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**OPENING SPEECH BY MINISTER OF STATE FOR MANPOWER AND
CHAIRMAN OF MAYORS' COMMITTEE, MR TEO SER LUCK,
AT THE SINGAPORE PRODUCTIVITY CONFERENCE & EXHIBITION
2015, ON 5 NOVEMBER 2015 AT 9.10AM, SUNTEC CITY
CONVENTION CENTRE LEVEL 4 HALL 406**

Mr. Teo Siong Seng,
Chairman,
Singapore Business Federation

Mr Ng Cher Pong,
Chief Executive,
Singapore Workforce Development Agency

Distinguished Guests

Ladies and Gentlemen

Good morning.

Introduction

1. It is my pleasure to join you here at the Singapore Productivity Conference and Exhibition 2015, organised by the Singapore Business Federation (SBF).

A Productive and Competitive Economy is Crucial

2. Our ability to be productive and adaptable is critical for Singapore's competitiveness. This is especially so as Singapore is facing the challenges of a tight labour market and an ageing population. The greatest impact will be felt by Small and Medium-sized Enterprises (SMEs). There is an urgent need for SMEs to innovate and raise their productivity, to grow their businesses in this manpower-lean environment.

3. Against this backdrop, we need a conducive workplace culture where employees are empowered to contribute new ideas. We would also require a change in mindset, one that is geared towards increasing productivity, where everyone takes pride in being efficient and aims for excellence. We need a culture of lifelong learning and mastery of skills, where employers and employees are committed to developing their expertise, no matter the job.

Government Assistance for Business Community

4. The restructuring journey is not an easy one for many companies, particularly the SMEs. Hence, the Government has put in place a range of schemes to help our SMEs improve productivity and enhance their capabilities.

5. For example, in 2012, WDA and SBF rolled out the Empowering Efficiency and Excellence (3E) Programme to train companies in productivity tools and methodologies. By tapping on 3E, companies were able to identify and embark on productivity projects to reduce manpower and processing errors, thus leading to improvements in productivity and, in some cases, customer satisfaction. I am heartened to know that up to 200 workers and over 28 companies, most of which are SMEs, have benefitted from the 3E Programme. The companies which implemented their proposed productivity projects reported at least 10% improvement in their productivity.

6. One such company is AMS Marine Pte Ltd, an SME. AMS was looking to maximise profits by reducing operational costs, particularly through reducing the need for additional manpower, raising productivity as well as increasing the speed of order processing and planning. In particular, AMS produces an “equipment damage report” which is frequently behind schedule.

7. This created a backlog in the workflow process and delayed the repair of the damaged items. With the training and mentorship provided through 3E, AMS Marine was able to identify and address the causes of the delay in producing the report. The time taken to produce the report was reduced by 60% and necessary repair works could start in a timely manner. This resulted in more than \$50,000 saved on materials and labour costs every year.

Launch of Mentorship for Accelerating Productivity Programme

8. The 3E is a good example of how WDA and SBF have worked together to benefit companies. Looking ahead, collaborations between the Government and Trade Associations and Chambers (TACs) continue to be instrumental in helping our companies transform. **Today, I am pleased to announce the Mentorship for Accelerating Productivity (MAP) Programme, another joint initiative by the WDA and SBF that aims to enhance innovation and productivity in companies.** Companies participating in MAP will be taken through productivity concepts that are relevant to their sector. With the aid of a diagnostic tool, they will also be assessed on their overall workflow efficiency.

9. Thereafter, companies will be placed on a customised mentorship programme. They will be supported by a team of productivity consultants, where selected staff from each company will be groomed to become productivity champions to continually initiate and drive productivity projects. Companies can then capitalise on the initial mentorship, sustain their productivity improvements and build a supportive culture over the long run.

10. WDA has set aside more than \$1 million to train up to 300 workers from 60 companies through the MAP. This is part of WDA's efforts to support enterprises that transform to become more manpower-lean, and complements the recently launched Lean Enterprise Development (LED) Scheme. As many of you may know, the LED Scheme aims to support progressive SMEs as they transform to become more productive, innovative and manpower-lean, with the ability to offer quality jobs and careers to build a stronger Singaporean core.

11. I understand that SBF has also launched the Holistic Industry Productivity Scorecard (HIPS). Companies can access a HIPS calculator, via an online portal, that allows them to calculate their labour productivity and nine other productivity indicators aligned to the IMPACT framework by SPRING Singapore. Companies can also check their performance pegged to industry, and track productivity performance year-on-year. With the data collected through HIPS, companies will be able to tap on the MAP programme and tools to effectively address productivity performance gaps, in order to achieve a sustainable and productive workplace. I strongly urge companies to find out more about these programmes and make the most of them.

Conclusion

12. With the Government, our TACs and business community working closely together in our national restructuring efforts, I am confident we can overcome challenges together and secure opportunities in this new global economy.

13. I wish everyone an insightful and productive session ahead. Thank you.