherently build a solid foundation of continuous improvement. These improvement systems are summarised in Table OP-3.4-1.

The adoption of the Singapore Business Excellence Framework and the world standard systems listed in Section 1.6 has allowed Teckwah to enjoy these key benefits:

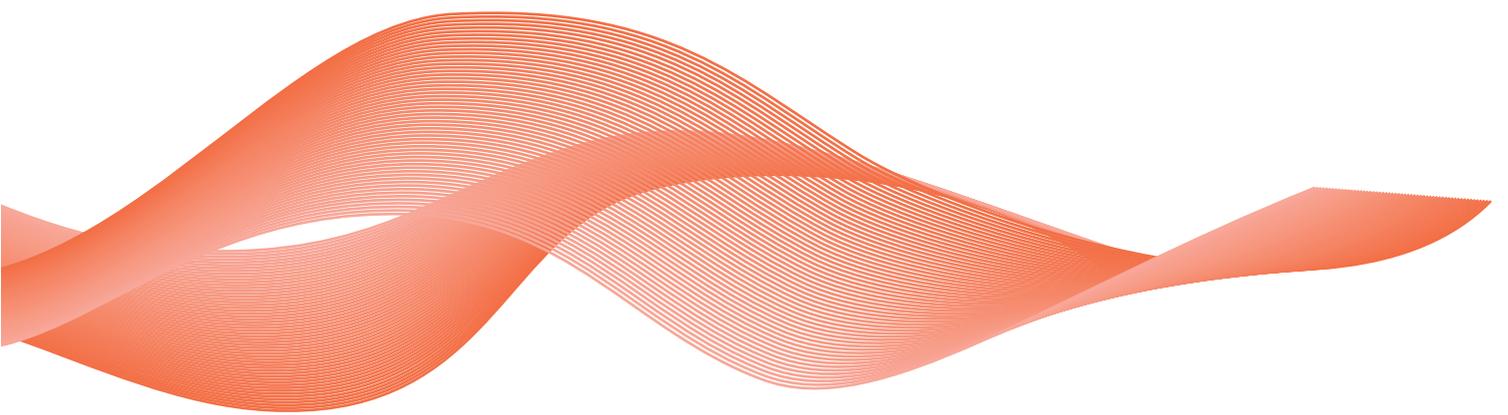
- i. Assured of the best and current practices accepted world wide
- ii. External validation of our systems by the expert practitioners of the standards implemented
- iii. A common language of recognised standards to share with Teckwah's customers and business partners, globally

Improvement Systems / Processes	Area of Application
a. Singapore Business Excellence Framework	An excellent business operational framework for Teckwah Group
b. Balanced Scorecard System	Continuous achievement of set business goals for Teckwah Group
c. Strategic Planning Process	Review and improvement of Teckwah business models
d. World and country specific quality and trade standards listed in Section 1.6	Robust and adaptive operational systems to deliver the key requirements of our customers
e. Comparative Analysis & Benchmarking Process	Inter-organisation Learning
f. Customer Service Initiatives	Review & improvement of Teckwah Customer Service System
g. 3S / CIT / BIT / InnoVest Improvement Processes	Staff Initiated Improvement Systems
h. Solution Centre Process	Continuous innovation of customised and differentiated solutions for customers

Table OP-3.4-1 Improvement Systems and Processes in Teckwah



Category **one:** Leadership



Leadership

1.1 Senior Executive Leadership

1.1a How senior leaders develop the Purpose, Vision and Values for the organisation.

The PVVs of Teckwah are mentioned in Organisational Profile (See Item 1.2).

The 90s was the period of transformation for Teckwah with rapid changes and innovation. The PVVs could no longer be the dream of just one person and be kept to one person. They have to be developed and owned collectively by key staff. In 1995, Senior Leaders, HoDs, key managers, selected supervisors and executives participated in a workshop where the PVVs were developed. At the workshop, the Founder provided the participants an insight into how the organisation started, the challenges that the organisation had to overcome and his desire to build the organisation that will be everlasting.

Senior Leaders led the brainstorm and identified the following:

- Changes that had taken place internally and externally since Teckwah was established
- Challenges that Teckwah faced
- Future economic outlook
- Strengths and weaknesses of Teckwah
- Threats and opportunities that Teckwah faced and the implications
- Teckwah's future state
- Critical success factors that Teckwah ought to address and deal with in order to bring it from the current state to the future state.

The PVVs were identified collectively and accepted by all participants at the workshop.

While the Purpose and Values remained unchanged, the current Vision is the revised version of that identified in 1995. The revision was made when necessary.

Senior Leaders, together with the participants, searched for a symbol to represent the Purpose and the Core Values. The Banyan Tree (Figure 1.1-1) was chosen in 1996.



Figure 1.1-1 The Banyan Tree - Symbol of Organisation Purpose and Core Values

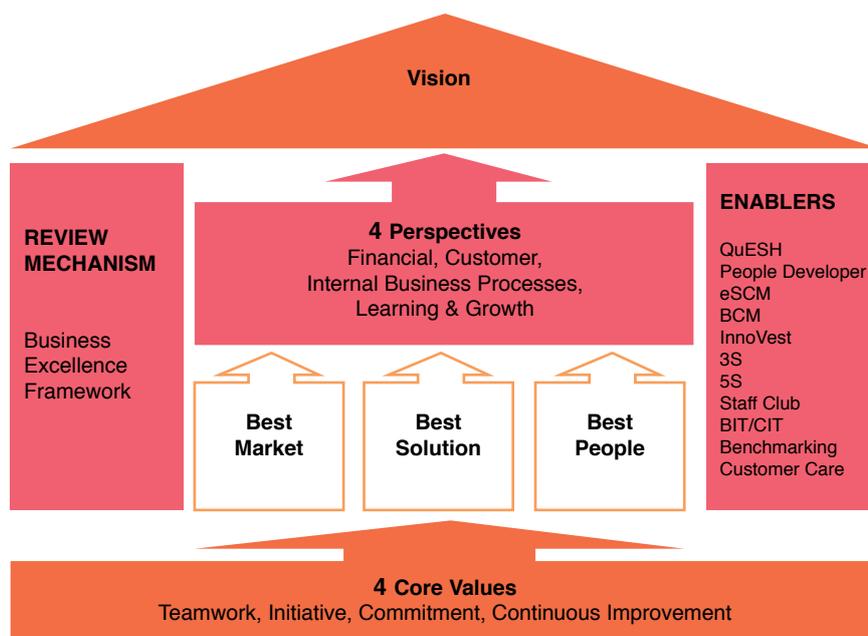


Figure 1.1-2 Business Excellence Structure for Teckwah "B.E.S.T."

Business Excellence Structure for Teckwah "B.E.S.T." (Figure 1.1-2) illustrates the fundamental structure which supports our business excellence journey.

1.1b How senior executives communicate, demonstrate and reinforce the organisational Purpose, Vision and Values to all stakeholders.

Senior leaders use several platforms to communicate Teckwah's Purpose, Vision and Values to all stakeholders as in Figure 1.1-3. The various platforms are detailed in Appendix 1-1.

1.1c How senior leaders evaluate and improve the effectiveness of their personal leadership and involvement.

Senior Leaders use 360° or multi-sources feedback methodology biennially to receive feedback on the effectiveness of their leadership and involvement. External consultant was engaged for this exercise. (See Figure 1.1-4).

Teckwah uses competency-based HR management tool. The competency profile for each job is consistent with the PVVs of the organisation.

Senior Leaders receive feedback from their peers, subordinates and superior on their competencies through the consultant. The Chairman & Managing Director also receives feedback from members of the Board. Based on the feedback, the consultant works with Senior Leaders on areas for improvement and action plan to close the gap, if any.

In 2008, Teckwah started to use Assessment Centre as another platform to evaluate leadership effectiveness and involvement.

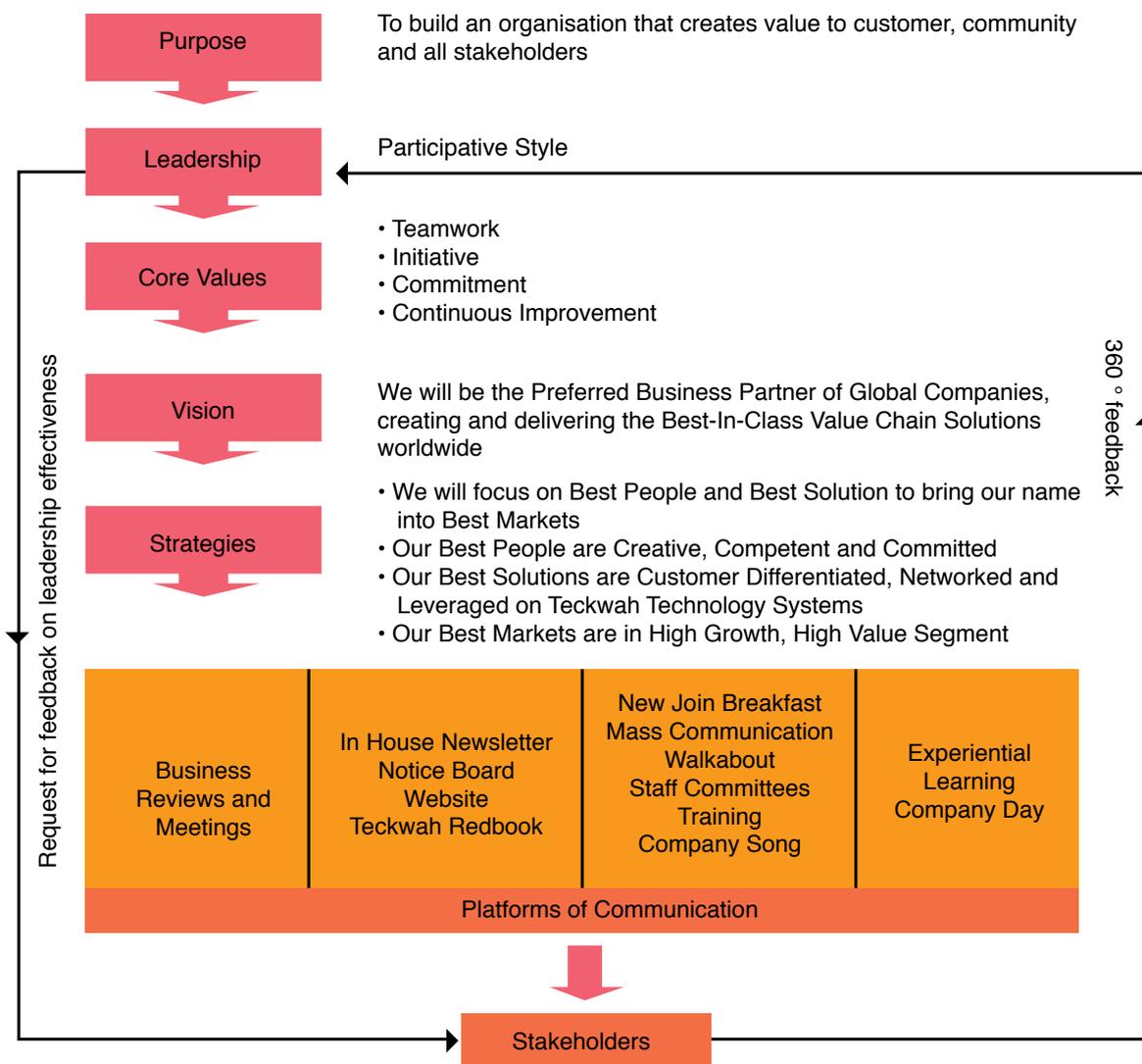


Figure 1.1-3 Purpose, Vision, Core Values and Strategies are communicated to Stakeholders

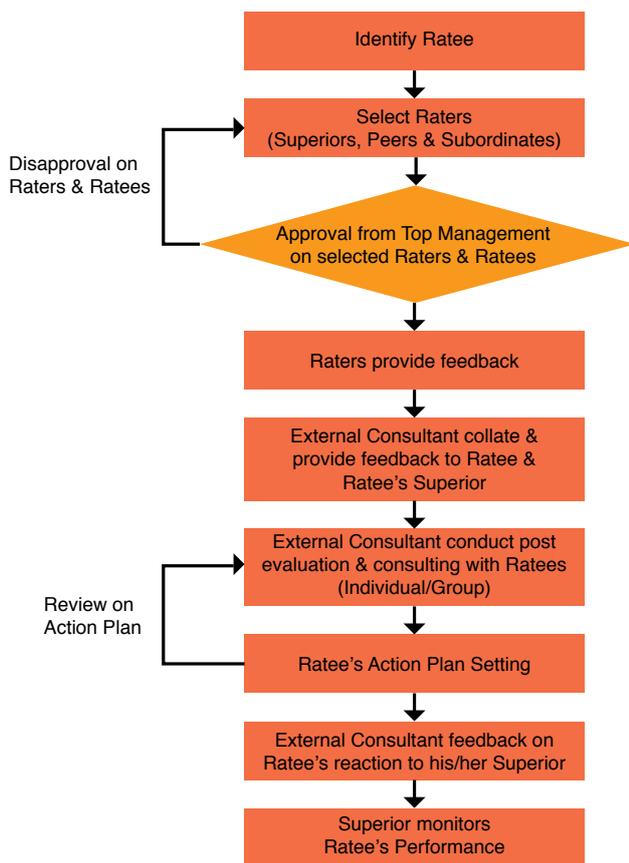


Figure 1.1-4 360° Feedback Process

In addition, Senior Leaders receive feedback on their leadership effectiveness from rest of the staff through biennial Organisation Capability Survey. This survey revealed a 10% point improvement in leadership effectiveness between 2004 and 2010. (See Figure 7.3-9).

1.2 Organisational Culture

1.2a How the organisation translates its values into policies, practices and behaviour.

With our values clearly defined, steps are taken to ensure that they are consistently understood by all staff and for the values to be deeply rooted in them. Ultimately, the Core Values should show up in their behaviour at the workplace. Senior Leaders, together with managers and some selected executives, identified the desired behaviour to achieve excellent customer experience and move as a team towards the common destiny (See Figure 1.2-1). The desired behaviour is communicated to all stakeholders (See Item 1.1b).

Each Core Value is translated into the following practices:

• Teamwork

Cross-functional Teams are set up to pursue breakthrough improvement projects, continuous improvement projects and company events such as Company Day celebrations, and various staff committees (See Item 4.2). Members of the teams contribute and work symbiotically to achieve the objectives of the projects, which are aimed at satisfying the customers.

• Initiative

Every staff in Teckwah works with customers in partnership, not only to meet their requirements, but to go beyond in taking initiatives to provide innovative and differentiated solutions for them. We build on the belief that the person doing the job knows how to do it best. Teckwah provides the necessary environment that brings out the best and the most out of our staff. 3S and InnoVest are two programmes which were set up to encourage staff to suggest improvements and business ideas.

• Commitment

Everyone in Teckwah is committed to serve the customers even after office hours. The customers can reach their contacts 7 days a week, 24 hours a day for any urgent or emergency issues. Teckwah operates a 7-day work week while staff have their off-day and rest on rotation basis.

• Continuous Improvement

To be able to evolve with time, changes and stay relevant, Senior Leaders constantly update themselves with the changes in technology, market, economic and political climate. It is also common for them to take up self-improvement courses. Systematic approach in staff training (See Item 4.3) ensures staff are trained and re-trained so as to upgrade themselves to meet new challenges.

1.2b How the organisation creates and permeates a culture consistent with its values, and which encourages and supports learning, innovation, and achievement of organisation's objectives.

Teckwah believes in the strong correlation between core values, behaviour and organisational culture. To have the desired culture, the core values have to be accepted and embraced by every staff.

Deep rooted core values can be observed in the behaviour of staff. And it will manifest into organisational culture or commonly expressed as "it's how we do things here". Through the years of inculcating the desired behaviour of staff, our organisational culture is shaped and embodied in the twenty Chinese characters listed below:

多, 快, 好, 省, 变
精, 巧, 美, 准, 捷
智, 仁, 勇, 信, 严
技, 勤, 劲, 群, 乐

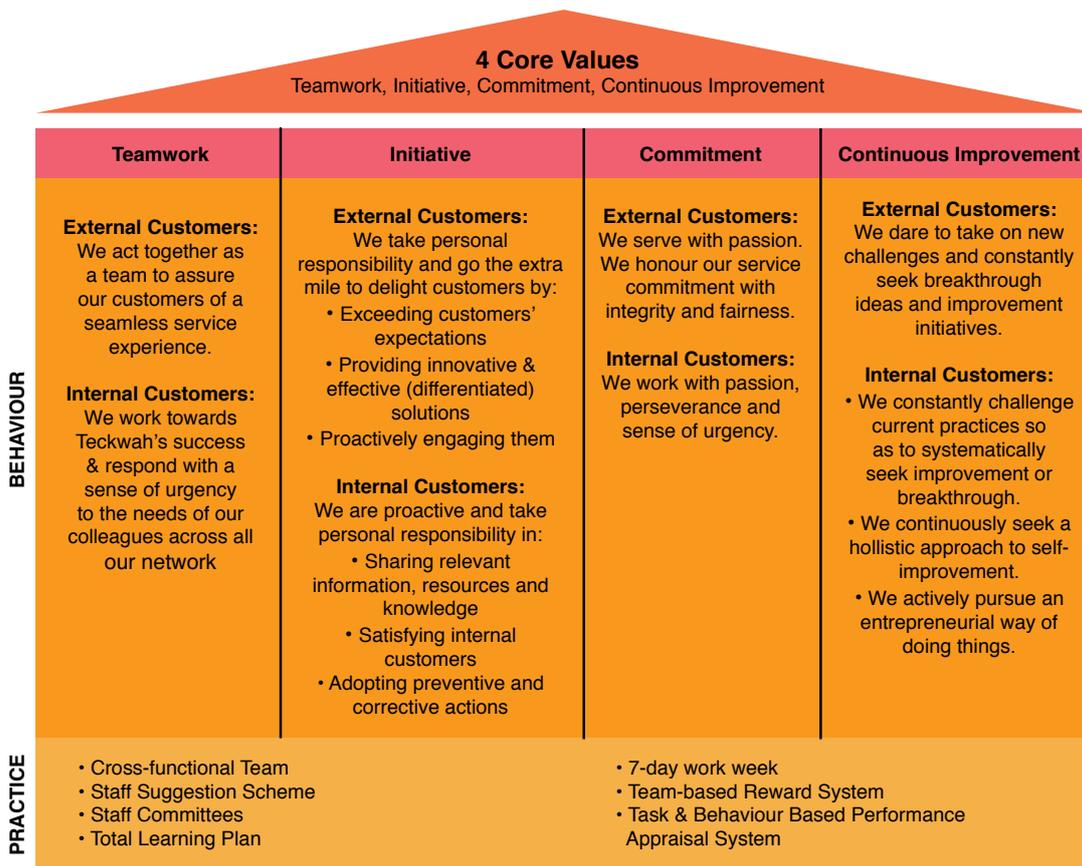


Figure 1.2-1 The Desired Behaviour and Practices

Each row of characters addresses a specific quality which every staff shall strive to exude. The translated English version is as follows:

Towards Customers

- Efficient Production
 - For yield, responsiveness, excellence, economy & flexibility
- Quality Performance
 - For product finesse, exquisiteness, beauty, precision & timeliness

Towards Staff

- People Oriented Management
 - Applying wisdom, benevolence, courage, integrity & firmness
- Staff Development
 - Directing skills and the qualities of industry, versatility & teamwork for the development of a satisfied workforce

Senior Leaders exhibit the culture by being personally involved in many staff activities, especially those which are aimed at promoting and instilling corporate culture (See Item 1.1).

Promoting and instilling corporate culture is also the roles and responsibilities of HoDs and Supervisors. These roles and responsibilities are included in their job descriptions. The desired behaviours & competencies consistent with Teckwah's Core Values are included in competency profile for all job levels. Staff is appraised on the behaviours during the annual performance review.

Metaphors are used to signify the culture. The Banyan Tree is the analogy of our Purpose and Core Values.



Figure 1.2-2 "Built-to-Last" Sculpture

The sculpture, entitled “Built-to-Last” (See Figure 1.2-2), represents Teckwah’s culture of “Change vs Un-change”. While we need to change or be flexible to meet the challenges, some things remained unchanged, and that is our Core Values.

Teckwah has a series of training programmes, which are held throughout the year to foster interpersonal relationships and facilitate the display of our corporate culture (See Item 4.3).

To remind staff of the need to be innovative, Teckwah has named one of its offices as “InnoValuation Centre”. This centre houses the offices for HR, Finance, ICT and Solution Centre. In Teckwah, staff who perform such functions are strongly encouraged to constantly question the way things are done. For example, our HR function is not just doing the usual mundane task of recruitment and staff welfare, but goes on further to think of innovative ways to attract, retain talent and build a work environment that brings out the best in all Teckwahers.

During the 36th Anniversary Celebration, Teckwah launched a Commemorative Book titled “Leaping Forward”. It was specially written to convey to all staff on the corporate culture and how the culture has become an integral and important part of the organisation. Every staff received a copy of the book during the celebration. Thereafter, all new executive staff and above are encouraged to read.

On the sixth floor of TIC Tech Centre, a Memory Lane is set up next to our Learning Centre. This Memory Lane shares the cultural heritage of the organisation, our development phases, our emphasis on training and development, as well as our concern for the community and the environment.

1.2c How the organisation overcomes any differences between the current culture and the desired culture.

Employing the right candidates is vital in achieving the desired culture. Teckwah puts great emphasis on assessing the behaviour of the candidates during the selection interview. Only candidates with the desired behaviours are offered employment. Candidates with relevant qualifications and working experiences, but without the desired behaviours will not be selected.

As presented in the Organisational Profile Item 1.4 and Figure OP-1.1-2, Teckwah has a cross-generation, cross-cultural and diverse educational level of staff. Despite the noticeable diversity, everyone is working closely. This is achieved through continuous education that creates the awareness of generation differences and diversity.

The theme of 2010 Experiential Learning was “Knowing Me, Knowing You”. Through the various activities, participants experienced the importance of knowing the style of each generation and how to co-exist with other generations.

Teckwah has in place a process for monitoring, testing and rectifying culture (See Figure 1.2-4). Our Senior Leaders are able to detect the gaps between the current and desired culture through several channels. These channels are regular MBWA, training sessions, company activities, customer’s feedback, 360° Feedback and Employee Capability Survey (See Item 1.1b).

