Towards Operational Perfection (TOP) through Lean Management at Telekom Malaysia

Telekom Malaysia (TM) launched TOP, a 3-year LEAN transformation programme in 2009 to transform its end-to-end service value stream. It took 3 years for TM to complete their LEAN transformation journey which involves 14 end-to-end value streams at 800 locations nationwide. TOP focuses on eliminating waste, maximizing values and optimizing incidental activity. The implementation of TOP is crucial for TM to enhance customer satisfaction, fuel revenue growth, optimize cost of operation and increase manpower productivity.

TOP uses S-H-A-R-P as the key principles to drive LEAN transformation programs across TM. The key principles are:

- **STRATEGY DRIVEN**
  - Link operational excellence to core strategy approved by BOD
  - Ensure cost leadership, customer satisfaction and employee morale as key drivers for change

- **HOLISTIC**
  - Develop and implement holistic operating models that covers technical solutions, management infrastructure, mindsets and behaviors

- **ACROSS END-TO-END VALUE STREAM**
  - Transform performance of end-to-end value streams and customer journey to identify full opportunity rather than silo processes

- **REPLICABLE AND SCALABLE**
  - Roll out the proven methodology across the rest of the network operations value streams following the standardized approach

- **PEOPLE FOCUSED**
  - Work side-by-side with change leaders and operational staff
  - Perform frequent “Go and See” to the front line
  - Ensure capability building and organizational involvement
  - Roll out your sleeves. Ensure top management visibility

**LEAN refers to a collection of principles and methods that focuses on identifying and eliminating non-value added activities through continuous improvement of products for the benefit of customers and in the pursuit of perfection.**

**KEY FACTS ABOUT TELEKOM MALAYSIA**
- USD7.2 billion market capitalization
- USD 3.3 billion revenue
- 2.8 million broadband customers
- More than 70% customer satisfaction
- Government-linked company
- Fixed line incumbent in Malaysia
- Aggressively spending on high speed broadband and ICT services
- Aims to be convergent champion

**MPC’s delegates of Best Practices visit on LEAN Management at Telekom Malaysia**
- 26 January 2015
The first TOP (2009-2011) focuses on LEAN process with the objective of service delivery and reliability. The second installment of TOP, TOP+ (2012-2014) focuses on automation and aims for efficiency and productivity. TOP+ was launched to sustain the momentum of lean transformation gained in TOP. Current TOP initiative which is also known as TOPcx (2015-2017) focuses on customer journey with the objective to enhance customer experience. Change of mindset is needed for TM staff to address customer needs and requirements.

TOP transformation approach is based on LEAN project in TM which aims to improve service delivery and to reduce waste. TOP in TM focuses on customer experience and ‘right first time’ and the adoption of LEAN concept. The TOP program:

- Focus on people’s accountability, not in systems
- Eliminate waste
- Instill good management practices
- Be rational in designing processes, do things simple.

FACTORS THAT DRIVE CHANGE IN TM
1. Customer satisfaction
2. Fuel revenue growth
3. Optimize cost operation
4. Manpower productivity

Malaysia Productivity Corporation (MPC) organized a Best Practices visit on LEAN Management to Telekom Malaysia on 26th January 2015. A total of 40 participants from 24 organizations had participated in this visit to learn best practices of LEAN implementation at Telekom Malaysia.

En. Ahmad Nasri Mohamed, Director Customer Experience Transformation & Lean Center of Excellence gave the presentation. He highlighted TOP as the main engine for Lean Transformation to transform its end-to-end service value stream. TOP transformation approach is based on three lenses on lean; Management Infrastructure, Operating System and Mindsets and Behaviors towards business sustainability & customer improvement experience.
**TOP focused on implementing levers that changed working practices and behaviors; the change in mindsets came later**

**New way of working implemented**

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<th>Codified SOPs</th>
<th>Steering Committee led by CTIO &amp; CMO</th>
<th>Incentives based on TOP KPIs</th>
<th>New role of supervisor</th>
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### Success Factors of LEAN Implementation at TM

1. **Commitment from Top Management and Employees**
   - Mandate from the Board of Director
   - Driven by the top management
   - Go and see approach
   - Weekly meeting and feedback from the staff

2. **Training and Education for Employees**
   - Engage consultant
   - Train the trainers (create special job title)
   - Change agent to ensure the application of LEAN approach
   - Grow capabilities (clear career path)

3. **Change of Work Culture**
   - Eliminate non-value added processes (over processing/waiting time)
   - Teamwork
   - Tracking and monitoring of staff movements
   - Multi skilled task
   - Knowledge sharing

4. **Effective Communication**
   - Communication strategy (3C), connection, communication and collaboration
   - Cross functional meeting (weekly)
   - Townhall
   - Dashboard
   - Stakeholder meeting
   - Transparent

5. **Mindset Change**
   - KPI driven
   - Strong analytics by “Go and See”
   - Transparent (what you see is what you get)
   - Competition and reward (dashboard recognition)
   - Objective align to company’s vision
   - Improve awareness on customer experience

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**Key learnings from TOP**

- 1 multi-year program and 1 message is more powerful than 1,000 short initiatives. Focus, consistency and long term commitment are key factors.

- Mindset and cultural change is possible, but it takes time and must be based in visible behavioural changes in working practices.

- Adoption of ‘best practice’ framework is critical to ensure systematic and higher chance for successful transformation.

- Communication, communication and communication. Build a brand for the program.

- This is not about 1 transformation, but >25,000 transformations. Change must be towards the way people work. Involvement from the field personnel is critical for credibility and accountability.
One of IT best practices in TM is the implementation of WFMS—SWIFT system, which enable operations to be more efficient, effective and productive. The system is able to elevate the level of control on daily operations and facilitate task for technician, supervisor/manager and even for the dispatcher.

The system provides business-driven functionalities by better efficiency of workforce, ensuring compliance and standardization in work practice, elevate the level of control on daily operations which eventually will drive consistency in customer experience.

**FOR TECHNICIAN**
- Gets jobs with turn by turn direction to the job location
- Jobs are matched to his skills, capacity and customer appointment
- Accepts and closes jobs on handheld
- Allows scheduled meetings and breaks
- Provides objective and fact based performance data

**FOR DISPATCHER**
- Able to track the technicians dynamically through schedule or map view
- Gets alerts on exceptions
- Can manually override schedule in exceptional cases
- Clustered view of workforce and task distribution across particular service regions

**FOR SUPERVISOR/MANAGER**
- Generates productivity reports for each technician on a daily basis
- Views the daily, weekly and monthly dashboard cut by region
- Provides actionable performance management inputs (e.g. technician needs coaching)

**SWIFT (WFMS) implementation in TM has shown encouraging results and useful insights**

1. **Faster service delivery**
   - Reduce cycle time restoration by 32%
   - Reduce cycle time installation by 13%

2. **Better accuracy and efficiency**
   - First fix right
   - Field force productivity

3. **‘Customer-first operations’**
   - Enhance net experience score by 70%

4. **Greater operational control and coaching**
   - Increase individual performance visibility
   - Better supervisory and coaching

**State-of-the-Art Design**
The design was based on clear business and lean operation principles: aimed to deliver operational efficiency & effectiveness