Best Practices at Finisar Malaysia
Dr. Siva Sitrembalan, Director
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Introduction to Finisar Malaysia

- Finisar Malaysia was incorporated on 8 February 2001 when our corporate headquarters purchased a 640,000 sqft manufacturing space from Seagate Technologies.

- We have 13,000 employees overall with 1,000 R&D Engineers worldwide & over 5000 employees located in Ipoh.

- We are recognised with more than 1300 U.S. Patents to date.

- Our products range from data rate of 2-4G/s to state of the art products with data rate of 100G/s, used in Telecommunication, Data Centres, SAN and LAN.

- Finisar is the biggest optical transceiver company in the world while Finisar Ipoh is the only optical transceiver company in Malaysia.

- We contribute 25% of Perak state’s manufacturing GDP and 5% of Perak overall GDP.

- Operations in Australia, China, Germany, Israel, Malaysia, Singapore, Sweden and USA.

Technology Innovator. Broad Product Portfolio. Trusted Partner.
Introduction to Finisar Malaysia

First to Market
100G CFP2 LR4 Module with directly modulated DFP laser technology

First to Market
Parallel Board Mounted Optical Assembly (BOA) For 25G Applications

First to Market
4x28G DWDM CFP Module

First to Demonstrate
100G CFP4 Module

Lowest Power Consumption in the Industry
Industry’s Highest Density Design
Optimized for Metro & Enterprise DWDM Applications
Enabling Higher Density 100G Ports
Introduction to Finisar Malaysia

**DATA COM**

**PRODUCTS**
- SFP
- SFP+
- QSFP/QSFP28
- CFP2/CFP4
- CFP
- Optical Engine (BOA)
- CXF
- Active Optical Cables
- XFP
- X2/XENPAK

**CUSTOMERS**
- EMC
- Intel
- Extreme Networks
- CISCO
- BROCADE
- NetApp
- IBM
- JUNIPER NETWORKS
- DELL
- HP
- ORACLE
- Mellanox Technologies
- H3C

**TELECOM**

**PRODUCTS**
- SFP
- XFP
- SFP+
- CFP2-ACO
- Coherent Transponder
- ROADM line card
- WSS
- WDM Passives
- Amplifiers
- High speed components
- Tunable laser
- CATV
- PON

**CUSTOMERS**
- Alcatel-Lucent
- ERICSSON
- HITACHI
- NOKIA
- CIENA
- NEC
- Coriant
- ADVA
- ECi
- FUJITSU
- CYAN
- Infinera
Introduction to Finisar Malaysia

Whenever You Are Connected, Chances Are, You Passing Through Finisar’s Optical Transceiver Which was Made in Ipoh…

Finisar’s products enable high-speed voice, video and data communications for networking, storage, wireless, cable TV applications and more.
Introduction to Finisar Malaysia

• Highly focused on digital transformations which led to process automation with reduction of low skill jobs & a drive for high value products for increasing revenues.

• Usage of latest technology through automation and strong data analytics as an enabler for product quality sustaining in the last 16 years of operations.
Finisar’s Business Model Change

- Business Model Transformation
- Process Transformation
- Business Process Improvement
- Creativity, Innovation & Reinvention
- Emerging & Enabling Technology
Brief Difference – Leadership capabilities

**Previous Practices**

**General Undefined Styles**
- Common approaches to focus on day-to-day operations that led to manufacturing success.
- Capabilities were built based on the users experience and demand generations.
- Leadership culture introduced, however struggled in terms of practicality and positive experiences.
- Majority items received equal attention for business focus, resulting to potential opportunity for must do versus nice to do.
- Cares to be socially responsible, thus creating opportunity to define purpose and goals.

**Refined Practices**

**Enhanced Leadership Capabilities**
- Deployed systematic, value-based direction and strategic business plan
- Leadership competencies which is inclusive of:
  - Decision Making
  - Teamwork
  - Work Standards
  - Planning & Organizing
  - Integrity

**Governance**
- Staying abreast with statutory rules, international code of conduct, ongoing collaborative efforts and dialogues with key governmental organizations:
  - MITI
  - MIDA
  - MPC
  - Perak State Government
- Electronic Industry Citizenship Coalition (EICC) compliance in all the business practices

**Societal Responsibilities**
- Finisar’s commitment to Corporate Social Responsibility stays through to its employees, suppliers and communities in which we do business worldwide.
Brief Difference – Strategic Planning

Previous Practices
Strategies were developed based on proprietary consideration:

- Most of it were short-term focused to address customers expectations.
- Open & Situational; varies from one to another & ability to execute based on urgency
- HR played the back-end role to support operation needs

Refined Practices

Strategy Development

- Increased in strategy conversations in the highest forum and set directives to the respective organizations.
- User experiences and end users recognized high value feedbacks and the importance of analysis for further improvement.
- Includes more advanced IT systems for benchmarking and data collection, thus making the use of digital information to become crucial for decision making.