If gaps observed are detrimental to the organisation’s culture, corrective actions are initiated. These actions can be group based or to a specific individual. Experiential Learning and Group Event Briefing are two common platforms for group based reinforcement of the desired culture, while counselling and coaching are commonly used for individuals who require more hand holding to assimilate into our organisation.



Figure 1.2-3 Our Memory Lane

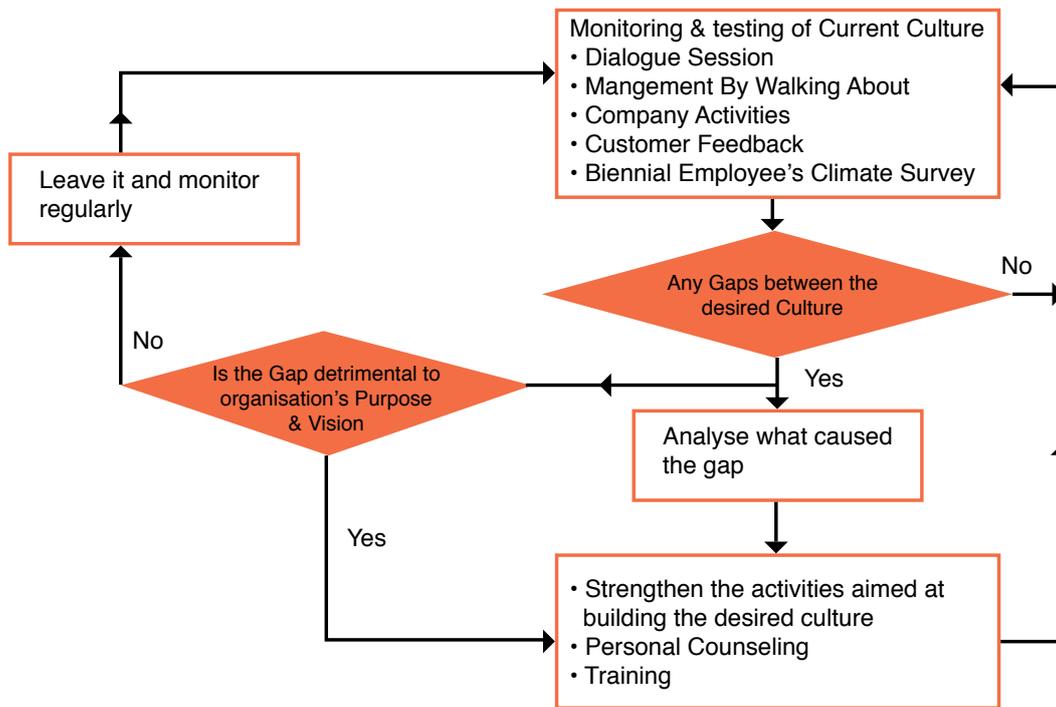


Figure 1.2-4 Approach in handling Current Cultures versus Desired Culture

1.3 Corporate Social Responsibility

1.3a The organisation's policy and goals in relation to its contribution to the community and the environment in which it operates.

Teckwah is committed to maintaining a safe working environment for our staff (See Item 4.4); ensuring business continuity for our customers in the face of the unexpected (See Item 5.2); adopting environmental friendly business practices; and giving back to the community in which we operate.

Giving Back to the Community

Guided by the belief of the Founder – 共榮 (pronounced as “gong rong” which means sharing the fruits of our labour and wisdom with all stakeholders), Teckwah actively advocates a wide variety of educational and community activities. Teckwah exhibits this particular trait and perform our corporate social responsibility through partnerships with government agencies and private sectors. Corporate Citizenship Policy is in place so that such responsibility is carried out structurally and with greatest transparency. Appendix 1-2 tabulates the various community activities undertaken by Teckwah.

Environment

Teckwah firmly carries out the responsibilities towards all stakeholders and the environment by adopting processes that identify, assess and manage all Quality, Environmental, Safety and Health (QuESH) risks associated with our activities, products and services. In 1999, we embarked on ISO 14001 and OHSAS 18001 and were certified in 2000.

At Teckwah, we choose to source our raw materials (papers) from paper mills that have been certified by the Forest Stewardship Council (FSC). By adopting these standards, Teckwah has operationalised environmental protection within our processes.

Within our workplace, recycling bins are prominently located to encourage proper disposal of waste for recycling.

During our 40th Anniversary Celebration, Teckwah worked with the National Park and planted 40 trees in the West Coast Park. This is yet another continuous effort taken by Teckwah to encourage our staff to protect the environment.

1.3b How the organisation communicates its policy and goals to employees and external parties and involves them in achieving the goals.

To communicate and instil corporate social responsibility to staff, Teckwah incorporates the policy and practices into staff induction programmes.

To permeate the spirit of corporate social responsibility to all staff, Teckwah leverages on Staff Committees (See Item 4.2b) to organise and engage in corporate social activities.

1.3c How the organisation establishes its governance system for transparency and accountability that is consistent with statutory and requirements or guideline, and the protection of stakeholder and stockholder interests as appropriate.

As a public listed company, Teckwah is guided by and complied with the regulations set out by Singapore Exchange. Our governance system for transparency and accountability is clearly explained in our Annual Financial Reports which are distributed to all shareholders and also published in our corporate website.

Teckwah has in place a Code of Business Ethics which staff are required to observe for the purpose of maintaining a high standard of integrity and business conduct. This code clearly defines the process through which staff, in confidence, report possible improprieties in financial reporting or other matters to the Audit Committee (AC) for independent investigation and follow-up actions.

The Code of Business Ethics is conveyed to all new staff during the induction programme. It is available in the intranet and website.

At every Business Review, staff are reminded of this code. On annual basis, staff who have been delegated with authority to select Business Partners have to declare their business interest, if any, to the Business Compliance Department which is under the jurisdiction of Chairman & Managing Director. In addition, all Directors of the Board

and subsidiary companies attended training programme designed and conducted by the Singapore Institute of Directors. This is to equip them with the necessary professional knowledge to perform their Director's role effectively.

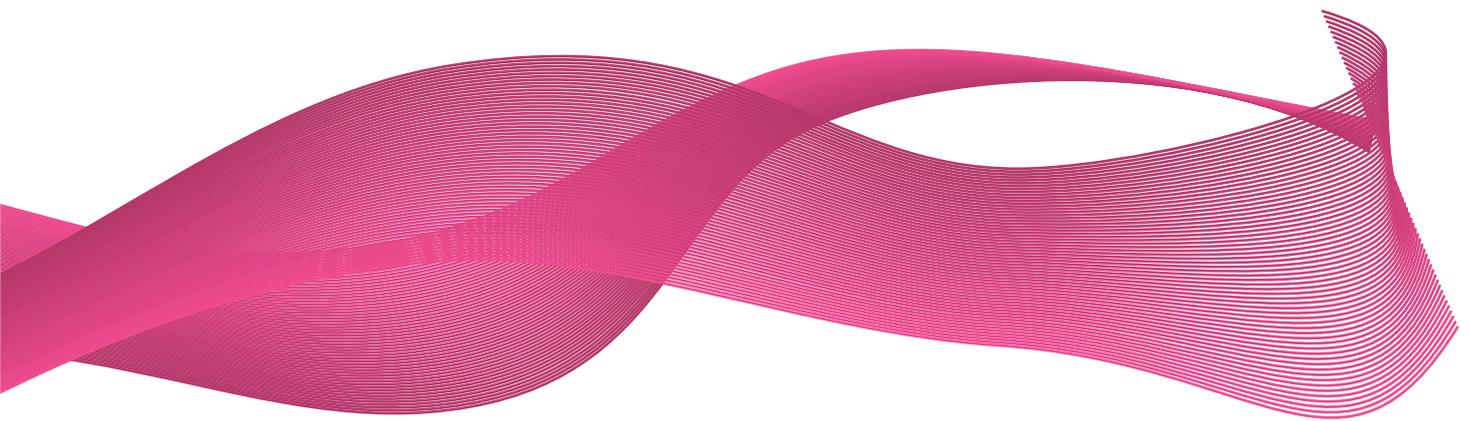
1.3d How the organisation evaluates and improves its governance system, and its involvement and contribution to the community, society and the environment in which it operates.

During the Audit Committee meeting, governance system is reviewed. On a regular basis, Audit Committee would also propose an internal audit be carried out at either the SBU or functional level. Audit Committee would commission a professional audit firm to carry out the audit. Audit findings would be reported to Top Management as well as the Audit Committee. Appropriate action plan would be identified for the improvement. There would be follow up review by the professional audit firm to ensure action plan is carried out accordingly. One of the audits done was the Enterprise Risk Management Assessment conducted by a third party.

For our CSR programmes, the Staff Committees would carry out post-mortem after the community events to review the actual performance vis-à-vis plan. The actual performance of major community event is also reviewed during the Top Management Meeting.



Category **two:** Planning



Planning

2.1 Strategy Development and Deployment

2.1a How the organisation determines its strategic challenges, and how it develops its strategy and strategic objectives to address these challenges. Include how the organisation adopts a global perspective in its planning. Summarise the organisation's key strategic short-term and long-term objectives and goals.

Teckwah has an integrated approach towards its strategy development and deployment. Its strategies are developed in alignment with the organisation's purpose and mission in mind. While the Purpose and Core Values remain stable over time, the strategy evolves to meet the changing conditions posed by the external and internal

environment. The Vision paints a picture of the future that clarifies the direction Teckwah wants to pursue. The strategies show how Teckwah would reach the future desired state. These strategies are reviewed on an annual basis. The strategies undergo evolutions periodically to ensure it stays current and relevant.



Figure 2.1-1 Teckwah's Strategic Planning Process

Top Management invites Senior Management and selected HoDs and Supervisors to participate in developing the strategic plans collectively. Over the years, Teckwah has adopted the Balanced Scorecard as the approach to strategic planning and management system. Based on the vision statement, key strategic objectives and the respective KPIs were crafted.

In early 2000's, the focus was on regional expansion and diversification into Logistics Services. This focus has allowed the organisation to grow from 3 regional points to the current 76 points within the last decade, reaching

to markets stretching from USA, Canada, Europe to East Asia.

Diversification into Logistics has allowed Teckwah to create two new business streams, specifically Service Parts Logistics and Reverse Logistics. For SPL, Teckwah is able to commit 2 to 4 hours delivery turn-around time, anywhere in Asia where our customers market is located. For RL, new engineering content was added to our suite of solutions for our customers.

Teckwah's long term goal is to achieve its Purpose, i.e., to be an organisation that creates value to its stakeholders. Its short term goals as defined above gives the organisation its roadmap while the Senior Management embarks on laying the foundation for its longer term objectives.

2.1b. How the organisation converts its strategic objectives into action plans. Include how the financial and other risks associated with the plans are managed and how resources are allocated to support the plans.

After the strategic objectives of the Group as well as those of each business segment are identified, the measures and targets for each perspective are then determined. Programmes to be carried out to achieve the strategic objectives are also identified and recorded on the scorecard. Resources required are assigned accordingly.

For example, in 2008 the organisation assigned resources (both headcount and capital needs) to work on targets for mergers and acquisitions for its Non-Print business in China.

In the strategic planning exercise, part of the work includes taking into consideration various risks. These include strategic, internal factor risks, operational, information and financial risks.

The organisation had also engaged external party to do a high level review of the existing risk management practices of Teckwah. The exercise was conducted for the purposes of assisting Teckwah to develop a more holistic and sustainable risk management framework.

Following a desktop review and interviews with the executives, the external party compared Teckwah's current risk management practices to practices adopted by leading organisations and relevant international risk management standards and guidance.

The report showed there is much evidence of formal and informal risk management techniques that are in place for operational processes and decision making activities, as well as in the corporate culture of Teckwah.

The targets on scorecard are for the time horizon of three years. With these strategic objectives in focus, the annual budget is established. The budget is the integral part of the strategic plan. The exercise commences usually in the month of October and is completed at the end of November. In the month of December, the annual budget would be tabled to the Board of Directors for approval. Once the annual budget is approved by the Board of Directors, the Executive Directors will cascade it downwards to the various departments and also set up for each individual their KPIs.

2.1c. How the organisation reviews its performance relative to its plans, and how it establishes and deploys modified plans in a timely manner.

The performance of the organisation is reviewed at various sessions. The meetings include :-

- i. Monthly SBU reviews - Each Head of SBU reviews the performance with his supervisors and the relevant support teams.
- ii. Quarterly MBO - Each Head of SBU reviews the performance with the Executive Director in charge and the Senior Management Team.
- iii. Half Year Group Review - Senior Leaders review the performance of the business segment and overall Group.
- iv. Quarterly Board Meetings - The Board of Directors reviews the performance of the whole Group.
- v. Monthly reports to Top Management – Corporate Planning sends a monthly performance report of the Group's performance on or before the 15th of every work month to Top management.

The audience of these meetings varies accordingly. These sessions are also critical for the Senior Leaders to share on key organisation plans and messages.

The Senior Leaders also meet every month to go through the key operational issues of each respective business segments.

The Group also embarks on a reforecast exercise which is conducted every half year to ensure all issues are kept in line with the organisation's goals.

Appropriate measures are determined and put in action during these reviews. For example, in the last quarter of 2008 when the financial crisis started, austerity measures were put in place. For the first half of 2009, quarterly reforecast were conducted instead of waiting till June to ensure all assumptions used were still reflective of the business environment.

2.1d. How the organisation evaluates and improves its strategic planning process.

The Senior Leaders use the monthly meetings to evaluate the effectiveness of the whole planning process. The planning process can be sub categorised as follows:-

- Planning process
- Implementation process
- Review process

Observations and suggestions are discussed and appropriate actions are developed and adopted to close the gaps that have been identified.

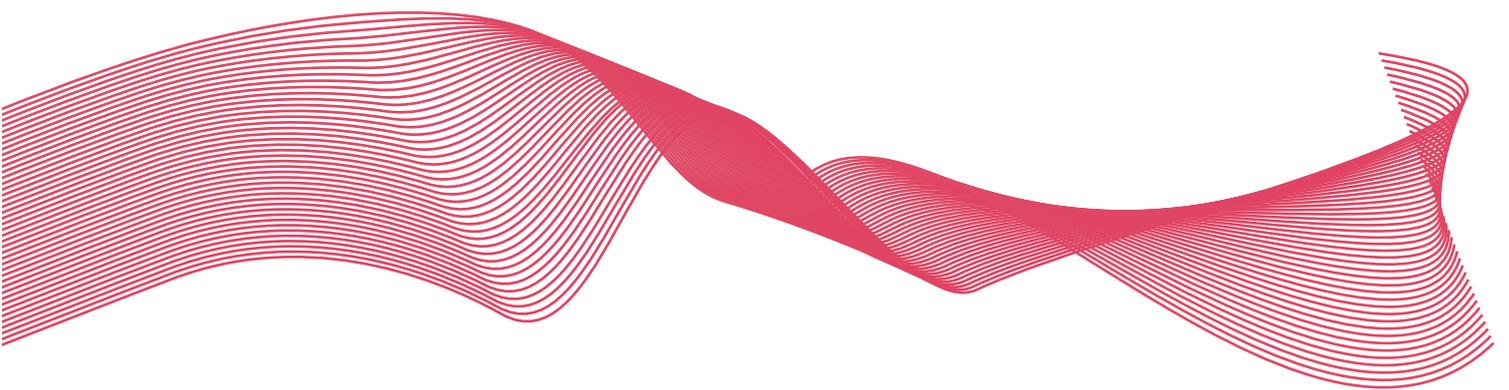
One example of a change was made in mid 2008. A Corporate Planning section was formed to support Top Management for the planning process and also to put focus on the crafting and capturing of the scoring for the Group and respective SBU Balanced Scorecard.

Another example of improvement made include the structure of the review meetings. Prior to 2008, all Head of SBUs were invited to the mid year and end year review which is conducted in July and December in the past. However as the Group grows in terms of entities and new business models are added, it was determined that the Group Reviews were not effective. The review sessions were amended as follows:-

- Head of SBUs review their own Business Unit's performance on a monthly basis as per the norm
- Head of SBUs, Head of Departments (HoD) review their performance quarterly with the Executive Directors and Senior Management team
- Senior Management and Executive Directors in charge of their respective segments review their performance with the Chairman and MD at the half year and full year sessions.



Category **three:** Information



Information

3.1 Management of Information and Knowledge

3.1a How information needed to drive planning, day-to-day management and improvements to the organisation's performance is selected and collected. List the key types of information and describe how they are related to the organisation's performance objectives and goals.

Teckwah leverages on our information and knowledge systems to enhance the performance of our key processes, and to create new values for our customers and the organisation.

The PVVs statement, the strategic plans and the Business Strategy Map, (which incorporates the organisation's KPIs), set the directions and achievement targets for Teckwah. Hence, they also influence the information and knowledge sets selected and compiled. They are organised and managed to support six key business activities:

- i. Strategic Management
- ii. Customer Management
- iii. Solution Development
- iv. Operations Management
- v. Human Resource Management
- vi. Enterprise Management

Besides customer requirements and needs, environment scan is also one of the key inputs to our strategic management and solution development processes.

The key outcomes of the respective business activities, leveraging on the information and knowledge sets ascertain that Teckwah has been able to exploit the information and knowledge sets to help drive organisation performance at all levels of activities, creation of solutions and new values for customers, and achievement of business imperatives.

In 2002, Teckwah implemented the eBEST Strategy to effectively manage the information and knowledge systems of Teckwah. The various information and knowledge sets for the six business activities are mapped into four logical threads - Business (eBiz), Enterprise (eEnterprise), Supply Chain Management (eSCM) and Talent Management (eTalent). This strategy is illustrated in Figure 3.1-1.

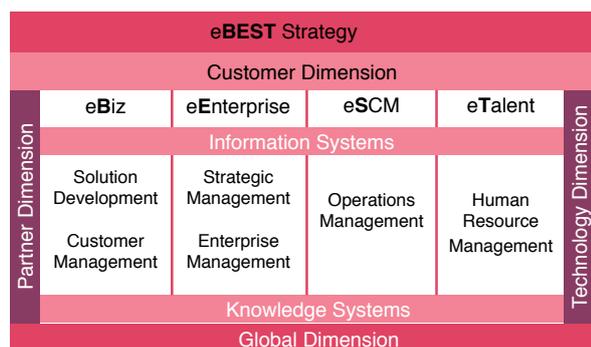


Figure 3.1-1 Teckwah eBEST Strategy

The ICT Director is responsible for the implementation of the whole strategy, working in close collaboration with the champions.

The strategy has facilitated the development of systems which enable not only Teckwah, but, also our customers and partners. These systems have allowed us to analyse information at different levels to drive planning and day-to-day management, performance improvement, as well as value creation.

3.1b How the organisation ensures that information is reliable and accessible and how it is disseminated quickly to employees, suppliers/partners and customers. Include how the organisation shares information to encourage learning and innovation.

The eBEST strategy is enabled by a comprehensive and multi-dimensional ICT application architecture.

Various mechanisms are in place to ensure the accessibility, reliability, and dissemination methods to our internal staff, Board of Directors, customers, external suppliers/partners, regulatory authorities and the general public.

Accessibility

Relevant business systems are deployed to SBUs and corporate service functions to support operational and corporate support activities. Each system provides the means to capture operational transactions, from which operational planning and control information are derived.

As early as 2004, Teckwah has developed cloud computing applications to enable both our customers and our business partners, simultaneously.

The deployment of these technologies ensures a timely and seamless transfer of business information and product content data in secured mode. This nature of collaborative sharing is replicated throughout Teckwah's GALS network, facilitating ease of doing business with customers and partners globally.

Reliability

The reliability and accuracy of information are ensured through controls and checks by the respective SBU, HoDs and Senior Management, and through periodical audits (See Item 5.2a) and business reviews. Business Continuity Plans and Recovery Plans are in place to ensure the organisation's key information is well-protected against eventualities.

The approaches adopted to ensure information reliability is summarised in Table 3.1-1.

In Teckwah, majority of customers' orders and product information are electronically transmitted directly from their systems. This information is instantly transmitted to all points of use, including our suppliers and partners. This seamless flow of information, with minimal human intervention, further reinforces the reliability and accuracy of data and information generated.

A comprehensive BCM plan has already been implemented for our information infrastructure. Our live environment is hosted in a professionally managed data centre, while the backup environment is hosted in TIC Tech Centre.

Dissemination

Table 3.1-2 summarises various categories of information and their corresponding dissemination methods to various recipients.

Despite our extensive effort to utilise technology to expedite and disseminate information to staff, we still use non-technological means such as publication, meeting, mass communication sessions, notice board etc. to share vital knowledge. One good example is the display of operational KPI charts on staff notice boards.

Key Types of Information/data	User of Information	Approaches to Ensure Information Reliability
Organisation Level		
1. Financial & Accounting Information 2. Operational Reports 3. Quality Reports 4. Human Resource Reports 5. Business Development Reports 6. Balanced Scorecard Reports 7. Corporate Information & Announcements 8. Confidential Board Information	<ul style="list-style-type: none"> • Senior Leaders • Head of SBUs and/or HoDs • Corporate Communication • Customers • External Directors 	Financial & Accounting Information through stringent accounting controls. Confidential Board Information vetted by Top Management. Other information through checks by respective Head of SBUs/HoDs and internal audits.
SBUs and Corporate Service Functions		
1. Detailed Operation Data 2. Accounting & Financial Data 3. Operations Updates & Reports 4. Sales & Marketing Information 5. Personnel Data and Reports 6. Quality Data and Reports	<ul style="list-style-type: none"> • Senior Management • Head of SBUs and/or HoDs • Suppliers & Partners • Customers 	Financial & Accounting Information through stringent accounting controls. Other Information through checks by respective Head of SBUs and/or HoDs and internal audits.

Table 3.1-1 Approaches to Ensure Data and Information Security

As the notice board is one of the communication channels used by the company to inform, educate, and inspire all staff, especially to those who have no access to computer, a procedure related to usage of notice boards was implemented since early 2005.

