

2005/2006 SEMESTER 1 - SEMESTRAL EXAMINATION

Course : Diploma in Business Management
Diploma in Sports & Wellness Management
Diploma in Financial Services

Module : BM0771 - Quality Management

August 2005

Time Allowed: 2 hrs

INSTRUCTIONS TO CANDIDATES

- 1 This examination paper consists of **SIX (6)** pages including this page.
- 2 There are **THREE (3)** Sections in this examination paper:-
Section A (30 marks) - Answer **ALL** questions.
Section B (40 marks) - Answer any **TWO (2)** out of three questions.
Section C (30 marks) - Answer **ALL** questions.
- 3 All answers must be written in the answer booklet(s) provided.
- 4 Start a new question on a fresh page and indicate the question number clearly.
5. This examination paper carries a total of **100 marks** and constitutes **60%** of your module grade.

SECTION A - COMPULSORY QUESTIONS (30 Marks)**Answer ALL questions.****Question 1**

Tan Peng Lim had just recently graduated from Nanyang Polytechnic with a Diploma in Business Administration. He was looking forward to working in his father's electronics company, Communic-88 which manufactures walkie talkie radio handsets for export.

His first meeting was a conference call with his father's client, a European construction firm with sites in 9 European countries. During the teleconference, the client had mentioned to his father that they would only do business with companies that place high emphasis on quality management and are ISO 9000 and 14000-certified.

This troubled Peng Lim's father because his company was not ISO certified. He then tasked Peng Lim to brief the company's Board of Directors in 2 weeks time to propose that the company be ISO 9000 and 14000-certified.

- (a) State two (2) reasons why quality is important to a company like Communic-88
(2 marks)
- (b) Briefly explain the four (4) quality concepts and provide an example of each from the case of Communic-88.
(8 marks)
- (c) Briefly explain the terms, ISO 9000:2000 and ISO 14000.
(4 marks)
- (d) Briefly explain any two (2) reasons why a company like Communic-88 should go for ISO 9000:2000 certification.
(4 marks)
- (e) State any four (4) benefits of ISO 14000 certification to Communic-88.
(4 marks)
- (f) State two (2) major differences and two (2) similarities between ISO9000-2000 and ISO 14000.
(8 marks)

- END OF SECTION A -

SECTION B – STRUCTURED QUESTIONS (40 Marks)**Answer any TWO (2) out of the 3 questions below****Question 2**

Singapore Technologies Engineering was the winner of the 2003 Innovative Organisation of the Year award. The company believes in encouraging its staff to think in new ways and develop new processes. It even has a special unit, Fusion Works, whose task is to dream up ideas and then see if they can be implemented. "The spirit of innovation comes from the very top," says Mr Tan Pheng Hock, ST Engg's president and CEO. "And we want people to embrace the culture where change is constant. Innovation is not a question of choice; it is core to what we do," Mr Tan said. "Customers look for it so it is critical. How is this achieved? "We try to remove as much bureaucracy as possible and focus on our core businesses and our successes, while learning from our failures. We recognize that there is no one right answer to any situation and we try to create opportunities from problems. This creates an environment in which people are passionate about their work and we can balance the diversity of the individuals with the grouping needed for teamwork."

(Adapted from TODAY Newspaper, 10 Nov 2003)

- (a) State briefly what you understand by the term, "Singapore Innovation Class".
(2 marks)
- (b) List and briefly describe the 4 Cs of the Innovation Class Framework.
(8 marks)
- (c) Using the short case above, briefly explain how ST Engineering fulfilled any two (2) of the 4 Cs of the Innovation Class Framework.
(4 marks)
- (d) List any one (1) difference between a Quality Circle (QC) and an Innovative Quality Circle (IQC).
(2 marks)
- (e) List and briefly explain any two (2) characteristics of IQCs.
(4 marks)

Question 3

Total Quality Management (TQM) is an enhancement to the traditional way of doing business. It is a proven technique to guarantee survival in world class competition. Only by changing the actions of management will the culture and actions of an entire organisation be transformed.