Strategy Deployment

- Through consistent communication which is cascaded by senior leaders through various avenues, partnered with HR through the business partner model and hi-tech tools
- Measurable goals are set to link and connect the dots with these strategies.
Brief Difference – Information Technologies

**Previous Practices**
- Availability of ICT facility with the aim to integrate and link to overall business
- Highly focused on technically related functions and jobs
- Integrated into niche areas to consolidate information with less manual or repetitive processes.

**Refined Practices**
- Enhanced and built stronger Information and Knowledge capabilities to support operations.
  - ICT is used in all critical aspects of operational excellence.
  - ICT acts as an enabler to empower employees to make timely decisions.
  - Information and Knowledge Driven to nurture Creativity & Innovation for overall growth
Brief Difference – Customers Satisfactions

Previous Practices

- Clear avenues for customer feedback with reduced response time while working concurrently to build interconnections with technical/product development teams.
- Customers satisfaction was a priority at all times.
- Received some recognitions from key customers.

Refined Practices

- Enhanced customers engagements further by setting Voice of Customers as an instrument for greater business success.
- Greater focus on key customers feedback & various methods are used to assess customers needs and expectations.

May 2016 - Avaya Key Supplier Award
Previous Practices

- Hiring and recruitment processes was a typical nature of action items to fill headcount targets.
- Talent was identified to perform a job, with a hope they build careers within.
- HR owned employee talent development and this was mainly managed through formal/structured trainings.
- Employee well-being is owned by and dependent to the company; with the support from employees.
- Used typical performance management system with narrow rankings and ratings.

Refined Practices

- Human Resource Planning
- Learning and Career Progression
- Employee Well-Being & Satisfaction
- Benefits
- Appraisal System
- HR Organization

Benefits
- Equally accessible for all levels of employees
- We are well known for having the finest compensation and benefits privileges in Perak.

Appraisal System
- Year Round Performance Management (YRPM) and a Rating less Performance Management system is now enabling talent development to progress even better than before.
Brief Difference – Process Improvement

Previous Practices

- Processes and awareness grew for LEAN manufacturing adoption with the support of six-sigma concepts.
- Highly capable manufacturing with the aim to build more readiness.
- Emphasis on On Time Delivery (OTD)
- Work process defined for crucial areas with the focus to involve support functions.
- Targeted to cultivate innovative thinking in every job performed by employees.

Refined Practices

- Work Processes

  - Incorporation of critical requirements of customers during the design and enhancement process.
  - This expands to Manufacturing capability and capacity readiness.
  - Consistent weekly operation review to meet the volume commitment to ensure OTD to customers.
  - Identification of key measures for each organization by introducing KPIs as aligned with the Site Leader’s goals.

Integrated Processes Focused on Innovation

World’s Largest Supplier of Optics Technology

Systematic LEAN Process to Improve Productivity, Quality & Cost
Results - Finisar in Leading News

US tech firm invests RM400m more in Perak operations

San Francisco: Finisar Corporation, a leading United States tech- nology company, has announced a US$60m (RM400m) investment in Malaysia, expanding its manufacturing and research and development (R&D) operations. The investment will include the construction of a new factory and a new research and development center. The company expects to create over 270 new jobs, with the majority of the positions being high-skill, high-wage positions.
Results - Strengthening of Core Values

- Act and communicate **truthfully** at all times.
- Willingly and fully disclose information.
- Engage and interact with complete **transparency**.

- Treat all stakeholders with **honor and dignity**, always upholding the self-esteem of others with respect.
- Open yourself to **respect feedback** from others from all levels in the organization.
- Engage, interact and **treat others the way you would like to be treated**.

- Willingly work and collaborate with others, **giving full cooperation and support** to achieve shared goals.
- Engage and interact with others seamlessly **without** inter-department or organizational **boundaries**.
- Treat each other as being in **one team, always recognizing “we” as more significant and important than “I”**.

- **“Do it right the first time”** in all product and service deliveries, including all activities of Finisar’s operating environment.