Teckwah also encourages innovation and learning through several approaches incorporating the use of technology. These are explained in items listed below:

Information Recipient	Dissemination Methods							
	Biz Systems	Internet	Intranet	Newsletter	Notice Board	Meetings	Messaging	Reports
Customers	OI PI	CA FA OI	OI	CA		OI PI	OI	PI
Suppliers & Partners	OI PI	CA FA OI	OI	CA		OI PI	OI	PI
Employees	OI PI	CA FA OI	CA FA OI PI	CA	CA PI	OI PI	CA FA OI	OI PI
Board of Directors		CA FA		CA		CA FA PI	CA FA	CA FA PI
Shareholders		CA FA				CA FA		CA FA PI
General Public		CA FA						CA FA

Legend

CA	Corporate Announcement
FA	Financial Announcement & Information
OI	Operational Information & Data
PI	Performance Indices

Table 3.1-2 Information Dissemination Matrix

Programmes	Refer to
3S Committee	Item 4.2b
BIT/CIT	Items 4.2b & 5.2c

Table 3.1-3 Leverage on Innovation Information

3.1c How information is analysed and used to support organisational planning and review.

Teckwah's planning and review process (Figure 3.1-2) contains an inherent process for information review and analysis. The information and knowledge sets which are being used to facilitate the strategic planning process and to enable the performance of the organisation have been explained in Item 3.1a.

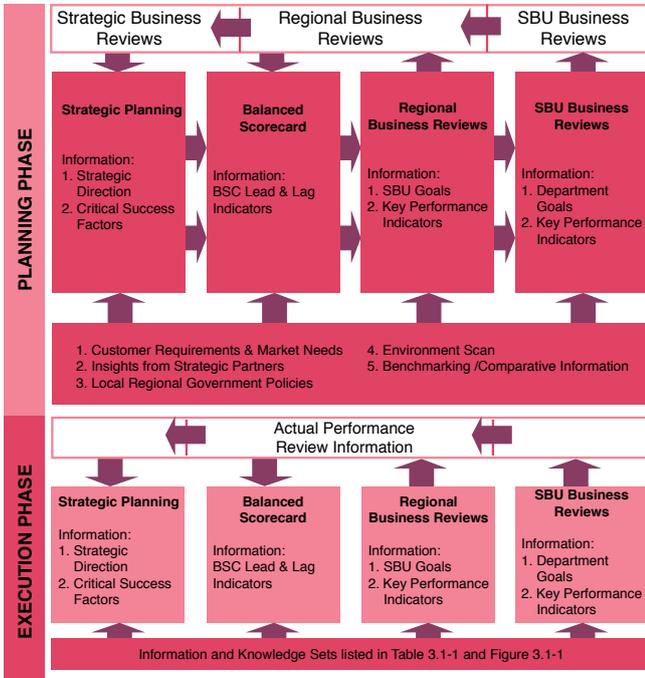


Figure 3.1-2 Information Planning & Review Process

As part of the environment scan conducted for our strategic planning process, our Senior Leaders pro-actively seek out our Strategic Partners and Partner Suppliers for their inputs. Their inputs included their assessment on the industrial directions, technological development, competitive landscape and local economic changes.

In the 2010 strategic planning process for our Print business, our TechLP Partners have also participated in the process. This change has provided us with better mutual comprehension of the strategic challenges faced by Teckwah and our Partners. The organisation has been involving their TechLP partners in new product development process to ensure creation of market ready products.

At each stage of the planning and review process, the goals and measurement indices will drive the next level of objectives and KPIs. During the review meetings, achievement of set indices directly reflects Teckwah's ability to meet set targets. These KPIs are inter-linked with the Strategic Objectives.

KPIs are captured and compiled in an Enterprise Information System. Different levels of secured access are set for different indices, thus, allowing targeted dissemination of this strategic data.

Various KPIs linked to the organisation's goals or SBU's targets are graphically charted to facilitate trend analysis, correlation analysis and comparison of actual versus targets. This enables regular and effective monitoring of operational performance.

In Item 2.1d, the formation of a Corporate Planning function has been highlighted. This function now supports the Top Management in the strategic planning process. This function has also introduced a formal strategic planning information acquisition process. The information collated is reviewed by a panel prior to the conduct of the planning process.

3.1d How the organisation manages knowledge to create value. Include how knowledge is used or acted upon for business improvements.

Knowledge management in Teckwah is based on our operating principle of "Entrepreneur Management". Knowledge sets are selected and created to enable critical business activities.

The knowledge sets are organised based on the perspective which the knowledge set supports. They are being organised into four perspectives – Customer-Related, Operations-Related, Talent-Related and Business Excellence. Many of the knowledge sets have already been systemised, thus, providing ready secured access by target users.

As the knowledge systems forms part of the operating systems of the various business activities, they are constantly being updated with the latest development, thus, being kept relevant to the business.

As a customer oriented service organisation, the Customer-Related knowledge set naturally provides critical insights into our customer requirements, intrinsic needs, contractual expectation and market needs. Based on these insights, both customised and customerised solutions are designed and developed to serve these needs.

The crafted solutions are also documented and captured in this knowledge sets for further reference in crafting the next solution.

3.1e How the organisation evaluates and improves its management of Information and Knowledge.

The ICT Division together with the champions responsible for each area developed an IT Master Plan - "eBEST Map". It charts out Teckwah's future directions of turning into a world-class organisation with the deployment of IT.

The IT application architecture is subjected to business and operations evaluation and reviews as necessitated by new requirements from customers, partners, SBUs and Divisions. This process is facilitated by the ICT Division.

During ICT evaluations and reviews, emerging information collection and analysis requirements which can be facilitated by leveraging on IT application development are considered. The process also looks for further improvements in the areas of better information flows

and systems integration to benefit our staff, customers and partners.

Examples of recent improvements and developments made by ICT through this evaluation and review process are:

- i. Intranet (See Item 4.2b) – “Helloteckwah” Portal to keep our staff informed of the various events and activities in the organisation. This portal is a revamp of the Grapevine portal developed in 2001.
- ii. Track and Trace Application – This portal was developed in 2002 and its web application has been enhanced over time to enable our customers to track the status of their goods deliveries. This has helped to cut down the number of unnecessary phone calls and emails to our Program Teams and make the dissemination of information more transparent to the customers.

3.2 Comparison and Benchmarking

3.2a How comparative and benchmarking information is selected to improve the organisation’s performance.

The search for and use of comparative analysis, benchmarking for best practices gained widespread adoption with the introduction of BIT/CIT project team (See Items 4.2b & 5.2b) in Teckwah. Senior Leaders and HoDs are responsible for identifying areas that need comparative comparison and benchmarking for improvement. Specific information and research data relevant to these areas are selected for comparison and benchmarking. Gaps identified are used as inputs for strategic planning, as appropriate, and for improvement of processes and business operations.

The criteria for selecting comparative and benchmarking information are:

- Critical and relevant to business and operation excellence
- Continuous improvement efforts and breakthrough improvement challenges
- Value-adding to Teckwah’s business

Benchmarking

New Benchmarking Process Steps

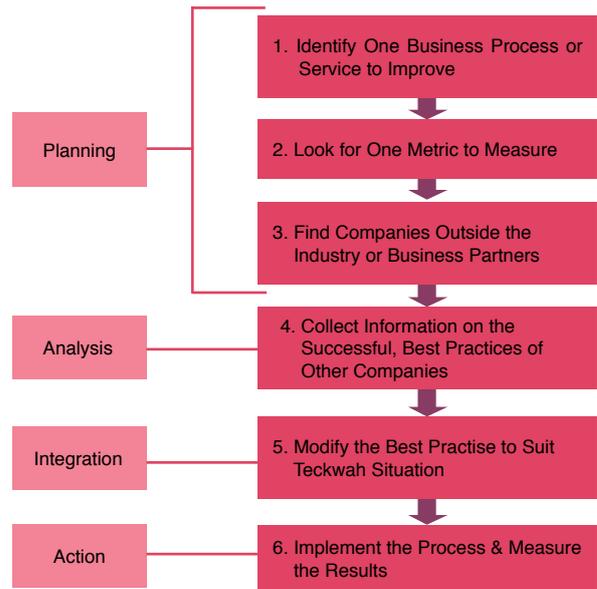


Figure 3.2-1 The Organisation Benchmarking Process Steps

Teckwah deploys benchmarking process where applicable. Our structure of studying other organisations’ processes and learning from them was reviewed in November 2008. As a result, the improved benchmarking structure in Figure 3.2-1 was adopted. This benchmarking structure consists of four phases i.e. Planning, Analysis, Integration and Action, each of which requires the completion of a number of action steps.

Benchmarking Teams comprise of managers, executives and supervisors, are formed and trained on the benchmarking methodology. Senior Leaders undertake the role of advisor to provide the impetus for benchmarking activities in the organisation.

We also seek to network with a number of SQC/SQA organisations as our benchmarking partners through the referral of SPRING Singapore, Top Management, and business partners.

3.2b How comparative and benchmarking information is used to improve processes and to set stretch goals and/or encourage breakthrough improvements. Include a summary of comparative and benchmarking activities and studies done.

Competitive Analysis has enabled us to avoid direct competition with our competitors. The initial improvements made to our product offerings included providing contract manufacturing and e-services on behalf of our customers. These improvements are subsequently extended to provide programmes which enhance the customer satisfaction of our corporate customers, return management and reverse logistics. Thus, growing our suite of supply chain solutions into a complete supply chain model as depicted in Figure OP 3.1-1. Comparative information is also being used to address external threats and opportunities.

Benchmarking information has been used mainly to improve on internal efficiency, set stretch goals, and accelerate learning or improvements. The distinct application of the two respective techniques have enabled Teckwah to develop our competitive strategies and products, and seek continuous improvement in our internal processes.

Recognising the effectiveness of these techniques, our Senior Leaders have focused our efforts in seeking out best comparative and benchmarking partners to ensure the desired outcomes. As Teckwah continues to climb the value ladder, staff involvement in idea creation and staff engagement in delivering the best services have increased in strategic priorities.

3.2c How the organisation evaluates and improves its overall process of selecting and using comparative and benchmarking information.

In Teckwah, all improvement projects are required to support strategic initiative directions and ensure the relevance of process chosen. Top Management also reviews benchmarking projects conducted and ensures that the topic of study remains strategic in nature during Top Management Meeting.

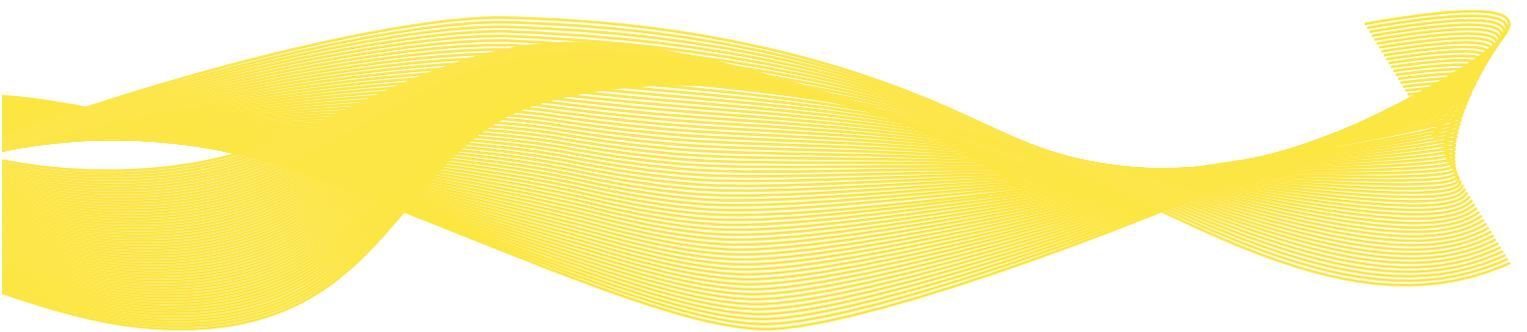
The latest round of review was done in November 2008 when Top Management saw a need to simplify the benchmarking methodology to improve the efficiency and effectiveness of Benchmarking Process.

One of the outcomes of the review was to leverage on our BSC to provide comparative information on a regional basis. With the deployment of BSC (See Items 2.1b & 2.1c) to all the regional SBUs in 2008, this has enabled Senior Leaders and HoDs to compare similar KPIs or processes during Business Reviews. Cost competitiveness and productivity are two key measures which are constantly being scrutinised to ensure an optimal cost model for Teckwah and our customers.

Benchmarking Process Review is conducted periodically by the Senior Leaders. This is to evaluate the progress of benchmarking projects and includes the quality of benchmarking information obtained and the methodologies deployed to establish improvement options and explore best practices.



Category **four:** People



People

4.1 Human Resource Planning

4.1a How organisation develops its human resource strategies, policies and plans. This includes how the human resource strategies, policies and plans are aligned to the strategic plans.

Teckwah's tag line is "BEST PEOPLE BEST SOLUTIONS". This tag line reflects the organisation's emphasis on putting the BEST PEOPLE to deliver our services to our customers. Teckwah's strategies on human resources are clearly reflected in our Business Strategy Map. The three key strategies are:

- i. Developing and elevating our staff's capabilities with skills and qualities which are relevant to the industries we serve
- ii. Equipping our staff with the knowledge sets necessary for them to perform their role effectively
- iii. Engaging our staff to embrace the core values of the organisation and to work with passion, perseverance and sense of urgency

These three human resource strategies drive the human resource policies and plans of the organisation. The Human Resource team is entrusted with the deployment of these strategies, in close collaboration with the Senior Leaders of the organisation.

Human resource planning in Teckwah is a synthesis of six components as depicted in Figure 4.1-1.

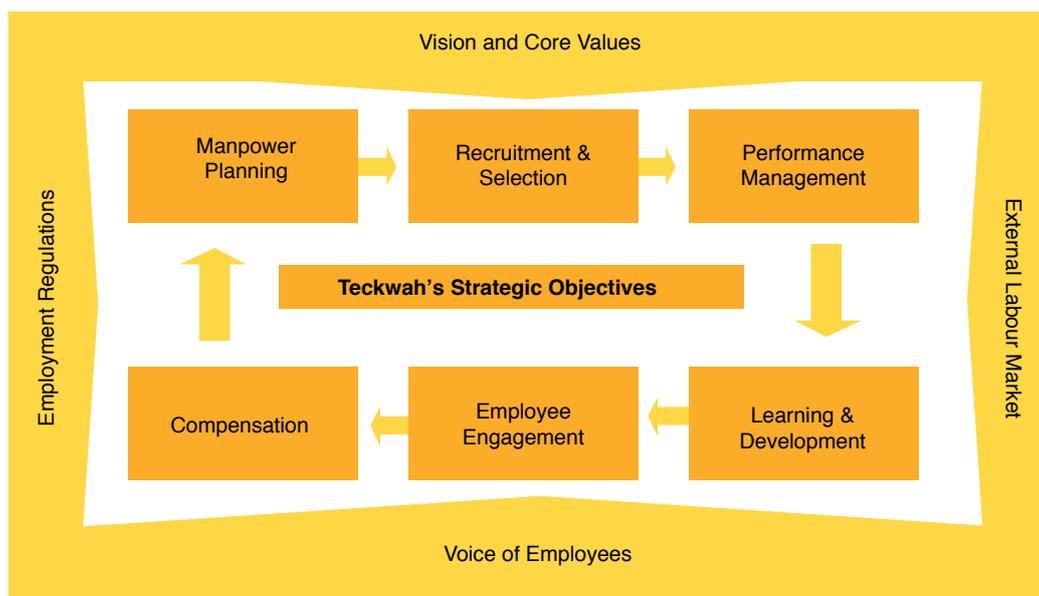


Figure 4.1-1 Teckwah's Human Resource Planning Framework

The process includes scanning and sensing capabilities to identify, analyse and incorporate both internal and external factors in its HR planning process. These include:

- Core Values, Vision and Strategic Objectives
- Voice of employees
- External labour market
- Employment regulations

Changes to national policies such as Employment Acts and labour regulations are shared regularly to ensure that the operational practices comply and align with business strategy development and business requirements.

Inputs from these factors are collected throughout the year. For example in alignment with government's initiative to re-employ matured workers, Teckwah is one of the pioneering companies to implement the re-employment policies before it is passed into law in the year 2012.

Manpower Planning

Manpower Planning is critical to the success of the business strategy. Guided by the strategic objectives, the manpower plan is developed jointly with HR personnel, Head of SBUs and HoDs twice a year. It is reviewed and updated quarterly at their respective business reviews.

Recruitment and Selection

Based on the manpower needs, balanced with market conditions and employment regulations, appropriate recruitment strategies, platforms are deployed to recruit the suitably qualified personnel. Psychometric Profiling tools are administered on shortlisted candidates for selected positions. This provides an avenue for the hiring managers to ensure a good match of the candidates' values with those of the organisation. Teckwah also enrolls itself in career fairs to attract talents from tertiary institutions to feed the talent pool.

Teckwah is also able to leverage on our GALS sites to recruit talents for regional deployment.

Learning and Development

In line with business objectives, Teckwah adopts a systematic approach to prepare and upgrade staff to meet new challenges. The training needs analysis is conducted yearly which is synthesised into a Total Learning Plan (TLP). One example of learning needs uncovered in recent years is that with more younger staff joining the workforce, it is gradually changing the manpower profile of the organisation. In order to prepare the staff of all ages to embrace and appreciate each other's working styles, courses on inter-generational work relations are incorporated into learning plan and team building events are organised to encourage staff at different age groups to embrace differences and work on common grounds.

Performance Management

Guided by the KPIs set and aligned with BSC, HoDs are able to establish measurable performance indicators for the departments and individuals. This is to ensure that staff are contributing and that they understand the requirements of the job and how they are able to improve their performance. These indicators are appraised during the annual appraisal exercise. The good performers are rewarded through annual variable bonus, increments and promotion.

Staff who exhibit the desired qualities and potential for higher responsibilities are identified and groomed as part of the talent management system.

Compensation

Teckwah offers competitive remuneration package to attract and retain the desired talents. Through regular market surveys, the compensation and benefits package are balanced with business performance and affordability of the organisation.

Employee Engagement

To align individual staff with that of the organisation's overall business direction, Senior Leaders and HoDs regularly communicate with staff on how their engagement on various platforms will contribute to the organisation's objectives (See Item 1.1b).

Towards forging a close interaction between management and staff and among staff in different SBUs, regular activities are organised by Staff Committees to promote staff interaction. Mass communication sessions by Senior Leaders are organised to ensure that staff are updated on organisational performance and direction.

4.1b Describe the organisation's human resource requirements and plans, based on the organisation's strategic objective and goals.

Based on Teckwah's strategic direction, two key HR requirements are identified. They are:

- Strengthen the current staff competencies and provide platforms for acquisition of new skills
- Attract and retain talents who are ready to meet the business needs regionally and globally

An example of how Teckwah's HR plans are aligned with the organisation's strategic goal to go regional is its participation of Business China scheme under the IE Singapore's purview. Two fresh graduates and one existing staff are recruited and deployed to regional offices to support business expansion plan. Under SPRING Singapore's Management Development Scholarship, two management scholars are also recruited to provide fresh talents into the managerial team.

Teckwah also actively ties up with polytechnics with internships and offer scholarships as its continuous effort to build up the talent pool.

The strategic thrust is to build a quality workforce that is able to meet the business challenges through:

- Recruiting from the open market and internal referrals
- Retaining staff with clear career paths and performance-based compensation structure
- Renewing the leaders by building a sustainable pipeline of key staff.

HR team works closely with the Senior Leaders to ensure that supporting programmes are implemented and are responsive in updating plans to fulfil the needs of the organisation and staff.

4.1c How the organisation uses feedback to improve human resource strategies, policies and plans.

As human resource is the key resource to be managed in Teckwah, HRM strategies, policies and plans are constantly under review and improved upon by our Senior Leaders.

Central to the review and improvement process is the Senior Leaders' meetings. This is further enhanced by other platforms as outlined in Table 4.1-1.

Examples of the major improvements made to our HR strategies, policies and plans include:

- Re-alignment of HR strategies to support the revised Business Strategy Road Map in 2008. A new strategy to emphasise on the knowledge component of our human resource pool was added to enable the organisation to pursue higher value add services.
- Revision of our performance appraisal criteria and scoring system to better discern the really good, good and average performers. At the same time, the exercise also helped to further inculcate the desired behaviour of work with passion, perseverance and sense of urgency.
- Incorporation of a Talent Management System to prepare for leadership renewal by building a sustainable pipeline of key staff.
- Implementation of scholarship and internship schemes to hasten the build up of a talent pool.

4.2 Employee Engagement

4.2a The strategies adopted and the mechanisms available to encourage and support individual and team participation in achieving the organisation's objectives and goals.

Teckwah deploys five strategic thrusts to achieve employee engagement:

- Instil passion for business excellence
- Regular communications at various staff levels
- Build teamwork towards business excellence
- Provide continuous learning and development on business excellence
- Involve staff through staff committees

Guided by these strategic thrusts, various platforms have been established to encourage staff engagement at every level. These are driven top-down, using multiple communication platforms to cascade and share new HR policies, plans and programmes with staff. The deployment is summarised in Table 4.2-1.

Platform	Extend of Involvement
TSMM	To review manpower strategies, plans, resources, and budgets to support the organisation's business direction
Business Reviews, Operation Meetings	To understand manpower requirements including deployments inter and intra business units and departments
Communication Sessions with Staff	To gather feedback and update plan and policies
Performance Appraisal Reviews	On-going communication with staff to provide regular feedback between supervisor and staff on organisation performance, direction and alignment

Table 4.1-1 Evaluation Platforms

4.2b The process of implementation of the mechanisms for employee engagement and the review of their effectiveness.

Senior Leaders oversee employee engagement matters. They develop strategies and provide directions and participate in selected events and training.

The implementation of strategies and programmes is delegated to Staff Committees and HoDs. Their progress is reviewed by Senior Leaders.

Teckwah uses a wide variety of approaches and mechanisms to encourage employee engagement at all levels. They are:

- Staff Committees
- Cross-Functional Teams
- Experiential Learning
- Intranet

Specific objectives are established with these mechanisms and are used as review criteria to determine their effectiveness.