- (a) Define Total Quality Management (TQM). (2 marks)
- (b) List and briefly explain the four (4) key elements of TQM. (8 marks)
- (c) State any four (4) reasons why organisations should implement TQM. (4 marks)
- (d) State any three (3) key steps in the TQM implementation process, and give an example of how each step applies to a company like Singapore Airlines. (6 marks)

Question 4

The most important asset to any organisation is its customers. Satisfied customers are the continuous lifeblood of any organisation that wants to take on and beat the competition. Without them, organisations will simply cease to exist. Knowing and responding to their needs is critical to organisational survival.

- (a) Define an internal and an external customer. (4 marks)
- (b) List any three (3) dimensions of service quality, and cite examples of how these apply to a company like McDonalds. (6 marks)
- (c) State any five (5) characteristics of customer-driven companies. (5 marks)
- (d) List the steps involved in performing a customer value analysis. (5 marks)

- END OF SECTION B -

SECTION C – COMPULSORY CASE STUDY (30 Marks)

Read the following case study carefully and answer ALL the questions that follow.

Question 5

PSA Corporation Ltd

PSA Corporation is the world's largest container terminal operator. It plays a vital role in the development of the Singapore economy. Today, PSA operates a global company with a stable of overseas container terminals in various parts of the world. It won the SQA award in 1999.

PSA has been voted by shippers and shipping lines worldwide as the Best Terminal Operator in Asia for 10 years. In terms of performance efficiency, PSA holds the record of servicing the highest number of ship calls, providing the fastest ship turnaround time, and handling the greatest volume of shipping tonnage at any port. It can also lay claim to be the port with the highest global connectivity, with 400 shipping lines linking it to 740 ports worldwide. PSA's vision is to become "a world-class corporation with a network of ports, logistics and related businesses throughout the world, recognised everywhere for quality and value".

A key factor of PSA's success lies in its innovative exploration and widespread use of automation and information technology. It has developed its own application software for all facets of its businesses, and has extended the network of computer applications to customers to create seamless interface and real-time interaction. One of its innovative applications, the "Flow-Through" Gate system, has enable fast and paperless processing of entry and exit of containers through its gates. This achievement that won PSA the International Seatrade Award for Innovation in 1999.

Building on its strong belief in continuous education, training and upgrading of its staff over the years, PSA has nurtured a highly productive and motivated workforce. Between 1996 and 1998, an average of \$16 million per year, or 4% of annual payroll, was invested on staff upgrading. In recognition of its excellence in human resource development, PSA was conferred the People Developer Standard in 1998.

The culture of continuous improvement through active employee involvement is nurtured by the organisation. Since 1996, employee participation rate in Quality Circles has been sustained at 100%. In 1990, PSA pioneered the concept of joint Quality Circles with its customers, suppliers and external agencies to effect work improvements and increase productivity for its business partners. This initiative reflects PSA's commitment to quality and its close partnership with all stakeholders.

To provide quick response and customised service, senior PSA port operations managers serve as "Key Customer Managers" to provide a single contact-person to meet the requirements of customers. Other service initiatives such as the the internet-based PORTNET-On-Windows application system, demonstrates PSA's total customer focus approach that has been recognised and welcomed by its customers.

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- (a) Briefly explain four (4) major benefits to PSA for being conferred the title of an "SQA" organisation. (8 marks)
- (b) Briefly explain the major difference between an "SQC" and an "SQA" organisation. (2 marks)
- (c) Evaluate how PSA performed in relation to any five (5) of the elements in the SQC/SQA framework. (10 marks)
- (d) PSA is committed to build and sustain excellence in customer service. Briefly explain the requirements for TQM implementation in PSA. (10 marks)

- END OF SECTION C -

- END OF EXAM PAPER -