- Behave and conduct yourself and the company’s business **ethically**.
- Willingly and fully **admit mistakes and take full responsibility**.
- Engage and **interact openly** with all stakeholders with **no hidden agenda**.
Results: Awards & Honors from 2016 - 2017

- Avaya Key Supplier Award
- Manufacturing Excellence Award, Pangkor Dialogue
- Best Employer Brand & Best HR Leader Award, World HRD Congress
- Manufacturing Excellence Award, MICCI
- LEAN Manufacturing Excellence, MPC
- Icon Award, FMM
- World Class Global Performance Excellence Award (GPEA)—Best in Class
- Industry Excellence Award (AKI), MITI
Results – Strengthening the Fundamental of People Practices

The What?
Finisar is a stable employer with 15 years of presence in Malaysia. Ever since we began operations in Ipoh, we have never used any forced measures to reduce our employee population as our people practices enables the company to be well equipped during tough global challenges.

The How?
Proactive measures in workforce plan to ensure 4Rs: Talent by Right Candidates matched to the Right Job with the Right Passion at the Right time.
Results – Enhancing Strategic Talent Acquisition

- To **attract and retain best talent** as aligned with Finisar’s Corporate goal to be the **best cost** effective manufacturing site.

- **Strategic collaborations** with the academia aims to source for the right skills, knowledge and attitude to suit our workplace culture.

- We are also aspiring to increase core competencies among young graduates by supporting the Government’s call for **re-training** to strengthen the talent pipeline.

- Close partnerships with MU, UNIMAP, MMU, QUEST, UTP, UTAR & UTM and this is paving ways to influence **university curriculum design** to include real-time industry applications for better readiness.

- On-going **sharing/coaching** to 4th year students for preparing them according to their job aspirations.
Results – Strategic Talent & Organizational Development

- Hiring to fill headcount targets
- Formal trainings
- Company owned well-being
- Performance Rankings & Ratings
- Talent Development

HR Then

- 70% through on-the-job experience
- 20% through mentoring/coaching/online
  resources/sharing/networking
- 10% through formal trainings

HR Now

TOP Model

- Talent
- Organization
- Passion

Talent Development
Results – Enhancing Strategic Employee Engagement

We believe in fairness and transparency in the way we manage our people. Our approach to employee engagement is through Top-down and Bottom-up.

- **5C Guiding Principles:**
  - **Collaboration**—between senior management and employees
  - **Commitment**—all stakeholders
  - **Communication**—fair and transparent
  - **Compassion**—high level of kindness and sensitivity towards different cultures and beliefs
  - **Consistency**—consistent and aligned towards the company’s brand and reputation.
Previously, the company cares to be socially responsible and explored opportunities so that we can set our purpose and goals.

Initially, societal responsibility was owned by the company.

As we made progress, this has grown to a full fledge employee driven initiative to ensure people are inspired and empowered to make a difference together.

Our philosophy—We believe every Finisar employee is socially responsible to reach out to the communities in where we live and work.

Our CSR Team is led by our employees and supported by Finisar’s site management. The team is empowered to decide on the programs and causes that they want to support.

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Finisar Corporate Senior Leader, Joe Young, VP of Global Operations inaugurated Finisar’s Creative Learning Space at the sponsored school to help transform classroom education in February 2017.

Finisar sponsored a school to Tech Dome, Penang for a science and technology education program in 2016.

Finisar donated the Total Internal Reflection (TIR) exhibit to Tech Dome.
Anugerah Kecemerlangan Industri (AKI)

Thank you MITI for recognizing us with AKI. With this honor, we have gained stronger presence in the global arena by winning the Global Performance Excellence Award (GPEA)−Best in Class Award in Manila on 23 October 2017.
Results: GPEA—Best in Class Award

Our Sincere Appreciation to Tuan Hj. Ab. Rahim Yusoff

Deputy Director General MPC

&

Dr. Sugu

Northern Regional Director MPC
Mitigating Future Challenges on People Focus

- Introduced **retraining for newly graduated candidates**. This is implemented through collaborations with local universities made possible with the Government’s support.

- Clear employee development plan and **awareness in accountability** for managers and employees to enhance core competencies.

- Enhanced employee communications and engagement strategy to **create an easy process** for seeking and receiving feedbacks.

- More funds are now leveraged to close the **gaps on talent** issues among locals.

- **Succession plan built** for local and foreign employees to ensure lesser hiccups and dependency whenever foreign contract is terminated.
Thank You!