Strategies	Platform	Measurement
Instil passion for business excellence	<ul style="list-style-type: none"> • Induction for all new joins • Business Excellence Corporate Practices for new staff within first six months of joining Teckwah 	<ul style="list-style-type: none"> • Attendance • Key Performance Indicators • OCS Indicators • Feedback on team building and learning events • Compliance to standards and requirements • Customer Satisfaction Index • Number of BIT and cross functional teams
Regular communication at various staff level	<ul style="list-style-type: none"> • Department Meetings • Business Reviews • Strategic Planning Sessions • Newsletters • Mass Communication Sessions • Breakfast with Top Management for new executives • Memorandum and Email 	
Build teamwork towards business excellence	<ul style="list-style-type: none"> • Biennial company-wide team building event for all staff • SBU staff gatherings • Cross-department work teams • Cross-SBU staff events organised by Staff Committees 	
Provide continuous learning and development on business excellence	<ul style="list-style-type: none"> • Total Learning Plan • Training Sponsorship • Learning together with Senior Leaders 	
Involve staff through Staff Committees	<ul style="list-style-type: none"> • Staff are selected to take lead in organising staff events and participate in developing business solutions 	

Table 4.2-1 Engagement Strategies and Platforms of Deployment

1. Staff Committees

Five Staff Committees are formed to engage and mobilize staff through organised activities. Senior Leaders play the advisory role in these committees and guide the committees in setting goals and directions. The members and Chairpersons of these committees are drawn from different SBUs and at different levels. The tenure of members is renewed biennially.

The two-year tenure is to facilitate continuity and allow as many staff to participate in the process. Post-event staff and members' feedback are additional sources of information the organisation uses to evaluate and improve the staff involvement mechanisms.

Overall effectiveness of staff committees' activities is reviewed upon the exit of current members and entry of new committee members by the Senior Leaders.

2. Cross-functional Teams

Senior Leaders and HoDs regularly encourage staff to identify potential CIT/BIT projects to close gaps identified from the actual results against the targeted goals. Cross-functional teams are also formed to tackle work improvements projects that require different facets of skills and knowledge, (See Item 5.1a).

3. Experiential Learning

Experiential Learning which involves the entire workforce are organised biennially to inculcate teamwork and improve working relationship among staff since the 1980s. Regular Experiential Learning programmes of a smaller scale are organised at SBU level to ensure that the common goals and purposes of the teams are aligned. These activities are fun-packed and filled with team building games. Through this way, corporate culture is promoted among Teckwahers. Senior Leaders set examples by involving themselves personally. In 2010, the theme of the experiential learning was on closing inter-generational gaps, taking the cue from the evolving employee profile where more Generation Y are joining the workforce.

4. Intranet

In addition to email and notices, a web-based intranet serves as a latest electronic platform to engage web-savvy younger generation. Informal news about staff is regularly posted by the respective page owners. The latest Intranet portal "Helloteckwah" was a revamp of its formal portal the Grapevine. A cross-functional team comprising ICT, HR and Corporate Communication was formed to carry out the revamp. Focus groups involving younger staff were engaged to take in their suggestions.

4.2c How the organisation evaluates and improves its employee engagement process.

Teckwah uses the biennial Organisation Capability Survey (OCS) to measure its overall employee engagement efforts. The results are discussed, reviewed by the Senior Leaders. Action plans are identified for issues brought up in the survey.

At Staff Committee level, indicators and targets are set to measure effectiveness of its employee engagement programmes. Indicators such as involvement rate in company-wide activities, number of company events organised for staff, are reported as part of the monthly management reporting statistics. Appropriate follow-up actions are carried out to ensure that staff participation is maintained at a desired level.

An example of improvement made by 3S Committee was the revamp of the suggestions collection mechanism. In Jan 2010, an online portal was launched to facilitate ease of submitting suggestions. The portal has helped to encourage staff to contribute their suggestions in a more convenient way, on top of existing channels.

The reward system for suggestions gathered has also undergone changes. Under the new scheme, there are two levels of assessment with different scale of rewards for each level.

4.3 Employee Learning & Development

4.3a How the organisation identifies the learning and development needs for all employees to support its objectives and goals.

Teckwah believes that we can develop every Teckwahr to his or her fullest potential through systematic approach to the learning and development (L&D) of its staff. Aligned with the organisation’s goals and objectives, the systematic approach identifies the learning and development needs which are classified as core and functional. The needs are synthesised into the Total Learning Plan.

Our Senior Leaders ensure that sufficient resources are channelled to prepare staff for their current roles and enhance their skills for the future. The Training and Development Manager(TDM) monitors closely the deployment of the TLP.

As part of the succession planning, individual development plans for talents are identified and their progress is closely monitored to ensure a ready pipeline of staff to fill the key positions.

At the individual level, learning needs and competency gaps are discussed at informal discussions and during performance appraisal between supervisor and staff.

Learning needs are also surfaced and drawn from business reviews, strategic planning sessions and OCS. The TLP is discussed and endorsed by the Senior Leaders for implementation.

Learning courses are classified into the following categories:

- Managers
- Supervisors & Executives
- Administrative and Operative

The courses are related to Teckwah’s current and future business objectives. Examples of these objectives and the corresponding learning areas with measurement indicators are illustrated in Table 4.3-1.

Business Objectives	Learning Areas/Focus	Measurement/Indicators
To exceed customer’s expectation	Service Excellence and customer oriented service	<ul style="list-style-type: none"> • 80% of executives and managers undergo the Service Excellence Training • 80% of business development and account management staff undergo customer improvement workshop
To improve productivity and work processes	Productivity and Quality Skills	All staff undergo productivity improvement training and undertake projects to improve work processes

Table 4.3-1 Examples of Alignment of Learning Activities with Business Objectives

4.3b How learning and development opportunities are delivered and reviews for their contribution to individual and organisational effectiveness.

Learning opportunities are customised for staff at different levels. Suitable delivery platforms are used according to the nature of the subjects to be learned.

- 4% of annual payroll set aside for learning and development
- 4 learning places annually per employee
- 8 learning days annually per employee

The learning evaluation process is illustrated in Table 4.3-2. Using three levels of evaluation, the learning effectiveness is monitored. It is further supported by learning indicators (See Item 7.3b). Teckwah has set the following learning indicators “4-4-8”:

TDM conducts overall review on learning effectiveness. Upon evaluation of the impact of the past year learning and development activities in relation to the Teckwah’s business objectives and strategic objectives, appropriate improvements are made in the next learning year.

Platforms	Purposes
3-Level Trainee’s Feedback on Courses	<p>Reaction Level: Participants of all TLP courses are required to complete the feedback form on every completed course. The input is analysed and changes made on the course design, content and training providers.</p> <p>Learning Level: For some courses such as OJT, tests are administered to check on trainee’s learning. Pre and post course discussions are administered by supervisor to communicate and check on learning targets.</p> <p>Behaviour Level: Supervisors are required to check with participants three months after course to report on whether learning has taken place.</p>
Operations Meeting	TDM provides timely feedback on training issues.
Monthly Report on Training Activities	TDM gives a macro perspective on training activities and update on indicators.
Annual Review on Training Effectiveness	TDM reviews statistics on training indicators, strategies, staff competency profile, training providers and content for improvement in the next training year.

Table 4.3-2: Evaluation and Review of Training Effectiveness

4.3c How the organisation evaluates and improves its overall learning and development process.

In addition to the 3-Level evaluation process, the TDM attends SBUs’ Operation Meetings on a fortnightly basis to obtain feedback and update on learning needs. Learning and development needs are also reviewed at mid-term i.e. in September, as our learning calendar begins in April of the current year and ends in March of the following year.

HoDs. These new needs are used to enhance the training plan. In addition, an annual learning effectiveness report is collated and used as a basis for TLP refinement in the next learning year.

New learning needs usually surface during Training and Development’s review meetings with SBU Leaders and

The evaluation process is given in Figure 4.3-1 and examples of the resulting improvements made are summarised at Table 4.3-3.

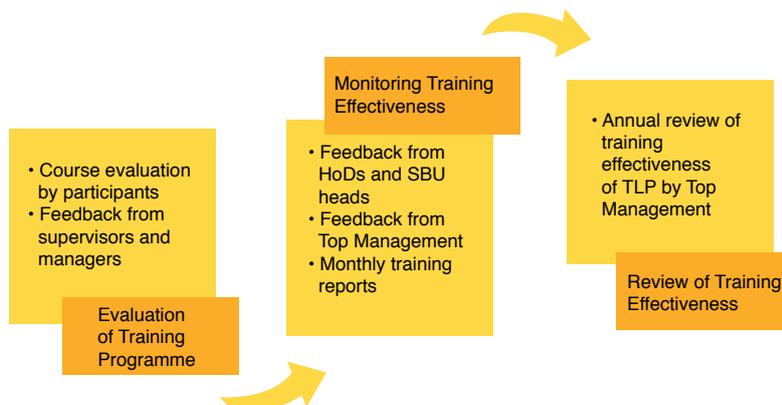


Figure 4.3-1 Evaluation and Improvement of Learning and Development Process

Evaluation Platform	Opportunity for Improvement	Improvement Implemented
Feedback from supervisors	Security awareness among new joins need reinforcement	Induction programme covered security policies and security briefings by Safety and Health Committee
OCS	Make aware of training opportunities Training should not be held on weekends too often.	Publish content of training programmes in intranet to promote awareness of training Reduce weekend training from 8 weekends to 5 weekends a year
End of course feedback	Team building among cross-functional teams to promote common understanding and common goals	Team building events where teams are formed by staff level and across SBUs are organised

Table 4.3-3 Examples of Improvement Made

4.4 Employee Health and Satisfaction

4.4a How the organisation develops a supportive work environment that enhances employee health and satisfaction and promotes a harmonious relationship between management and unions/employees. Include how the organisation supports the needs of a diverse workforce.

Teckwah encourages staff to play well and stay well. A healthy and satisfied workforce will help the organisation realise our mission and vision. Work life effectiveness is achieved on four levels:

1. Employment Terms

The organisation provides comprehensive terms and conditions of employment, generally aligned with the industry standards and government requirements. The policies are made transparent and made known to all staff through the intranet.

2. Social and Community Interaction

To demonstrate the management's commitment towards staff welfare and well-being, Senior Leaders are personally involved in the Staff Committees. They serve as advisors to the respective Staff Committees. This way they ensure that programmes rolled out by the committees are responsive to the needs of the diverse workforce.

These activities create opportunities for staff to interact and foster better understanding. To support Teckwah's effort to create a positive influence in the larger community, staff are rallied as volunteers to charity events.

3. Safe and Clean Work Environment

Teckwah ensures that it provides a safe and conducive environment for staff to work in. It observes the requirements prescribed for manufacturing environment. Equipment are regularly maintained and serviced to ensure they are safe to operate and staff are trained to operate them.

HR staff, together with the Environmental, Health and Safety Committee, ensure that various activities and events are rolled out for staff.

4. Open Communication

The Senior Leaders practice open-door policy. Staff can approach them directly if they have any issue. Through operation meetings and mass communication sessions, the Senior Leaders keep staff posted on the latest development.

4.4b How the organisation measures and assesses employee satisfaction.

Teckwah uses both formal and informal mechanisms to measure and ascertain employee satisfaction. These include quantitative indicators from OCS, attrition rate and qualitative feedback from HoDs and staff.

Employee engagement activities described thus far are measured and have the effectiveness evaluated in the following ways:

1. Organisation Capability Survey

Since 1994, Organisation Capability Survey has been instituted as a formal mechanism for Senior Leaders to better understand the issues facing staff. To ensure confidentiality, an external consultant is engaged to design and conduct the survey and analyse the feedback. The outcome of the survey is shared with the Head of SBU and HoDs and its key findings shared with staff at the mass communication sessions and on intranet. Appropriate follow-up actions are communicated to staff via regular staff meetings.

2. Informal Feedback

When a major policy or procedure is implemented, the Senior Leaders and HR staff make it a practice to check on staff reaction through informal feedback. This serves as a mechanism to improve mutual understanding and foster better communication between staff and management.

3. Attrition Rate Monitoring

The attrition rate of each SBU is tracked and reported monthly to Top Management and compared with the industry and national average by the HR Manager. Corrective actions are taken to reverse any abnormal trend.

4. Exit Interviews

Through exit interviews, reasons for an employee leaving Teckwah are recorded by the HR staff. In the form of a monthly summary, the Senior Leaders and HoDs are kept posted of the reasons and this helps towards improvement on staff retention strategies.

5. Business Units' Feedback

During Business Reviews/meetings, HR staff will also gather feedback from HODs / Supervisors that they might have collected from staff regarding any policies and procedures or staff activities. All these feedback will be shared at the TSMM.

6. Performance Appraisal

Both appraisers and appraisees are trained to carry out the annual performance appraisal exercise on how to communicate sensitive issues and concerns in an amicable and constructive way. Career opportunities, training needs, job expectations and staff personal feedback are recorded by the appraisers for clarification and reviewed during performance appraisal session.

Senior Leaders conduct reviews using information obtained from various sources to identify improvement areas and priorities that addresses staffs' concerns and satisfaction during its TSMM. In addition, the HR Manager also reports on the overall staffs' concerns and satisfaction during the mid-year business reviews.

4.4c How the organisation evaluates and improves its approach to enhance employee health and satisfaction.

The internal and external factors highlighted in Figure 4.1-1 are common factors which influence and shape Teckwah's HR processes. The voices of our staff, the evolving health landscape and the forces of both labour market conditions and employment regulations are constantly on the radar screens of our HR Department and our Senior Leaders.

In 2009, a survey for staff who are entitled to health screening and dental claims was conducted to determine the type of benefits staff hoped company would provide and the results were incorporated in the revised policy.

In the same year, another survey was conducted on the food quality, price and services at Makan Place. This survey was to gather feedback from the staff about the food quality and service rendered by the vendors. The results were shared with all the staff and the foodcourt vendors and suggestions/feedback were taken positively and improvements were made.

Staff's collective feedback gathered through the OCS is analysed by staff level and SBU level. The results are shared at operational meetings and appropriate actions are carried out to bridge the gaps of expectations.

The SARS crisis in 2003 created the impetus in Teckwah to expedite the implementation of pre-emptive measures to handle both health and safety matters of our staffs throughout the Group.

New employment regulations introduced by government agencies are always reviewed by our Top Management. The best approach to adapt and deploy the new regulations to best serve both the organisation's and the staff's interests are deliberated at the monthly TSMM. The communication approach and platform to use are also decided prior to sharing with our staff. Active soliciting of feedback is then conducted at all levels to ensure satisfied adoption.

This same approach is also deployed by Teckwah to handle any change in employment terms and conditions, compensation and benefit matters.

4.5 Employee Performance and Recognition

4.5a How organisation's employee performance management and recognition systems support high performance, innovation and creative behaviours and achievement of objectives and goals.

Teckwahers are appraised based on the framework in Figure 4.5-1. The main criteria are:

- KPIs that are linked to individual, departmental/business unit's performance and strategic directions
- Behaviourial competencies that are linked to competency profiles



Figure 4.5-1 Performance Management Framework

The performance management process is framed by the following steps:

- Performance planning and the setting of goals and KPIs
- Providing clarity of job scope with appropriate learning and development platform
- Regular review of individual performances and coaching throughout the assessment period
- Rewarding performance in the form of promotion, bonus payment and new assignments

Teckwah has instituted various recognition systems to reinforce and reward positive results and behaviours that are aligned with the strategic directions. They are as follows:

1. Performance Appraisal

During the staff performance appraisal session, the staff are appraised on tasks performance; the KPIs that are aligned with the business targets and behavioural competencies. The behavioural competencies vary amongst different staff levels.

2. Promotion Exercises

Teckwah has an established Job Grade to serve as guide for career progression. Suitable candidates for promotion to higher grade are identified for consideration by the Job Committee. The exercise is done twice a year. The process is transparent to the HoDs and nominations are invited openly.

3. Talent Management System

Throughout the year, those staff who are identified as talents have their profiles updated in the Talent Management System. This is to ensure the organisation has a stable pipeline to fill the leadership positions. The progress of the talent is updated once every six months by the respective HoDs.

4. Monetary Recognition

Teckwah accords monetary recognition to encourage staff to excel in their work in the form of productivity bonus payment and special bonus. The quantum of reward is closely linked to individual, department and SBU's performance.

For operative level, staff enjoy monthly responsibility allowance when they observe punctuality and production guidelines.

Education sponsorship is awarded to deserving staff to recognise their contribution to the organisation. The scholarship is also intended to encourage staff to broaden their knowledge and to further enhance their chances of advancing to a higher level of responsibility. Criteria for award are linked to individual performance, business needs and talent management.

5. Non-monetary Recognition

Central to the promotion of innovation culture, staff are encouraged to contribute constructive feedback and ideas through 3S. Points are awarded for their contributions. Contributors of good suggestions are promptly recognised. Outstanding suggestions are publicised in the newsletter and intranet.

For the 5S programme, individuals who exhibit good 5S practices are also heralded as good examples for all to emulate.

4.5b How the organisation evaluates and improves its employee performance management and recognition systems.

Teckwah evaluates its performance and recognition systems through the monitoring of HR indicators and inputs from business units. Prior to implementation, recommendations for improvement are discussed at TSMM.

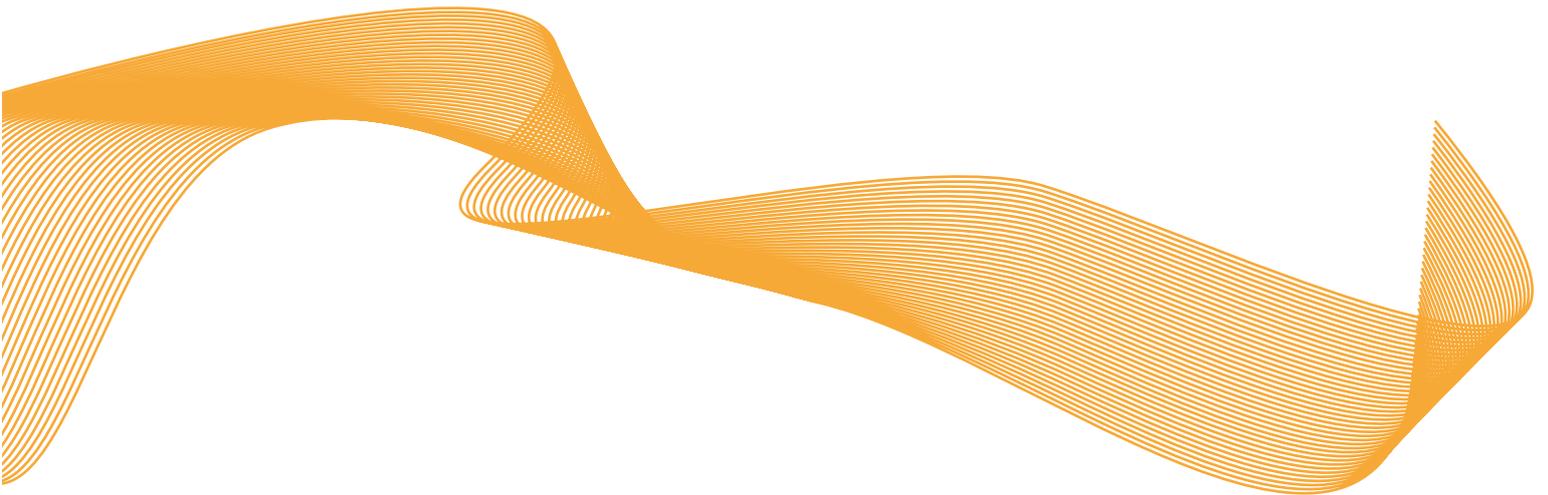
The Job Committee serves as a formal channel to review the performance management and recognition systems. Twice a year, the committee reviews compensation package, job grade, salary ranges to ensure we stay competitive in the market place.

An example of improvement made was the revamp of competency profile and performance appraisal system. The former competency profile was set in 2002. With inputs from HoDs, a simplified ladderised competency profile was rolled out in 2009.

At the same time, a web-based talent management system featuring matrix of performance over time and potential was also launched to facilitate ease of monitoring talents' progress by the respective HoDs.



Category **five:** Processes



Processes

5.1 Innovation Processes

5.1a How innovation management processes support value creation. Include how creative ideas are harvested, evaluated and implemented.

Innovation takes place at three levels in Teckwah, i.e. Strategic Business Innovation, Market Driven Innovation and Operation Driven Innovation.

Strategic Business Innovation

The Strategic Business Innovation process drives Teckwah to develop new business models and business streams. Through this process, we have evolved over time from a family business to a public listed company; from a single service to a host of services; from a single plant in Singapore to regional presence in the Asia Pacific region.

Strategic Business Innovation process is primarily led and driven by Senior Leaders, with involvement from HoDs, Supervisors and executives. This process consists of the five steps as follows:

Step 1 – Search

Constant searches are conducted by listening to the stakeholders' voices, which are vital to the organisation's continuous improvement and progress.

Step 2 – Assessment

The resources and capabilities required are identified and assessed. The costs and benefits will be weighed. The strategic fit of these opportunities will then be ranked in terms of cost, benefit, strategic relationship and ease of implementation.

Step 3 – Development

To transform the opportunities into reality, critical issues are to be addressed at the onset of the transformation. A contingency plan is also identified to prepare the organisation should the transformation fail.

Step 4 – Pursuit

Communications with stakeholders to obtain their buy-in of the opportunity identified are carried out before the implementation. These will ensure appropriate approval had been sought.

Step 5 - Evaluation & Feedback

The actual outcomes of the opportunity seized are analysed and evaluated against the target outcome identified. Feedback is communicated to each process owner in the loop.

The Strategic Business Innovation process is a cycle rather than a continuum, because information from one step can flow back to influence the previous step(s).

With the strategic premise to avoid head-to-head competition, Teckwah's Strategic Business Innovation

process propels the organisation to create differentiated strategies that have contributed to the growth of Teckwah's businesses. These phases are:

- a. Regional network development
- b. Diversification into Logistics Business
- c. Creation of Teckwah branded products / services

Teckwah's Technology Licensing Programme is one of the key innovation outcomes during the regional network development phase. The programme was launched with the endorsement and subsidy by the government agency, Trade Development Board, now known as IE Singapore.

This programme has enabled Teckwah to expediently develop a regional business network, which in turn, brings forth the Global Access Local Supply (GALS) advantages for Teckwah's global customers.

Key to the GALS business model is to provide our customers with access to Teckwah's sites globally, while enjoying the benefits of having local supply to their target markets.

The programme implants Teckwah's technology systems, business operating systems and standards into the GALS sites, while leveraging on the in-country local resources.

This approach, together with Licensee's Partner equity participation in the respective GALS site, reduces the capital investment that Teckwah would have to invest for the business network.

Market Driven Innovation

The nature of Teckwah's business ensures a continuous innovation momentum. Teckwah has progressed from providing purely output services to creating customised value chain solutions, then to development of branded and customerised solutions and to development of new services with co-competitors.

The basic principle of innovation in Teckwah is to create value for real market needs. This is especially visible during the Customer RFI/RFP/RFQ process.

Through active listening to the requirements of Teckwah's customers and Co-competition Partners, our virtual Solution Centre team will then seek out our unique value proposition for our customers after the strategic fit is confirmed.

Operation Driven Innovation

In Teckwah, operation driven innovation takes place to improve our services and processes with our customers and partners. Hence, they are typically initiated from a customer feedback or a new process requirement. Stretched operation improvement targets also trigger the need to activate operational innovation.

The CIT/BIT programme is the platform for operation driven innovation. The results of operational innovation can be as simple as development of new processes, or new efficiency and productivity improvement approaches.

5.1b. How new products and services and their related production and delivery systems are designed and introduced. Include how employees, customers, and suppliers/partners are involved in the design process.

In Teckwah, there are four types of solution development for our markets, namely:

- Differentiated Solution Development
- Coopetitive Solution Development
- New Product Creation (Branded Solution)
- Customerised Solution Development

The common challenges encountered in our solution development include:

- Quick response time required
- Short turn-around time to be operationally ready
- Very competitive pricing
- Regional and global coverage expectation
- In-country presence
- New capabilities
- New regulatory requirements
- Ready system solutions to enable the new business

Hence, it is inherently necessary for Teckwah to anticipate both explicit and intrinsic needs of our customers to build our capabilities and solutions ahead of customers' requirements. It is also necessary for Teckwah to collaborate closely with our customers, supplier partners, as well as Coopetition Partners.

Differentiated Solution Development

Solution Centre will assess customers' requirements and pool together the necessary resources to respond to a customer's specific needs stated in a RFI/RFP/RFQ document. A typical virtual team will comprise of staff from Solution Centre, Operations, ICT, Finance and suppliers/partners to develop the customised solution for the customer.

To enable this process, the team is supported by a library of existing customised and new solutions. In addition, market research is also conducted to obtain the latest update on the customer's organisation, as well as the industry in which they operate.

Coopetitive Solution Development

In this new strategy, Teckwah works together with competitors to participate in joint bidding of new projects /contracts. These are for projects where there exist coopetitive advantages by leveraging on complementary strengths.

To participate in these joint biddings, Teckwah's team will work with our Coopetition Partners, as well as our supplier partners, to develop the required solution for the pursued contract.

New Product Creation (Branded Solution)

In 2006, an outcome of the Strategic Business Review Process was for Teckwah to develop distinct, scalable and rapidly deployable solutions. This direction was made in response to the challenges highlighted earlier.

The Solution Centre Team was tasked and is still responsible for this initiative. Both the ICT Team and Operations Team are also involved in the solution design, development, testing and release of new products/solutions. The Finance Team supports in conducting the necessary viability analysis and investment monitoring.

Suppliers/Partners are also roped into the solution development, specifically the business components which they have a role to play. ICT component of the new products are also outsourced to trusted developers.

Other solutions which have been developed, but not classified in the branded category, include 3R and Carehub. Both are used to enable our Reverse Logistics Business.

Customerised Solution Development

Our Customerised Solutions are developed based on future customers' business strategies. Collaborative discussions and analysis are made with the customer. Co-strategies are made, solution creation, development and deployment are jointly conducted.

5.1c. How the organisation evaluates and improves these innovation processes.

The evaluation and improvement of the strategic business innovation process has been addressed in Category 2, while for the operation driven innovation process, this is addressed in Item 5.2c.

As explained in Item 5.1a, Teckwah has progressed from providing purely output services, to creating customised value chain solutions, then to development of branded and customerised solutions and to development of new services with coopetitors. This progression is driven by the organisation's business strategies.

The approaches to develop each of the four types of solutions described in Item 5.1b do differ in terms of different degree of involvement by customers, coopetitive and supplier partners. The approaches to uncover the specific requirements, strategic and intrinsic needs also differ.

Thence, as the organisation progresses through the different phases of solution development, the development approaches are reviewed. The team structure to support the different phases are adjusted accordingly. And as Teckwah moves into development of branded products, the organisation has searched and decided to adopt an improved structured approach. The Rotman Business Design methodology was adopted in 2010.

5.2 Process Management and Improvement

5.2a Define the key production and delivery processes of products and services and the support processes. Include a description of their requirements and performance measures or indicators.

Our business processes that form the supply chain are classified into Print Related and Non-Print Related processes, which contribute value to customers in meeting their requirements on quality, cost and delivery. The key support processes are inter-connected to form the entire framework so as to provide valuable services to our customer (Figure 5.2-1).

Each business process is measured by KPIs or SBU's operations measurements. Each has been assigned owner to lead the process in contributing unique value to customers and to achieve targets of process, which would ultimately contribute to the organisational goals and objectives. Process owners rationalise and establish strong linkages amongst processes, thus, ensuring a seamless and fluid work flow.

The key business processes have been certified according to ISO-9001, ISO-14001, OHSAS 18001, SS:540, SAS70, STP, FSC-CoC and PSO. We have coded our practices according to these standards into a quality manual. The quality manual is internally known as "QuESH".

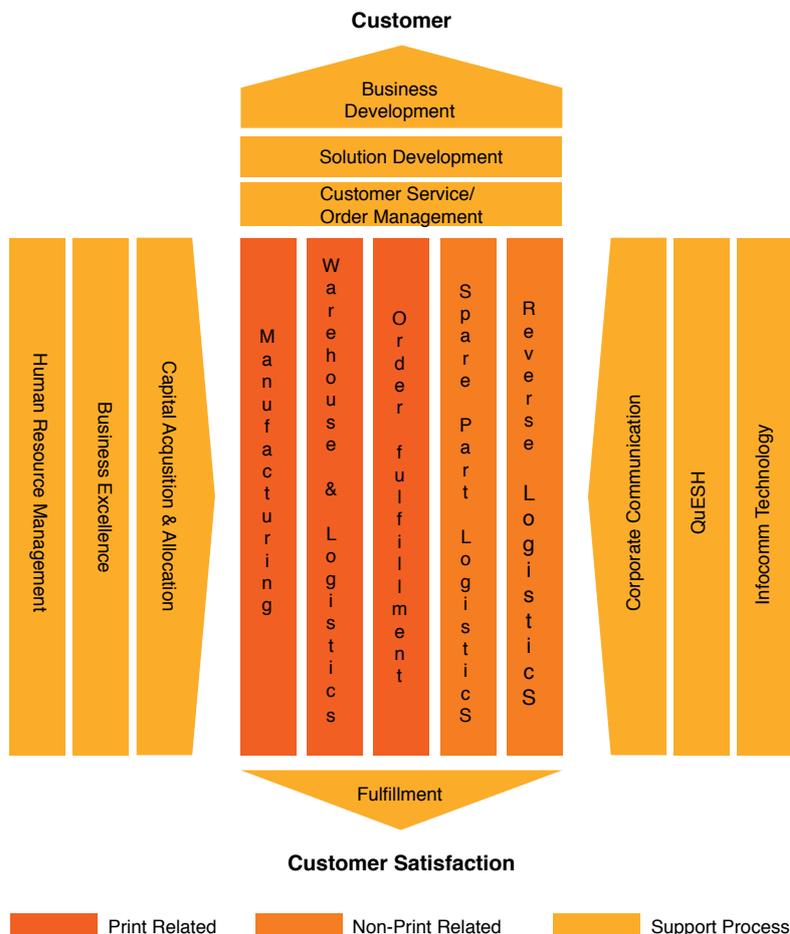


Figure 5.2-1 Key and Support Business Processes of Teckwah

As the headquarters of the organisation, we also lead, guide and support our regional sites on all the key processes described.

5.2b Describe how the organisation manages these key processes to meet process requirements and maintain process performance to ensure that products and services meet customer and operational requirements. Include how the organisation is able to sustain its operations in emergencies and disasters for business continuity.

Teckwah's operational environment is developed and managed based on:

- ISO 9001
- ISO 14001
- OHSAS 18001
- SAS70 (Statement on Auditing Standard No 70)
- STP (Secure Trade Partnership) Certification
- FSC-CoC (Forest Stewardship Council-Chain of Custody)
- SS:540, the Singapore Standard for Business Continuity Management (BCM)
- Process Standard Offset (ISO 12647-2)

Guidelines of the listed standards have been incorporated into our daily work practices. Starting from raw material selection to manufacturing process management with ISO standards, right up to the end of supply chain with security assurance and compliance to certified standards.

There is a variety of QuESH audits conducted by a pool of Internal Auditors periodically to ensure conformance to the system requirements. Third-party external audits are also carried out by certification bodies, key customers and CPA regularly. Audit results are reviewed by process owners and senior management and particularly used in the overall improvement of processes, products and services.

Procedures for CPAR and handling of non-conforming products have been established to address out-of-control situations to minimise the impact on product or service quality. (See Figure 6.2-2).

During MBO/Business Reviews, Senior Leaders and HoDs identify potential CIT/BIT projects to close any gaps identified from actual results against the targeted goals.

Process owners, project teams and taskforces are empowered to do a systematic analysis of problems or improvements needed and to implement appropriate corrective and preventive actions.

Certification of Business Continuity Management (BCM) has also enabled us to focus on pre-incident analysis and prevention, response planning for both expected and unexpected disruptions. These analyses and prevention efforts require the integration of management, people, technology, facilities and business processes to ensure the resiliency of the organisation. Exercises to simulate different scenarios of disaster that may impact the continuity of our business had been conducted. Relevant key staffs were activated to the assigned alternative site to test out established recovery plans.

5.2c Explain how the organisation evaluates and improves these key processes to achieve better process performance and improvements to products and services.

Our operation environments have been certified by various international recognised standards as listed in Item 5.2b. Teckwah leverages on these standards to obtain external expert validation & feedback on our key and support processes.

Many of Teckwah’s global customers conduct audits on our processes on an annual basis. These audits also provide critical inputs to evaluate and improve our processes.

In addition to the above, as part of our operating principle of continuous improvement, operation improvement imperatives are given to SBUs and Departments to review and improve their processes. Internal audits are also commissioned by our Board to ensure good corporate governance practices.

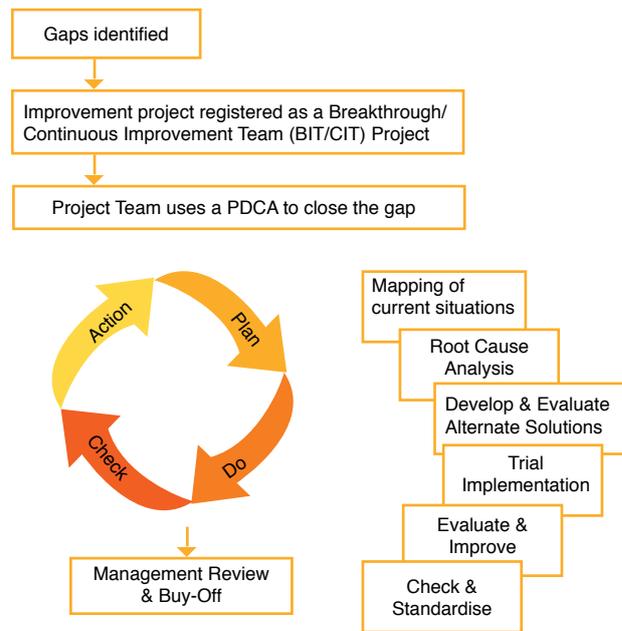


Figure 5.2-2 6-Step PDCA Methodology

Teckwah has already operationalised the 6-step PDCA Methodology (Figure 5.2-2) to close gaps between actual results versus targeted goals. CIT/BIT projects are initiated by respective process owners.

A total of 49 CIT/BIT projects have been successfully completed during the period of 2008 till December 2010 for both our Print and Non-print business. Project information such as timelines, records, etc. are retained within the CIT/BIT Database.

5.3 Supplier and Partner Processes

5.3a How organisation identifies and selects its suppliers and partners. Include a description of the key performance requirements for suppliers and/or partners and how the relationship and partnership fit into the overall strategy of the organisation.

Our structured Supplier Management Process framework (SMP), is to create long-term competitive advantage based on the TQRDCEB methodology. This is a continuous improvement process for managing our suppliers and partners to achieve our shared common goals. As a result, it will establish long-term working relationships and provide excellent service to our customers.

By defining, identifying & selecting suppliers and partners through various stringent requirements, Teckwah can provide reliable and quality end-to-end services to our customers.

Our suppliers and partners are classified into two groups - Approved and Strategic. **Approved Suppliers** are divided into “Suppliers”, “Key Suppliers”, and “Partner Suppliers” based on pre-set criteria.

Strategic Partners are our Technology Licensing Programme (TechLP) Partners and Coopetition Partners. TechLP has been introduced in Item 5.1a. Coopetition Partners are our competitors who jointly participate in solution development, and secure business opportunities globally with us.

5.3b How organisation communicates and ensures that its requirement are met by suppliers and/or partners and how timely and actionable feedback is provided to suppliers and/or partners.

We treat our suppliers as the extension of our operation. We provide prompt and objective feedback to them as soon as an area for improvement is identified via preliminary "Supplier Selection and Qualification Process" or regular monitoring of suppliers' performance.

In general, feedback on suppliers' delivery and quality performance is through the working level and CPARs are issued if they fall short of expectations. Repeated discrepancies are brought to their management level for review and action.

For the selected key and partner suppliers, they are monitored based on a structured SMP. In this management process, their business health, quality and technology performance are reviewed, assessed and rated according to our performance checklist. Teckwah conducts "one-on-one" business reviews with them on a annual or biennial basis (see Item 3.1b). However, face to face meeting would be carried out as and when operational need arises.

Through regular performance and business reviews, Teckwah is able to work with suppliers and partners in monitoring, maintaining and delivering quality performance. Periodical quality audits and performance assessments are conducted. At the same time, exchange of knowledge is made through constant feedback for continuous improvement.

A systematic approach to calculate the scores of each key supplier or business partner is in place. Scoring is based on seven TQRDCEB criteria which will ensure that suppliers and partners achieve established quality standards and deliver the expected level of service at all times.

During the development stage of a customer's new product design and requirements, Key Suppliers and Partner Suppliers will be involved in the activities to provide Teckwah with their know-how.

Our TechLP partners participate in Teckwah's Business Reviews as well as our Regional Business Development Meetings. At these reviews, business plans and performance targets are shared and communicated. At operational level, our TechLP partners also participate in solution development and key processes in delivering our regional services to our global clients. The controls and process management described in Item 5.2 are applicable for this partner category.

For our coopetition partners of Print business, Teckwah has entered into collaboration programmes to tap on their local knowledge advantage while strengthening our presence in those markets.

Business review sessions are held annually together with key customers to review business performance and share on future roadmaps and improvement plans. For our coopetition partners of Non-Print business, we conduct joint RFQ responses and solution developments for major accounts for the APJ region.

5.3c How organisation works with the suppliers and/or partners to understand their needs, and the plans and processes established to help suppliers and/or partners improve their goods and services, as appropriate.

The high degree of interaction between Teckwah and all categories of suppliers/partners have already been detailed in Item 5.3b. Teckwah holds annual and/or biennial meetings with selected key suppliers, partner suppliers and strategic partners respectively. These meetings provide the platform to exchange information on business plans, mutual expectations and identify opportunities for continuous improvement.

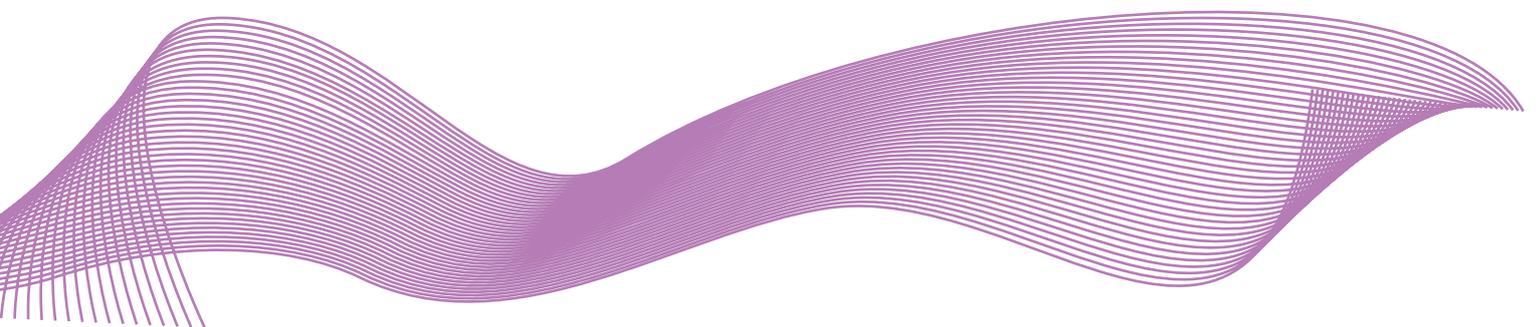
Another platform for interaction with selected key and partner suppliers is to conduct joint-audits, seminars, training courses, forums, regular dialogue sessions, and joint annual BCM exercise.

After understanding the partners' needs through the business reviews, areas of improvement would be identified and followed up by the relevant owners during the reviews. Regular updates would then be sent to the partners' through emails or conference calls to address it.

Our collaborative strategy has certainly enabled Teckwah to expand our global capabilities and market share.



Category **six:** Customers



Customers

6.1 Customer Requirements

6.1a How the organisation segments its customers and/or markets and determines current and future customer/market requirements. State the requirements for each segment.

Teckwah is a trusted partner to many world renowned brands. Many of these partnerships have perpetuated over many years, with increasing extension of services rendered to them. Teckwah's continued ability to attract and retain global brands as our customers is an excellent testimony of our Customer Management System.

To enlarge and strengthen our customer base, Teckwah adopts five core strategies:

- Establish and engage in different listening and learning methodologies to elicit customers' future requirements and implicit needs
- Assess the transforming macro-economic environment to evolve and create differentiation from competitors and to stay relevant for our customers
- Develop new competencies that bring forth new value, enabling the organisation's ability to continually improve our productivity, service innovation and quality
- Deploy both multi-level and multi-channel Customer Relationship Management models to maximise access to the organisation's target customers
- Inculcate and implement desired customer service value system and techniques that will heighten our customers' experience, hence, satisfaction

Through our strategic mapping process, Teckwah selects the industry sectors which the organisation choose to serve. They are the Biomedical, InfoComm and Consumer Goods sectors. These sectors yield characteristics that support Teckwah's strategic goals.

With a clear insight of the target segments, and a good understanding of our customers' current and future needs, Teckwah has developed a niche set of supply chain solutions. Teckwah's customers can select and pick from these set of solutions to custom fit to their end-to-end supply chain management needs (See Figure OP-3.1-1).

To ensure that our customers are served by the BEST PEOPLE with competencies to deliver the BEST SOLUTIONS to them, Teckwah categorise our services into two distinct business streams - Print-Related and Non-Print Related.

Through the combined approaches of staying close to customers' needs and monitoring their business dynamics, as well as assessing macro-economic developments, Teckwah determines current and future customer requirements and needs of our target markets.

Teckwah's relentless pursuit to stay on-top and ahead of customer and market needs has allowed the organisation to ride the business cycles of our customers, as well as charting and propelling the transformation inertia of the organisation.

6.1b How the organisation uses different listening and learning strategies to analyse and anticipate future and new customer/ market needs.

A diverse range of listening and learning methodologies is employed at the organisation to acquire and anticipate future and new customer and market needs.

This multi-faceted, multi-level and multi-channel approach demonstrates Teckwah's relentless pursuit to stay on-top and ahead of customer and market needs.

The involvement of our Senior Leaders in the direct listening process allows us to secure strategic insights and directions of our renowned customers. Their participation in the indirect channels allows them to stay on top of both market and industry development, as well as the competitive landscape.

By coupling the two insights, our Senior Leaders are able to formulate spear-heading strategies, as well as partake in our customer's strategic formulation process.

6.1c How the organisation incorporates customer requirements, future and new market needs into strategic and improvement plans.

In Item 6.1b, the different processes which Teckwah adopts to address customer requirements, future and new market needs have been introduced. These processes have been categorised into Strategic, Solution Development and Operational Management.

Strategic Processes

Central to our strategic management processes is Teckwah's strategic planning process described in Item 2.1. Customer requirements, future and new market needs are key inputs to this process. These inputs have enabled Teckwah to set up major strategic directions and progress from one S-curve to another to achieve the desired business growth.

Some of the key strategic initiatives that were developed as a result of Teckwah's close monitoring of customer and market needs are:

- Transformation from an output service solution provider, to providing customised end-to-end supply chain management service provider, and to the present state of providing customerised solutions to our renowned customers.
- Development of Teckwah's GALS business model and network, which has enabled Teckwah to expand rapidly into the region with minimal resource investment.
- Creation and diversification into new business streams - Service Parts Logistics and Reverse Logistics.
- Implementation of co-competition strategies with like-minded competitors to win new markets.

The strategic planning process sets both the mid and long term strategic plans for Teckwah.

Solution Development Processes

Teckwah has two distinctive Solution Development Processes to develop our services to meet customer requirements and market needs. They are our RFP/RFQ process and new solution design process. The former process attends to the specific current needs of the customer, which are usually communicated via a RFP/RFQ document from the customer or a competition partner. Teckwah would then develop a solution proposal as per the given requirements.

The new solution design process is used to develop Teckwah's branded products. For this process, the whole suite of information gathered from the various sources described in Item 6.1b are being utilised to discover the needs of both our customers and the markets.

Customised solutions developed are tailored to fit our customers' specific needs. It is also common for Teckwah to be able to extend the developed solutions to fit the needs of other customers.

Teckwah's focus on ensuring good insight into customer and market needs has enabled us to develop our branded solutions that are ready for customerisation to support our customers' future strategic intent.

The Solution Development Processes are further elaborated in Category 5.

Operational Management Processes

Direct customer's feedback on operational matters and performance are promptly handled by our CPAR process. Customer's feedback and sharing of business plans during Quarterly Business Reviews with customers are reviewed and analysed at weekly operational meetings. CIT/BIT projects are initiated to re-engineer processes to address new needs of customers. These Operational Processes allow Teckwah to provide prompt responses to near needs of customers.

Further discussion on the Operational Processes is given in Item 5.1.

6.1d How the organisation evaluates and improves its processes for determining current and future requirements.

Three strategic impetus dictate the need for the organisation to continuously sharpen the processes of determining customer requirements. These impetus are:

- i. The organisation's modus operandi that is to create and deliver customised solutions that make strategic differentials for the customers.
- ii. The organisation's continuum of growth as a global organisation, with increasing regional presence, serving both Global and Asian brands.
- iii. The strategic direction of creating branded solutions.

Based on these imperatives, the organisation has established and operationalised approaches to evaluate and improve the listening post methodologies.

In Items 6.1b and 6.1c, the approaches to capture, interpret and respond to all interactions with customers throughout the organisation's business network had been presented.

Updated customer requirements and market needs are constantly under the scrutiny of the Senior Leaders and addressed in the monthly TSMM. The need to improve customer requirements acquisition process is simultaneously evaluated at these meetings.

At the regional level, requirements acquisition process is discussed and deliberated at Weekly Local and Regional Business Development Meetings, Quarterly Business Review Meetings, Half Yearly Group Business Review Meetings and the Annual Regional Business Development Conference.

The dynamic operating environment which the organisation operates in calls for continuous improvement of all customer management related processes.

6.2 Customer Relationship

6.2a How the organisation provides easy access for customers to conduct business, seek assistance and information, and make complaints. Describe key customer contact requirements and how these requirements are determined and deployed to all people in the response chain.

Teckwah practices multi-level customer relationship management. In ensuring easy access for customers to conduct business, seek assistance and information, and provide feedback, Teckwah establishes communication channels at appropriate levels.

At the Senior level, many platforms have been established for our Senior Leaders to interact with their counterparts in our customers' organisations. These platforms include proposal presentations, contract signing ceremonies, business reviews and social interaction events. This level of interaction allows our Senior Leaders to share business strategies and plans and to convey Teckwah's commitment in their business journey.

At the Managerial level, our senior and middle managers are in regular contacts with the customers on two fronts:

- i. Identification of new business opportunities and converting these opportunities into new business contracts.
- ii. Contractual management, addressing operational expectations, business plans and performance management.

At the Operational level, customers are in direct daily contact with our staff supporting the account. Our teams work closely with our customers' teams to ensure that their products are produced, launched and delivered according to their performance expectations.

For all our customers, a communication matrix or escalation chart is provided to them. It contains contact details of our staff. The escalation chart typically provides for direct access to Teckwah's Senior Leaders.

6.2b How the organisation ensures that complaints are resolved effectively and promptly, and that all complaints received are aggregated and analysed for use in overall improvement.

The customer escalation management process at Teckwah provides for a single contact point for efficient escalation and resolution of any issue raised by each customer account.

Application of controls of immediate corrective action is promptly established to resolve the impending issue. Effective preventive actions are proposed to customers and upon approval, improvement to the affected processes are made. For improvements which are not unique to a specific customer, they are incorporated into the standard operating processes to enhance the robustness of our operating system.

With all customer feedback being deposited in a central depository and with proper categorisation of the feedback received, consolidated review and analysis of the feedback is periodically made at SBU Review Meetings and addressed at the monthly TSMM. Where observable trends for improvement are noted, CIT/BIT projects are initiated to develop long term improvements.

6.2c How the organisation evaluates and improves its customer relationship management.

Evaluation and improvement of customer relationship management are addressed on two fronts:

- i. Account Management
- ii. Business Development

In Account Management, teams are assigned to deliver the services as per contractual requirements. There exist a unique dimension in Teckwah's customer relationship management in this front. The performance of our teams delivering our services has direct impact on the performance of our customers. This inter-dependency encourages close collaboration between the teams. Both the management teams of Teckwah and the customers regularly review the working relationship between the teams and effect the necessary improvement when need arises.

In Business Development, our BD teams are deployed to pursue the target list of customers. The progress of these developments are tracked and monitored in the Teckwah Index system and reviewed at Weekly BD Meetings, as well as Quarterly Business Reviews.

6.3 Customer Satisfaction

6.3a How the organisation determines customer satisfaction.

Both direct and unsolicited forms of feedback are used to measure and determine satisfaction levels in customers.

Direct determinants of satisfaction levels include:

- i. Customer Satisfaction Index
- ii. Feedback received from customers at Business Review sessions
- iii. Face-to-face interviews with customers by third party consultants and Teckwah team

Unsolicited feedback include:

- i. Extension of services provided to existing customers
- ii. Repeat business; contract renewal
- iii. Customer testimonials

Customer satisfaction surveys are handed out to our customers during our Business Reviews with them. These surveys prompt our customers to rate our services in these perspectives:

- On-time delivery
- Quality performance
- Inventory accuracy
- Cost competitiveness
- Responsiveness

As highlighted in Item 6.2c, there exist a tight coupling of performance between Teckwah's teams and customers' teams. It is not uncommon for our customers to provide feedback directly to Teckwah's teams and during interactions with our Senior Leaders. These face-to-face interviews and interactions allow us to hear the inner voices of our customers to ascertain the explicit satisfaction feedback expressed in the surveys.

In addition, these customers leverage on the regional manufacturing sites of Teckwah's GALS network to enable the effective delivery of their products to desired markets across the Asia Pacific. Satisfaction levels are also reflected in the new services extended to existing customers.

6.3b How the organisation translates customer satisfaction feedback into strategic and improvement plans

The Customer Escalation Management Infrastructure used to address customer complaints and issues (Item 6.2b) is also used to deal with customer satisfaction feedback.

All customer satisfaction feedback data are channelled into the database, upon which the data is reviewed and analysed at the various evaluation platforms employed at the organisation.

Feedback that can potentially be translated into strategic plans are reviewed and evaluated at monthly TSMM, while feedback that requires improvement plans to be developed and established are evaluated at fortnightly Business Operations and HoD Meetings.

Potential strategic plans are delegated to Head of SBUs or HoDs to develop a plan that is viable, feasible and aligns back to the organisation's Corporate Strategy. Operational improvement plans go through the CIT/BIT process that is conducted by the task force. All initial strategic and improvement plans are presented to Senior Leaders for approval and buy-off prior to their implementation.

6.3c How the organisation evaluates and improves its overall process of determining customer satisfaction.

The organisation utilises established communication platforms to evaluate and improve its process of determining customer satisfaction. The overall approach that the organisation undertakes is annually reviewed by Senior Leaders at TSMM. The steps taken are:

- i. Review and analyse each criterion and methodology of gathering, collating and monitoring customer satisfaction against industry-wide standards of measuring customer satisfaction levels.
- ii. Review and consider criteria from key customers' supplier performance surveys to ensure that our direct determinants of customer satisfaction levels are relevant.
- iii. Review and compare direct forms of feedback results against unsolicited forms of feedback as unsolicited feedback are implicit indicators of satisfaction our customers have with Teckwah.
- iv. Review and compare direct forms of satisfaction feedback results against the number of complaints received in the same period of measure at Teckwah.

The entire process of evaluation generally commences over a few rounds of deliberation and assessment. Potential areas for improvement are noted and the feedback and critique from Managers and HoDs are solicited before improvements made to the process are finalised and implemented.

In addition, due to the high degree of collaboration between Teckwah and our customers, our customers are ready to provide feedback on our approaches to determine their satisfaction level. Again, these direct inputs allow Teckwah to adopt approaches and select criteria which are of relevance to our customers.

Category

seven:Results

自我突破，空间更广阔

Success comes from refusing to be boxed in



Results

7.1 Customer Results

7.1a Summarise current levels and trends in key measures and/or indicators of customer satisfaction and retention. Address different customer groups and market segments, and include comparative data as appropriate.

Customer Satisfaction Index

Since 2008, the customer satisfaction index of both our Print Related and Non-print Related businesses has shown a strong upward trend that consistently met and exceeded target set.

The satisfaction index is captured through surveys conducted via periodical business reviews held with customers. The survey criteria was revised in 2007 to reflect the more stringent business requirements from key customers. Despite a more stringent set of criteria, our customers have improved our ratings. This improvement can be accrued to better understanding of our customers' intrinsic needs and better training of our staff. This is also reflected from industrial sector perspective (Figures 7.1-1 and 7.1-2).

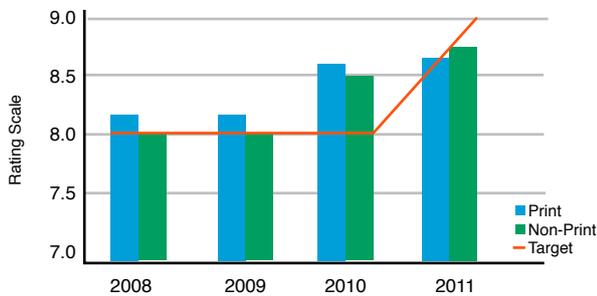


Figure 7.1-1 Customer Satisfaction Index by Business Segment

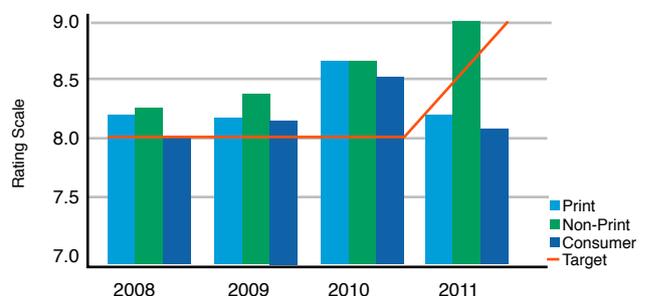


Figure 7.1-2 Customer Satisfaction Index by Industry Sector

Customer Testimonials

Customer satisfaction is also evident in the testimonials Teckwah received for being an outstanding business partner to our customers.

Customer Retention

In Teckwah, "Top 10 Customers" contribute more than 80% of top line revenue for both business segments. These customers are mainly from the InfoComm, Biomedical and Consumer Industries for Print Related and InfoComm Industry for Non-print Related.

The Print Related and Non-print Related business has maintained a 100% customer retention rate since 2008. For Non-print Related category, the number of customers has increased more than 100% over the last 2 years.

Customer Loyalty

In Teckwah, we ensure superior service delivery and we value customer satisfaction. Over the years, Teckwah has elevated customer satisfaction to a higher level which has been translated to customer loyalty. This is reflected in the number of years that our key customers chose to keep Teckwah as their trusted partner.

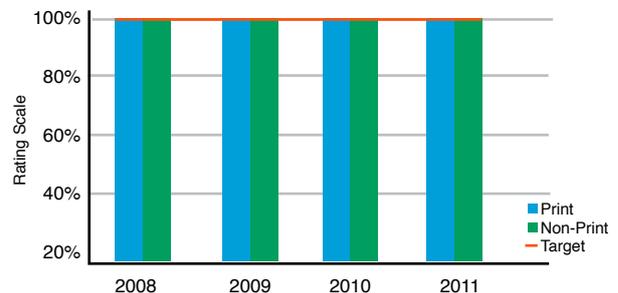


Figure 7.1-3 Customer Retention Index by Business Segment

7.1b Summarise current levels and trends in key measures and/or indicators of product and service performance.

Address different customer groups and market segments, and include comparative data as appropriate.

The market share of both the Print and Non-Print businesses are charted in Figures 7.2-12 & 7.2-13 respectively. Our Non-Print business has overtaken its 2 closest competitors in FY2009 within a 5 year incorporation horizon.

One of the critical requirements of our customers is our ability to ride their business cycles. This necessitates the need to constantly remodel our solutions or create new solutions to support the dynamic markets which they serve.

Product and Service Performance Index

The key customer requirements for Teckwah’s products and services are consistent across the three industry sectors which we serve. They are quality performance, on-time delivery and inventory accuracy. A summary of Teckwah’s performance for these factors are given in Table 7.1-3. For the quantitative service performance factors, Teckwah has always delivered on our promises to our customers against contractual targets.

Customers' Key Requirements	Biomedical				InfoComm				Consumer			
	2008	2009	2010	2011	2008	2009	2010	2011	2008	2009	2010	2011
Quality Performance	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
On-time Delivery	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Inventory Accuracy	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Table 7.1-3 Performance Against Key Customer Requirements

7.2 Financial and Market Results

7.2a Summarise current levels and trends in key measures of financial performance, including aggregate measures of financial results and/or economic value, as appropriate. Compare results relative to competitors and/or benchmarks, as appropriate.

Teckwah has over the years consistently re-engineered its business to ensure it stays relevant to the changing business environment. It has maintained its top line above the S\$100 million mark and more importantly to ensure its bottom line remains healthy (Figure 7.2-1).

The top line did not meet the targets set for 2007 and 2008 due to changes in the business model of our customers, as well as the global financial crisis respectively.

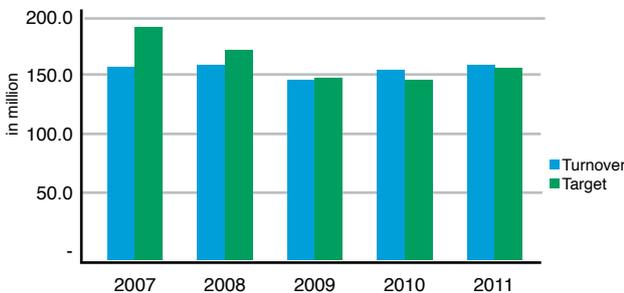


Figure 7.2-1 Turnover Trend

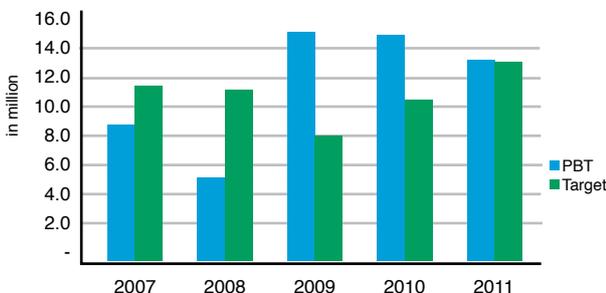


Figure 7.2-2 Profit before Tax Trend

Nevertheless, austerity measures were put in place and continued focus on top line growth ensured Teckwah remains at a profitable level (Figure 7.2-2). Impact of the austerity measures was realised in 2009 resulting in the highest profit ever made in the history of Teckwah. This was achieved in the midst of the 2009 global economic crisis.

In line with its goal of creating value to its stakeholders, Teckwah has continued the practice of declaring dividends. Over the years Teckwah has been consistent in declaring at least a 4% dividend rate to its shareholders. For 2007 to ensure tax credits (Section 44 of the Income Tax) were consumed, a higher rate of 18.2% was declared. For 2008 and 2009, more cash flows were generated by the business. The Board made a decision to return excess cash to shareholders as a show of appreciation of their support (Figure 7.2.3).

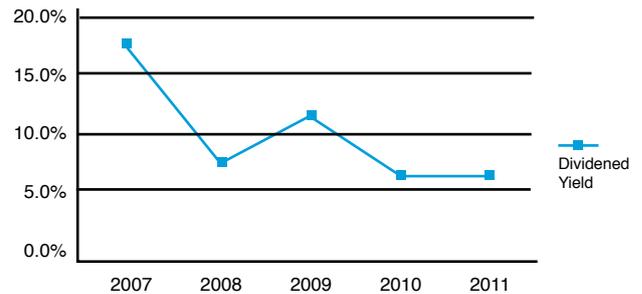


Figure 7.2-3 Dividend Yield Trend

A strong healthy balance sheet is important for every organisation. Despite the distribution of dividend to its shareholders, Teckwah is self sufficient as well in its working capital needs and has minimal borrowings. This is evident in its low gearing ratio (Figure 7.2-4).

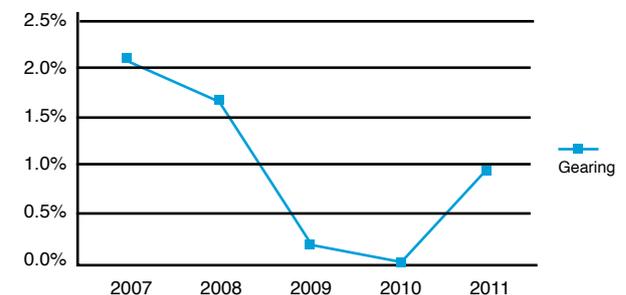


Figure 7.2-4 Gearing Ratio Trend

Relative to its closest competitors, Teckwah has shown a more gradual performance with regards to the profit and loss statement (Figures 7.2-5 and 7.2-6), as well as its balance sheet.

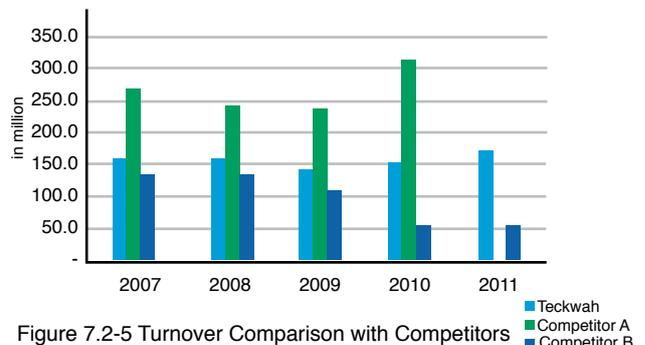


Figure 7.2-5 Turnover Comparison with Competitors

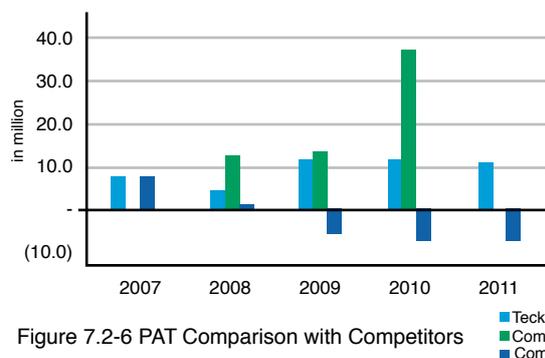


Figure 7.2-6 PAT Comparison with Competitors

Teckwah has consistently paid out dividends, between 4% to 18.2% during the period 2006 to 2009 to its shareholders.

7.2b Summarise current levels and trends in key measures and/or indicators of marketplace performance, including market share/position, market acceptance, business growth, and new markets entered, as appropriate. Compare results relative to competitors and/or benchmarks, as appropriate.

In line with Teckwah's objective to grow the Non-Print business, from Figure 7.2-7, it is clear that the Non-Print segment is growing. Comparing FY2009 over FY2008, it grew by 21.8%. There was a drop from FY2007 to FY2008 due to an end of life for a project due to competitive pricing. This same project has now been re-awarded back to Teckwah in 2010.

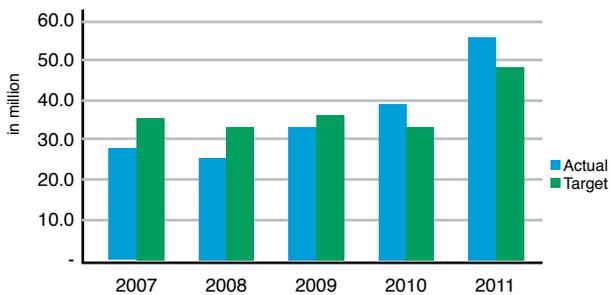


Figure 7.2-7 Growth in Non-Print Revenue

Similarly, Profit Before Tax for this business segment for FY2009 grew by 46.2% versus FY2008. The end of life of the project mentioned above, coupled with high oil prices in the beginning of the year and ending with the financial crisis contributed to a drop in profit for FY2008 versus FY2007 (Figure 7.2-8).

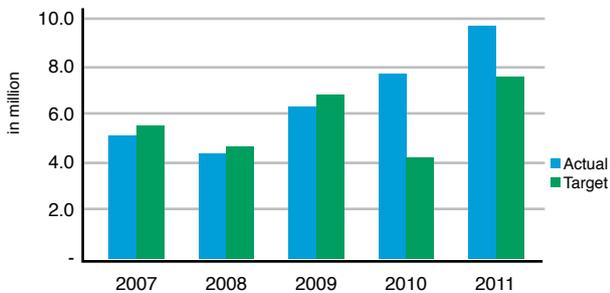


Figure 7.2-8 PBT for Non-Print Business Stream

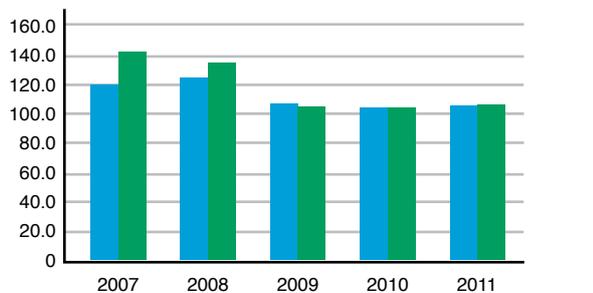


Figure 7.2-9 Revenue Stream for Print Segment

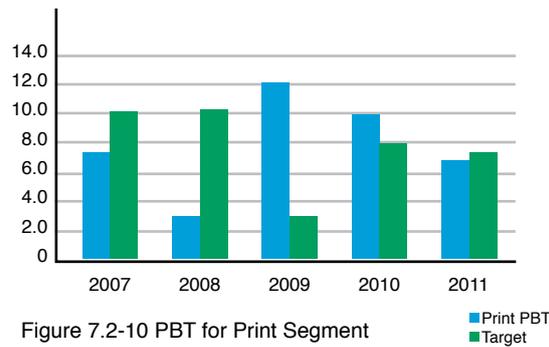


Figure 7.2-10 PBT for Print Segment

GALS is a key offering in Teckwah to its customers. It provides a local presence advantage to our customers. The revenue contributed by the GALS sites is an important KPI for Teckwah. It tracks the expected growth contributed by this offering (Figure 7.2-11).

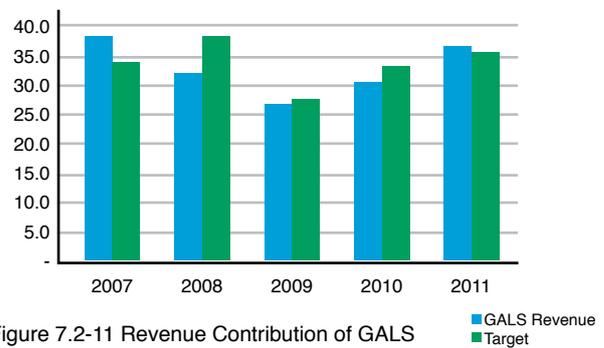


Figure 7.2-11 Revenue Contribution of GALS

For market share comparison purposes (Figure 7.2-12), for the Singapore print business – packaging only, Teckwah has been consistently maintaining its bigger market share in terms of revenue.

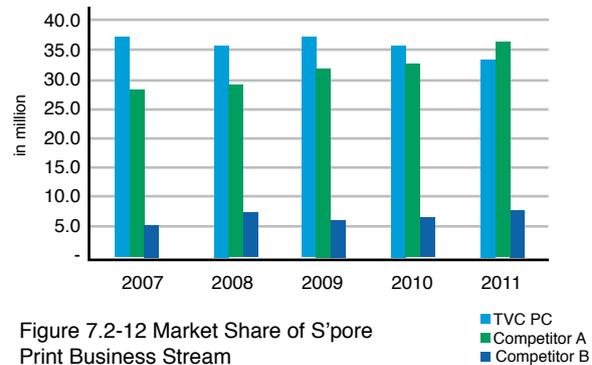


Figure 7.2-12 Market Share of S'pore Print Business Stream

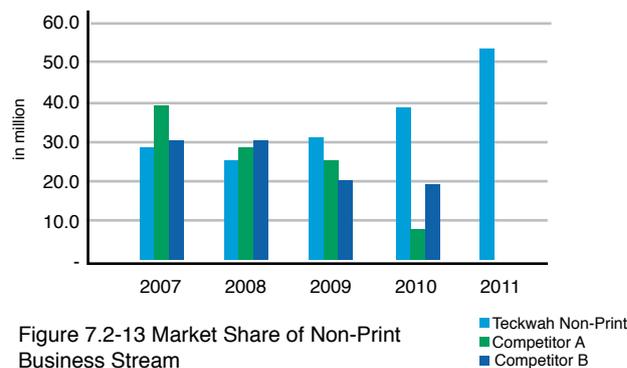


Figure 7.2-13 Market Share of Non-Print Business Stream

7.3 People Results

7.3a Summarise the current levels, trends and impact of employee engagement. Segment results by categories of employees, and indicate comparative data as appropriate.

Employee Engagement Rate

The key staff engagement strategy is active promotion of staff social activities and regular sharing of information by the Senior Leaders. This has yielded higher percentage of staff who share the common destiny with the organisation. (Figure 7.3-1).

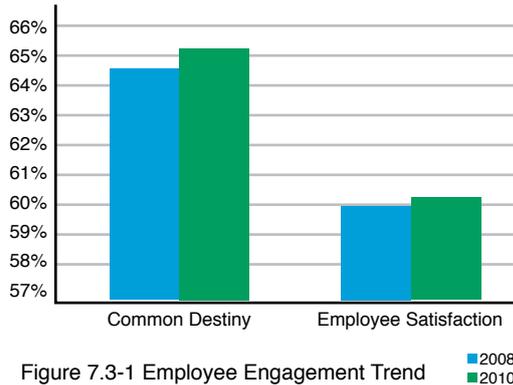


Figure 7.3-1 Employee Engagement Trend

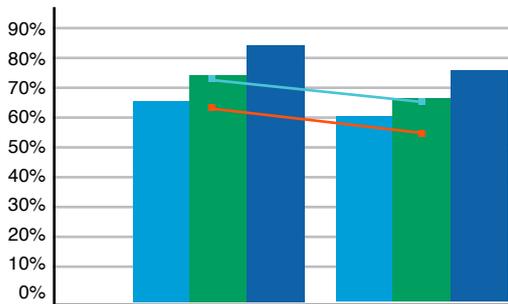
Training effectiveness is tracked and analysed systematically (See Figure 7.3-6 and 7.3-7).

Training Expenses, Places and Days

Indicative of Teckwah's commitment towards investment in staff development, training continued to receive attention even during the recession year in 2009.



Figure 7.3-3 Training Investment as a percentage of Payroll



	Common Destiny	Employee Satisfaction
Results for Teckwah	65.24%	60.04%
Results for Top 10 Local Companies	74.72%	66.23%
Results for Top 10 Overseas Companies	84.76%	76.30%
Median for Top 10 Local Companies	62.01%	56.53%
Median for Top 10 Overseas Companies	73.11%	65.67%
Teckwah ranking (Top-Local)	5	4
Teckwah ranking (Top Overseas)	10	10

Figure 7.3-2 Comparison of OCS Results with Survey Norms

7.3b Summarise the current levels, trends and impact on learning development of all employees. Segment results by categories of employees and include comparative data as appropriate.

All leading indicators for learning and development for different segments of the staff show positive trends in the past five years. These positive trends are observed in training dollars invested, number of training days per staff and number of training places per staff. As shown in Figure 7.3-9, training investment has positively impacted the Core Competency element in OCS results.

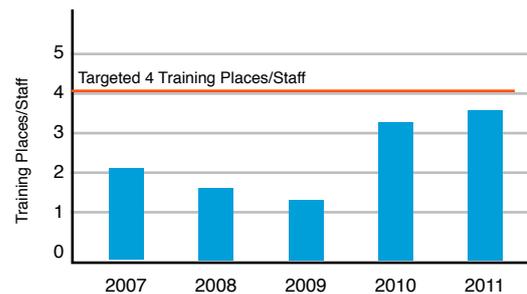


Figure 7.3-4 Training Places Per Staff

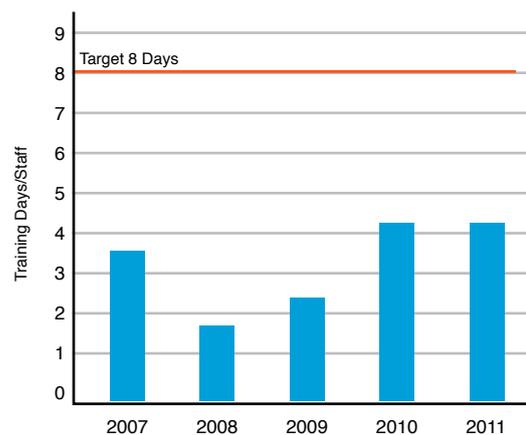


Figure 7.3-5 Training Days Per Staff

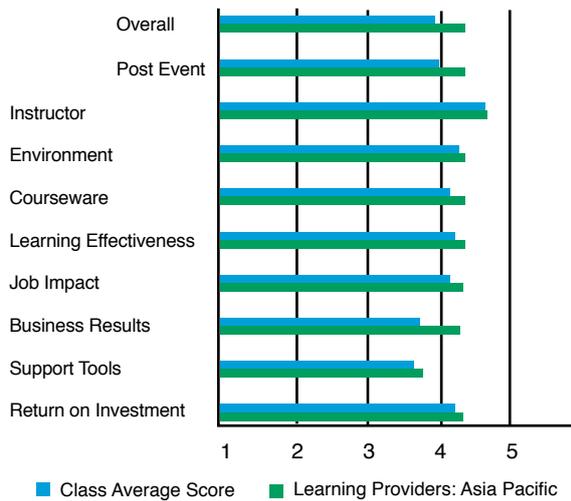


Figure 7.3-6 Training Effectiveness - Post Course Event (Participant)

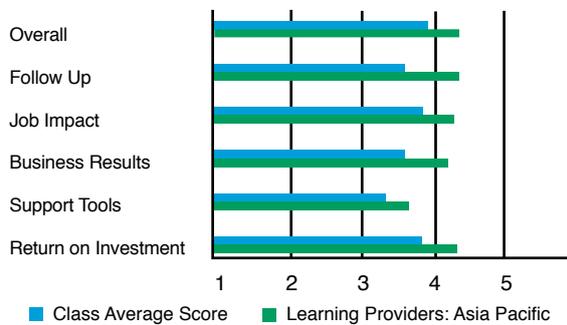


Figure 7.3-7 Training Effectiveness - Course Follow-up (Participant)

Education Sponsorship

To further encourage a culture of continuous upgrading and learning within Teckwah, an education sponsorship fund was set up. All staff are entitled to apply. Selection criteria include a minimum of three years service, consistent high performance (performance grade of B+ and above) and with high potential.

The sponsorship amount grew from \$11,600 in 2007 to \$50,000 in 2011.

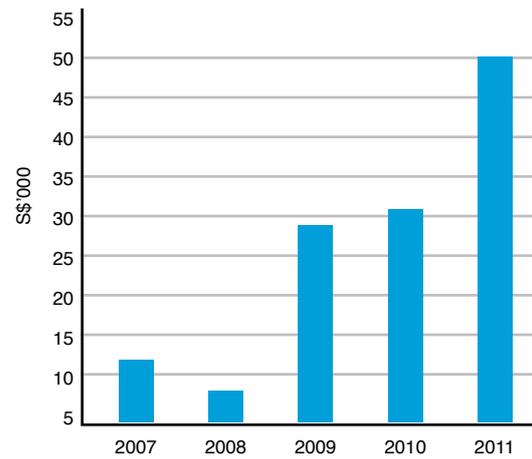


Figure 7.3-8 Training Sponsorship in Teckwah

7.3c Summarise the current levels and trends of performance on employee well being and satisfaction. Segment results by categories of employees and include comparative data as appropriate.

The leading indicator for employee satisfaction is the OCS survey result. As seen in Figure 7.3-9, there is a steady improvement trend over the past three surveys for all the 6 elements. Notably, the rating on employee satisfaction increased from 53.81% in 2004 to 60.44% in 2010.

Similar improvement trend also occurred for results by staff category. Most categories exceeded target of 50%.

These improvements can be attributed to the relentless efforts of Senior Leaders to inculcate corporate values, various employee engagement initiatives and investment in training and education.

Comparing with top local companies as well as the top companies in the region, Teckwah is ranked one of the top ten companies (See Figure 7.3-10).

The overall staff attrition rate as a proxy indicator for employee satisfaction has declined (See Figure 7.3-11).

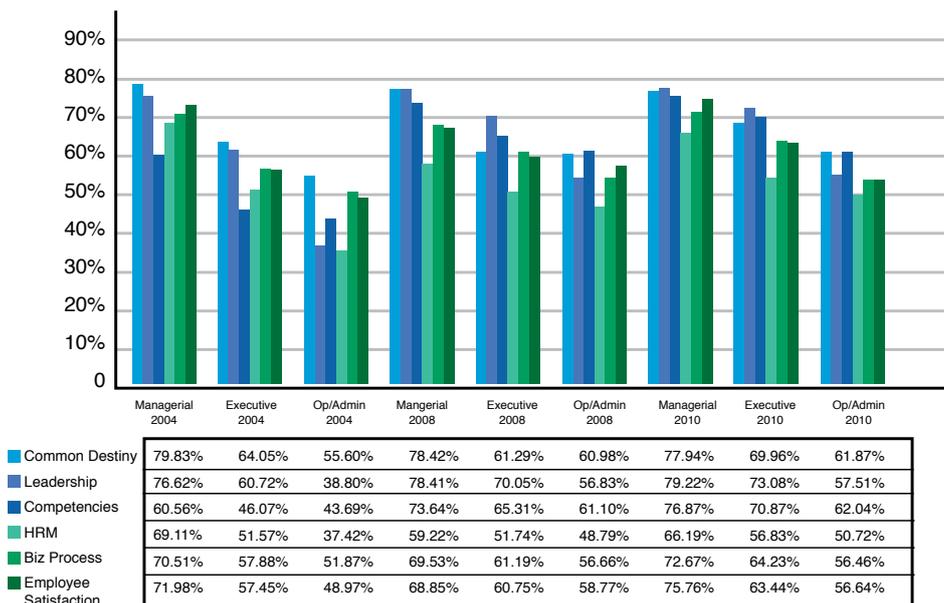


Figure 7.3-9 Comparison of OCS Results by Staff Category

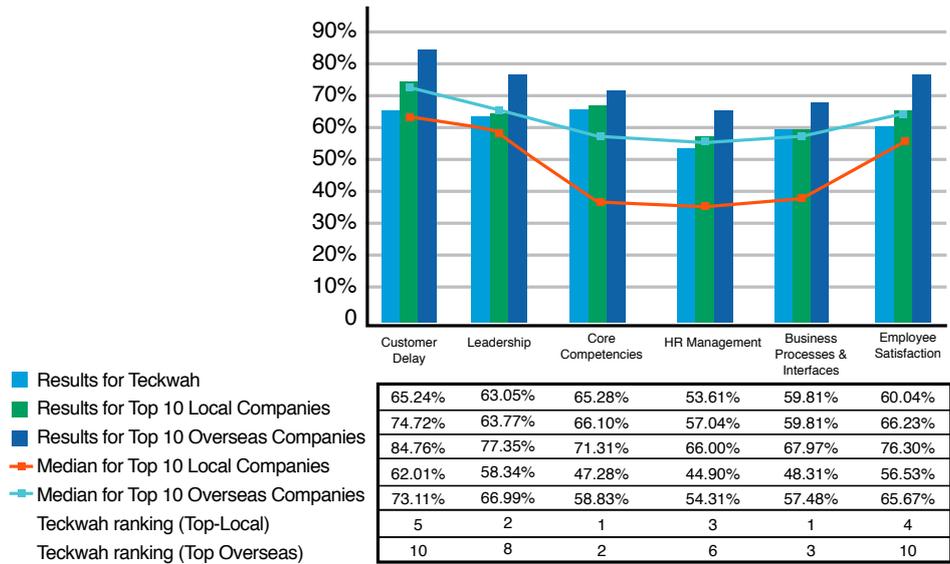


Figure 7.3-10 Comparison of OCS Results with Survey Norms

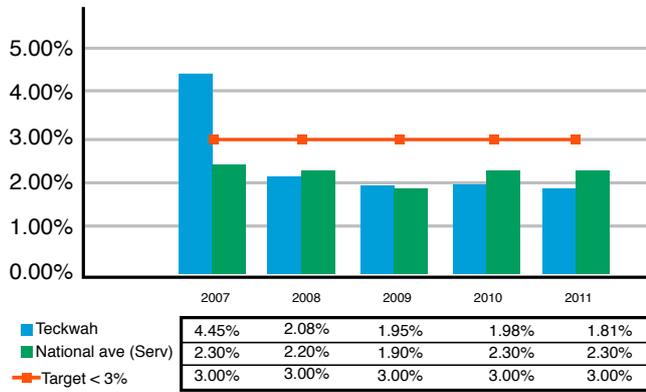


Figure 7.3-11 Average Attrition Rate vs National Norm

7.4 Operational Results

7.4a Summarise current levels and trends in key measurements of design, production, delivery and support process performance. Include productivity, cycle time, and innovation. Compare results relative to competitors and/or benchmarks.

Our results are presented in two main categories:

- i. Solution Development Results
- ii. Operations Results

1. Solution Development Results

Key measures in solution development are categorised into 2 forms:

- Number of Greenfield/Differentiated solutions proposed to our customers versus its success rates
- Evolution of Teckwah branded solutions and its results

Number of Greenfield/Differentiated solutions

Greenfield solutions, in Teckwah's definition, are solutions that leverage on new business models, processes and/or IT applications.

Differentiated solutions, in Teckwah's definition, are solutions that leverage on existing business models, processes and/or IT applications.

These solutions are developed in response to customers' RF1/RFP/RFQ. Between 2008 to 2009, the success rate of both Greenfield and Differentiated solutions proposed to our customers has increased even though the number of proposals submitted reduced significantly. The later number can be attributed to the global economic recession in 2009.

The cumulative success rate for Greenfield solutions increased from 36% to 39% between 2008 and 2009, (or non-cumulative rate of 35% to 50% between 2008 and 2009), reflecting an increasing trust by our customers in the quality of Teckwah's proposed solutions and our ability to deliver the differentiated solutions for their outsourced initiatives. This is based on the fact that the solutions crafted are new to Teckwah and yet they are willing to let Teckwah partake in their strategic initiatives.

Increased success rate for Differentiated solutions from 13% to 15% in the same period further ascertained our customers' appreciation for service value proposition.

In 2010, the number of submissions for Greenfield and Differentiated solutions has marked a notable decrease; likewise for the corresponding rate of success. This reduction is linked to the change in the macro-economic landscape in Singapore. In 2009, during the full impact of the global economic crisis, the Singapore Government re-defined the economic pillars for the nation. Specifically, the shift in focus from Manufacturing to Service Industry, growth of the Biomedical sector and Green Technology sector which impacted the competitive landscape of Teckwah. Both the Biomedical and Green Technology sectors are observed to be in the innovation phase, with minimal or no outsourced requirements.

Teckwah did anticipate these changes and our strategic responses to them is explained in Item 3.1c of the Organisation Profile. One of our strategic responses is to create new branded solutions. Our latest product, neupack™, is being developed to serve the two new sectors.

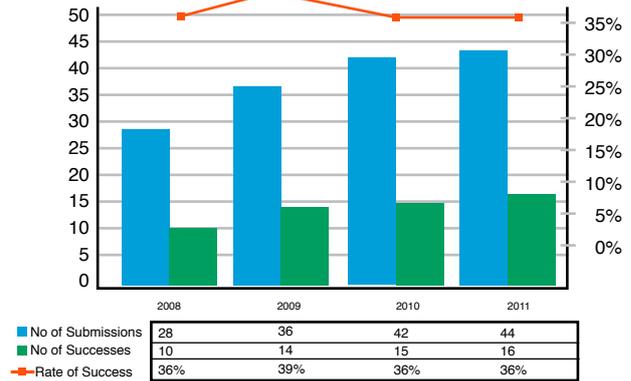


Figure 7.4-1 Cumulative Proposal Submissions, Greenfield Solutions

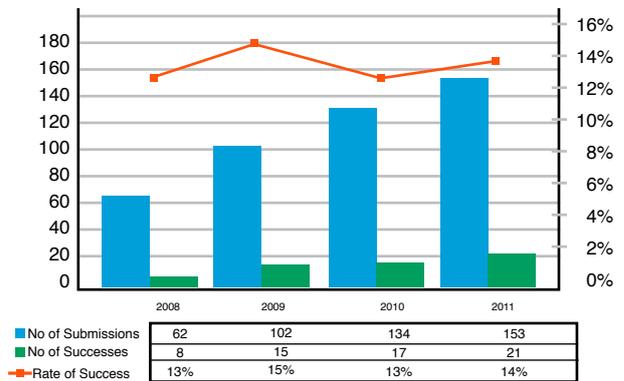


Figure 7.4-2 Cumulative Proposal Submissions, Differentiated Solutions

A clear testament on the quality of our IT enabled solutions is reflected in our customers' preference to use our systems to front their customers for the processes we have enabled.

2. Operations Results

2.1 Quality Systems

The five years trend of QuESH Audit conducted by certification body indicated that the non-conformance has improved from maximum five in 2007 to zero in 2010. Within this same period, in 2009, we have added two new certifications, namely Business Continuity Management System SS 540 and Forest Stewardship Council (Chain Of Custody) FSC-40-004 Version 2.0.

This significant improvement trend in audit findings is a strong endorsement that our key processes and systems have attained the high standards which the various standards prescribed.

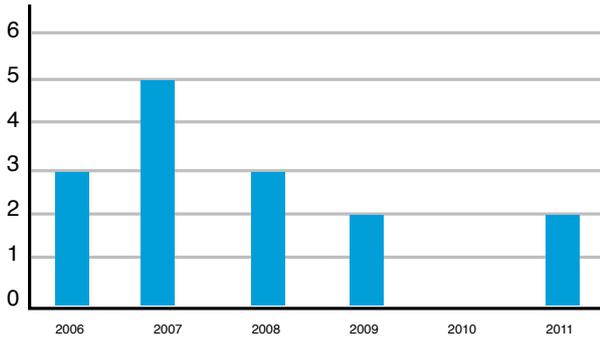


Figure 7.4-3 Certification Body Audit Results

Certification Body	Type	Year	2006	2007	2008	2009	2010	2011
TUV SUD PSB	ISO 9001		3	1	0	0	0	0
	ISO 14001		0	4	3	0	0	0
	OHSAS 18001		0	0	0	0	0	0
	SS540		NA	NA	NA	1	0	0
DNV	FSC-CoC		NA	NA	NA	1	0	2
Fogra	PSO (ISO 12647-2)		NA	NA	NA	NA	0	0
Total No. of Cat 2 Findings			3	5	3	2	0	2

Table 7.4-1 Certification Body Audit Results In Detail

2.2 Print Related Business Processes

2.2.1 DPPM

Teckwah's measure for production quality is in Defective Parts Per Million (DPPM). Our target has been stepped down from 1000 in 2007 to 750 in 2010. This is 250 DPPM better than our customers' expectation.

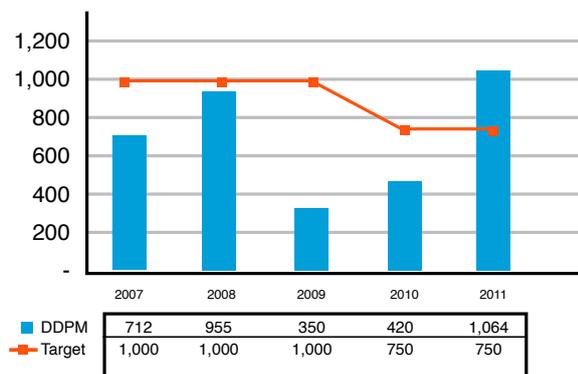


Figure 7.4-4 Production Quality Performance

2.2.2 Delivery Performance (On Time)

2.2.3 Shipment Accuracy

2.2.4 Inventory Accuracy

True to our promise, our delivery performance, shipment performance and inventory accuracy have been 100% on time. This gives our customers confidence in areas of Delivery, Storage, Security, IP Rights protection & Integrity. This also reflects the commitment and determination of Teckwahers to meet customers' expectations & beyond.

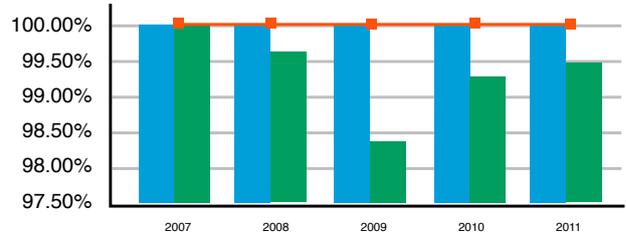


Figure 7.4-5 Delivery Performance Trend for Print Business

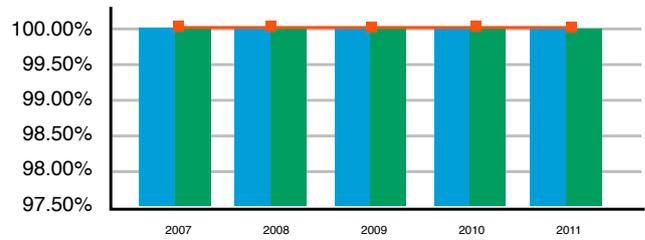


Figure 7.4-6 Shipment Accuracy Trend of Print Business

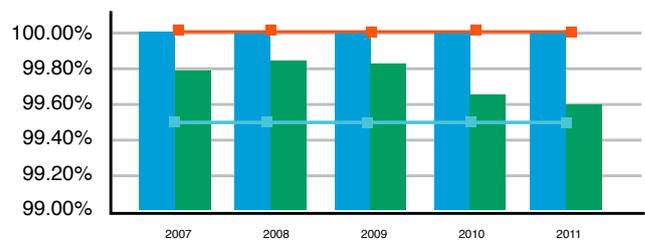


Figure 7.4-7 Inventory Accuracy Trend of Print Business

2.3 Non-Print Related Business Processes

Reverse Logistics - TAT

In our RL operation, Operation TAT can be affected by uncontrollable factors. These factors include orders received exceeding customer-concurred production capacity, missing items from customer, product quality issue, information delay from customer, and defective parts supplied from customer. Beyond these uncontrollable factors, Teckwah has been able to meet contracted TAT 100%.

RL/SPL – Shipment Quality

Our RL and SPL services have been able to achieve remarkable results in our shipment accuracy, as well as quality of products/orders fulfilment. Such performance reflect our team's ability to meet customer requirements and continuous improvements made to operating procedures.

RL/SPL – Inventory Accuracy

The inventory accuracy is determined by accuracy in total quantity and total line item. Overall accuracy had been achieving in high 99% range over the last 3 years. Positive improvement trends have also earned us the trust from customer in storing their inventories with us for their businesses.

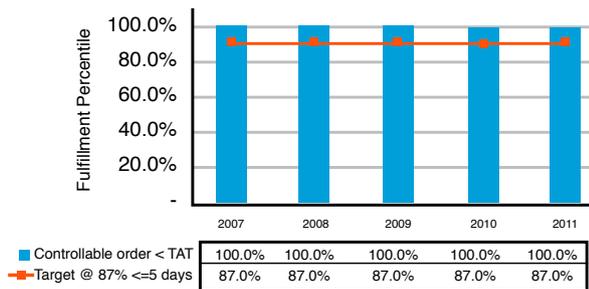


Figure 7.4-8 RL Production Overall TAT

ASAP Order, TAT ≤ 2 hour target 99.5%

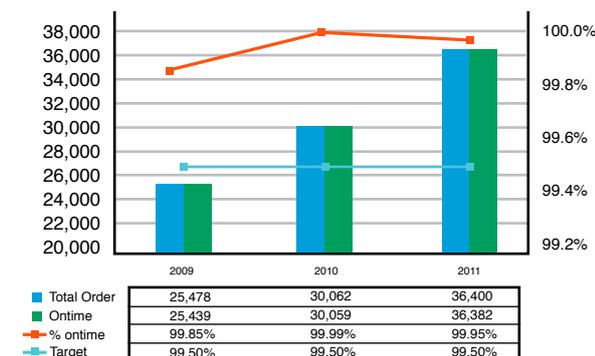


Figure 7.4-9 SPL Order TAT

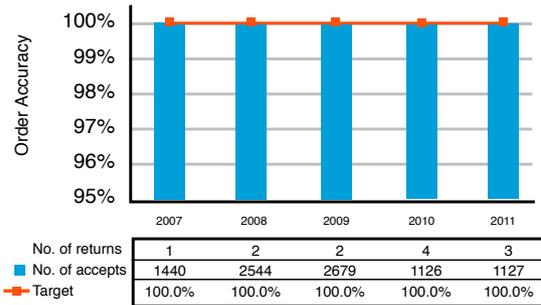


Figure 7.4-10 RL Shipment Accuracy

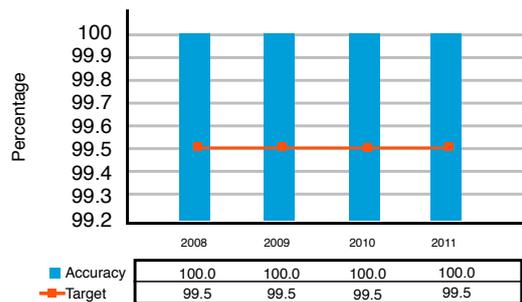


Figure 7.4-11 SPL Shipment Accuracy

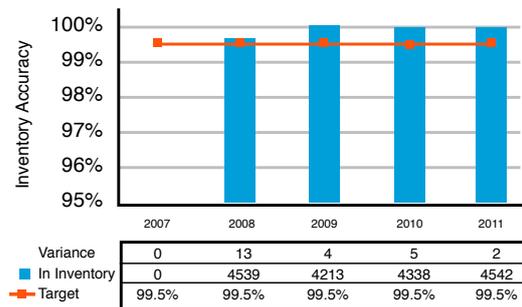


Figure 7.4-12 RL Inventory Accuracy

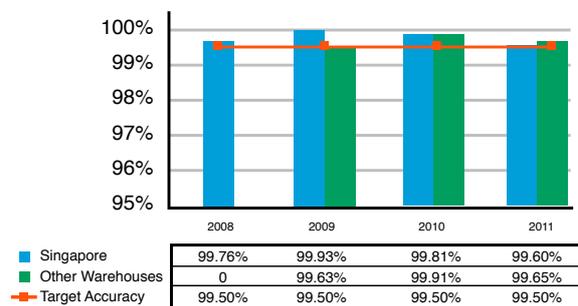


Figure 7.4-13 SPL Inventory Accuracy

7.4b Summarise current levels and trends in key measures of supplier and partner. Include the organisation's results and/or cost improvement resulting from improvements in supplier and partner process.

We adopt our customers' measures for Teckwah to measure our suppliers. These results are presented by our business streams:

- i. Print Related Business
- ii. Non-Print Related Business

1. Print Related Business

1.1 Supplier's Delivery Performance

The Print Supplier's delivery performance has shown very positive trend for the past 3 years achieving the delivery target set consecutively.

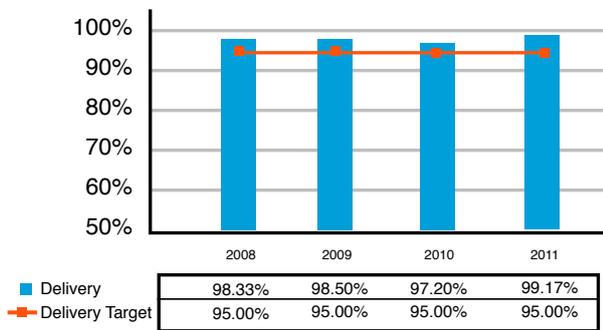


Figure 7.4-14 Supplier's Delivery Performance

1.2 Supplier's Quality Performance

The Print Supplier's quality performance has been quite stable and consistently achieved high level of standard in service and quality.

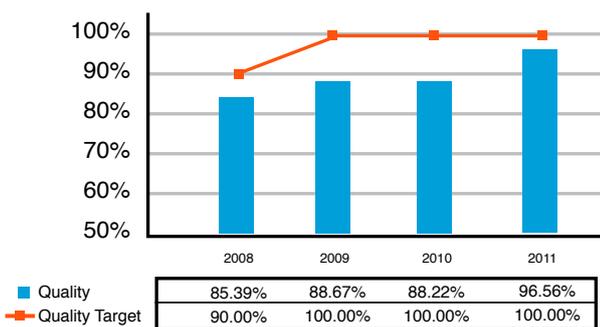


Figure 7.4-15 Supplier's Quality Performance (Print)

2. Non-Print Related Business

2.1 Supplier's Delivery Performance

2.2 Supplier's Quality Performance

For our Non-Print Business, the formal framework for a common set of metrics for our Non-Print suppliers was instituted in 2010. Results based on the new metrics are presented in the chart below. Our suppliers have performed well on 2 critical measures, Delivery and Quality.

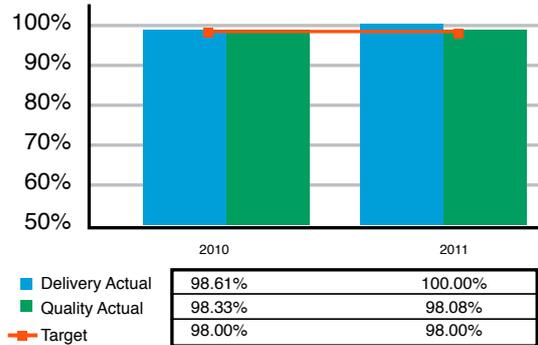


Figure 7.4-16 Non Print Suppliers' Metrics

7.4c Summarise current levels and trends in key measures and/or indicators of the organisation's contribution to the community, society and the environment.

Teckwah actively advocates a wide variety of educational and community activities. On the educational front, we focus on grooming the next generation of business leaders to ensure the continuity of the Print Media Industry. And to contribute to the dynamism of the industry, we actively participate in experience sharing, as well as contribute to the development of business community.

Our contribution to the community at large, not only takes the form of monetary donation to nation building activities and welfare associations, we have also volunteered personal time of Senior Leaders and staff on welfare events, educational advisory boards and industrial committees. Table 7.4-2 gives a summary of Teckwah's contribution to the community and society.

7.4d Summarise current levels and trends of the organisation's key measures of its governance system.

Teckwah utilises the following two measures to track its governance system:

- a) Governance and Transparency Index (GTI)
- b) Internal audit ratings by PWC / Special Audits

a) Governance and Transparency Index (GTI)

The Governance and Transparency Index is jointly launched by The Business Times (BT) and the Corporate Governance & Financial Reporting Centre. The GTI assesses the financial transparency of companies based on their annual announcements and which had been published by BT since 2000.

The index is divided into two broad sections: governance and transparency (including investor relations) with the maximum points for each section being 75 and 25 respectively.

The governance section covers the following items:

- Board Matters
- Remuneration Matters
- Accountability and Audit

The transparency section focuses on how companies communicate with their shareholders.

Teckwah's results for the past 2 years are as follows:-

	FY2009	FY2010
Scoring	21	25
Ranking	615	543

Table 7.4-3 Teckwah's GTI Score and Ranking

While there is a slight improvement for both ranking and scoring, Teckwah is working towards improving its ranking.

b) Internal Audit

As a listed company, Teckwah has an internal audit department who reports directly to the Audit Committee which comprises of all three independent directors. This internal audit function is outsourced to external party. Teckwah has a 3-year internal audit plan which is crafted by the external party and Senior Management, whereby significant SBUs are selected to undergo the internal audit program. Each entity would be given a rating by the external party, gaps are identified and owners assigned to the gaps. Entities with adverse results are subjected to a follow up audit within six months.

The rating is from 1 to 5, with 1 being the best and 5 being the worst. The SBUs have been rated between a rating of 2 and 3 over the years.

Activity		2007		2008		2009		2010		2011	
		Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual
Educational	No. of Interns	10	10	10	10	10	10	10	10	15	30
	No. of Scholarships	NA	NA	NA	NA	3	3	5	5	5	5
Experience Sharing	To provide content to media for public sharing (No. of publications)	4	4	4	4	4	4	4	4	4	2
	To deliver speeches at public seminar	4	4	4	4	4	4	4	4	4	4
	To host facility tour	12	12	6	6	6	6	6	6	6	6
Sponsorship/ Donation	Cultural (Chingay)	S\$80,000	S\$80,000	S\$80,000	S\$80,000	S\$80,000	S\$80,000	Nil	Nil	Nil	Nil
	Welfare	S\$20,000	S\$21,000	S\$20,000	S\$25,000	S\$20,000	S\$40,000	S\$20,000	S\$20,000	S\$25,000	S\$22,000
	Business/Industry	S\$50,000	—	S\$50,000	S\$50,000	S\$50,000	S\$50,000	S\$100,000	S\$100,000	S\$50,000	S\$50,000
Volunteerism (Man-Day)		60	57	670	677	80	136	100	140	150	150

Table 7.4-2 Teckwah's Contribution to the Community and Society



Appendix

1-1	Communication Platforms in Teckwah	65
1-2	List of Community Activities Undertaken by Teckwah	67
	Glossary	68

Appendix 1-1: Communication Platforms in Teckwah

Platform	Details
Business Reviews and Meeting	<ul style="list-style-type: none"> • Group Business Reviews These are held twice yearly. At these reviews, Head of SBUs and Head of Support Functions present their business plan, performance review to the Top Management. Senior Leaders regularly use these conferences to communicate, demonstrate and reinforce the purpose, vision and values to participants. • Regional Business Development Meetings These are held annually. BDMs and Country Managers throughout the Group participate in these meetings to share their market strategies and plans with the Regional BDD and Executive Directors. Senior Leaders also use these meetings to communicate, demonstrate and reinforce the Group's PVVs. • Quarterly MBO HoDs conduct quarterly MBO with their direct reports. Senior Leaders sit in on the MBO and impart the values at the appropriate time during the meeting. • Weekly Operations Meeting Senior Leaders sit in on this meeting to instil and strengthen the values to the participants.
Breakfast with Top Management	Top Management host breakfast with newly joined executives and managers on quarterly basis. At the breakfast, Top Management receives feedback from the new staff and at the same time imparts Teckwah's PVVs.
Mass Communication	Mass communication sessions with all staff are organised to communicate eminent and critical business directions. During these sessions, Top Management explains the business directions and garners the support of the staff.
Staff Committees	Senior Leaders undertake advisory role to the Staff Committees and provide directions, which are consistent with Teckwah's PVVs. (See Item 4.2b)
Training	Top Management is involved in designing and participating in staff training and development process (See Item 4.3). The Core Values are imparted to participants during the training.
In-house Newsletter	Quarterly in-house newsletter is another platform where the purpose, vision, values are communicated to all stakeholders (See Item 3.1b). Staff who have exhibited the desired behaviour are acknowledged and commended in the newsletter (See Item 4.5).
Notice Boards	Teckwah's PVVs are clearly displayed on the notice boards, which are located at prominent places for easy access.
Teckwah Red Book	Every staff is given a copy of Teckwah's Red Book. It contains descriptions on Teckwah's commitment, vision and core values. Elaborations on our spirit, philosophy, communication, BCM Policy, QuESH Policy, pledge, milestones and company song are also prominently featured. It is also the notebook that our staff use for daily note taking, (See Item 3.1b).
Induction Programme	All new staff undergo a structured induction programme (See Item 4.3b). Top Management personally conducts programme known as "Teckwah & I" for the Operative and Admin level of staff, and "Business Excellence and Corporate Practices" for Executive and Managerial level. The objectives of the programme is to educate the new joins on Teckwah's PVVs and operating framework.
Company Song	The Company Song, "Teckwah Forging Forward", composed collectively by staff depicts the PVVs of organisation. All staff are taught to sing the company song during the induction programme. It is sung after every business review meeting and on special occasions.
Use of Icon	Banyan Tree (Figure 1.1-1) which is the icon of our purpose and core values is displayed at the shop floor, offices, meeting rooms. The message that the icon conveys is explained to all staff and visitors.

Appendix 1-1: Communication Platforms in Teckwah

Platform	Details
Corporate Website	Teckwah's website is specially designed for communicating the organisation's PVVs to all internal and external stakeholders, (See Items 3.1b & 4.4a)
Talks and Hosts Visits	Top Management demonstrates and communicates the organisation's vision and values to external stakeholders through meetings, giving talks or presentations, as well as hosting visits. (See Items 1.3).
Management by Walking About	On a regular basis, Senior Leaders walk about the facilities, shop floors, offices and "Makan Place". The aim is to sense the climate of the "floor".
Special Events	<ul style="list-style-type: none"> • Company Day Celebrations 22nd August is our Company Day. While we celebrate the company's birthday, the Top Management, through their speeches, convey the PVVs to all participants. The Company Day is also the day when management led by example in carrying out the corporate and social responsibility. In 2008, during the kick-off of 40th Anniversary Celebration, Senior Leaders led 400 staff to carry out 400 minutes of community works in each of the 40 selected welfare organisations. The grand finale of the 40th Anniversary Celebration was planting of 40 trees at West Coast Park by all staff. The aim of the event was to instil volunteerism and care for the environment to staff. • Experimental Learning Teckwah organises Experiential Learning biennially. It is usually a 3-day/2-night event, where all employees go to a resort for a retreat. At the retreat, Senior Leaders participate in the activities with staff. Senior Leaders, together with the training facilitator, debrief the learning of each activity to staff. The activities were designed to convey the PVVs of Teckwah.

Appendix 1-2: List of Community Activities undertaken by Teckwah

Grp	Activity Details
A. Educational Activities	<p>a. Internship</p> <p>Teckwah pro-actively partners with local universities and polytechnic in student internship programmes. Staff are assigned to interns as their mentors to provide the necessary on-the-job exposure and development.</p> <p>b. Scholarship</p> <ol style="list-style-type: none"> 1. In 2010, Teckwah provides scholarships (Teckwah Logistics Scholarship) to Ngee Ann Polytechnic for students in Logistics Management and International Supply Chain Management. The scholarship is for academic year 2011 to 2013. 2. Teckwah, in partnership with six print media companies located in Print Media Hub, has provided scholarship (Singapore Print and Media Scholarship) to Temasek Design School of Temasek Polytechnic for academic year 2010 to 2012. 3. In 2009, Teckwah supported SPRING Singapore's initiatives to jointly provide Management Development Scholarship to MBA Students <p>c. Executive Training Programme</p> <ol style="list-style-type: none"> 1. In 2009, due to the worldwide economic downturn, Teckwah responded positively to SPRING Singapore's initiative on Executive Training Programme to provide placement in the company to fresh graduates as trainees so as to soften the unemployment situation of fresh graduates. 2. In 2000, Teckwah partnered with Business China and offered positions to fresh graduates under the scheme known as Graduate Development Programme for Trade and Internationalisation initiated by IE Singapore.
B. Experience Sharing	<p>With the 43 years of progress and growth, Teckwah has accumulated wealth of experience in business transformation from a family business to a professionally managed public listed company; from a simple home-grown to a global company. Teckwah is an iconic company that many local as well as overseas companies want to emulate in many aspects. This ranges from staff engagement programmes to leadership and strategic product innovation. Teckwah has been generously sharing our experiences through various platforms:</p> <ol style="list-style-type: none"> 1. Provide content to higher learning institutions for their use as case study materials 2. Provide content to media for public sharing 3. Deliver speeches at public seminars 4. Host facility tours for delegates of statutory bodies, institutions and associations
C. Community	<p>a. Contribution to Print Media Industry</p> <p>Teckwah has relentlessly contributed to the well-being of the Print Media Industry in Singapore. The Chairman and Managing Director has led various initiatives to elevate the reputation of Singapore Print Media Industry and to sharpen the competitive edge of the industry so as to compete collectively with other countries. Through working with the national industrial park developer JTC, he has proposed to build an industrial park (Print Media Hub) so as to create an ecosystem of inter-related print and media companies to achieve seamless collaboration and synergy, hence, achieving greater competitive edge. For this project, he has also initiated and led a study mission to Korea to learn how printing companies in Korea come together, collaborate and compete as one. In addition, he has organised a marketing trip to Japan, where participating companies marketed their joint capabilities to potential Japanese customers.</p> <p>b. Volunteerism</p> <p>Teckwah devotes many man-days in doing volunteer works. These includes:</p> <ol style="list-style-type: none"> 1. Senior Management staff are national assessors for the Singapore Business Excellence Initiative 2. Top Management staff are members of the Management Council and the Governing Council of Singapore Business Excellence Initiative. 3. Our Chairman and Managing Director sits on several boards of public agencies, institutions and associations. 4. Mega community works at company's anniversary celebration (Appendix 1-1 Special Events). 5. Annually, Staff Club organises activities to bring joy to the less fortunate, such as outing for children from Children Home, as well as helping in cleaning up old folks home.

Glossary

Abbreviation	Description	Abbreviation	Description
AC	Audit Committee	KPIs	Key Performance Indicators
APJ	Asia Pacific Region and Japan	L&D	Learning and Development
ASRS	Automatic Storage and Retrieval System	MBO	Management by Objective
B2B	Business to Business	MBWA	Management by Walking About
BCM	Business Continuity Management	MD	Managing Director
BD	Business Development	NA	North America
BIT	Breakthrough Improvement Team	OCS	Organisation Capability Survey
BO	Business Operations	OJT	On-the-Job Training
BSC	Balanced Scorecard	OHSAS	International occupational health and safety management system specification
BT	Business Times	PAT	Profit After Tax
CD	Compact Disc	PBT	Profit Before Tax
CIP	Computer Integrated Printing	PDCA	Plan, Do, Check and Action
CIT	Continuous Improvement Team	PRC	People's Republic of China
Corp Comm	Corporate Communication	PVVs	Purpose, Vision and Values
CPA	Certified Public Accountant	QuESH	Quality, Environmental, Safety and Health
CPAR	Corrective & Preventive Action Report	RFI	Request For Information
CSF	Critical Success Factors	RFP	Request For Proposal
CSIP	Customer Service Innovative Programme	RFQ	Request For Quotation
CSR	Corporate Social Responsibility	RL	Reverse Logistics
DPPM	Defective Parts Per Million	SARS	Severe Acute Respiratory Syndrome
ED	Executive Director	SAS70	Statement on Auditing Standard No 70
ERP	Enterprise Requirements Planning	SBU	Strategic Business Unit
FSC-CoC	Forest Stewardship Council-Chain of Custody	SC	Solution Centre
FY	Fiscal Year	Senior Leaders	Top and Senior Management Members
GALS	Global Access, Local Supply	SMP	Supplier Management Process
GMs	General Managers	SPL	Service Parts Logistics
GTI	Governance and Transparency Index	SQA	Singapore Quality Award
HoD	Head of Department	SQC	Singapore Quality Class
HR	Human Resource	STP	Secure Trade Partnership
HRM	Human Resource Management	TAT	Turn Around Time
ICT	InfoComm Technology	TDM	Training and Development Manager
InfoComm	Information and Communication	TechLP	Technology Licensing Programme
IP	Intellectual Property	TLP	Total Learning Plan
ISO	International Organisation for Standardisation	TQRDCEB	Technology, Quality, Responsiveness, Delivery, Cost, Environmental and Business
JTC	Jurong Town Corporation	TSM	Top and Senior Management Meeting
KISS	Knowledge Information Sharing Systems	YTD	Year to Date



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BEST PEOPLE BEST SOLUTIONS

25 Pandan Crescent, #05-15, TIC Tech Centre, Singapore 128477
Tel 65 6872 8181 Fax 65 6872 8199 Email info@teckwah.com.sg
www.teckwah.com.sg