# EXAMPLES OF HOW PROGRESSIVE ENTERPRISES CAN BENEFIT UNDER THE LEAN ENTERPRISE DEVELOPMENT SCHEME

The following illustrative examples are derived from potential projects which enterprises and industry associations have surfaced to MOM.

Example 1: Becoming more manpower-lean *(Deferring the Reduction in S Passes)*

A logistics firm intends to automate its processes to reduce its overall reliance on foreign workers. It is able to reduce its Work Permit Holders (WPHs) from 25 to 15. However, in the process, it will lose two higher-skilled S pass Holders due to foreign worker quota limits, as its total workforce has shrunk. This makes the transition difficult, as the firm needs to retain its higher-skilled S pass Holders (together with local workers) to operate the new equipment.
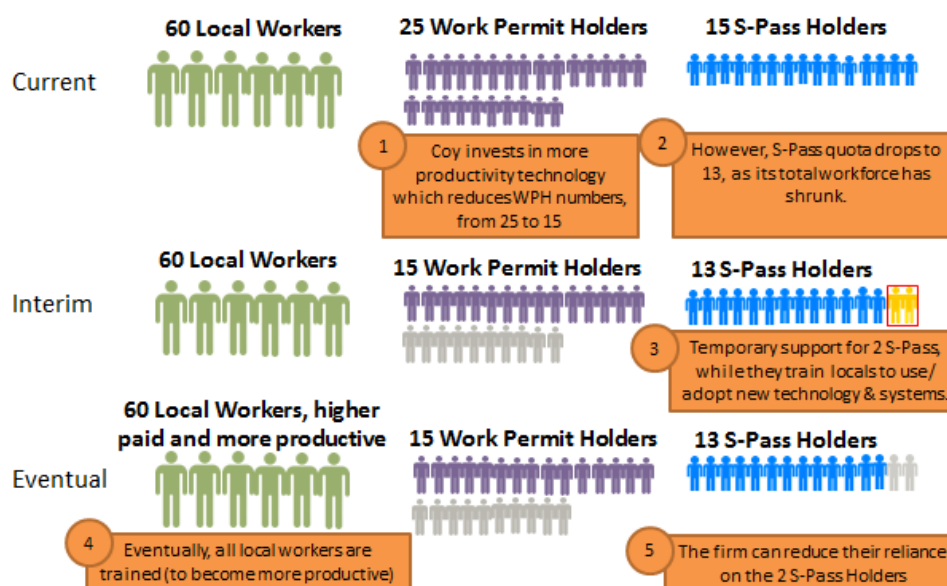
The temporary foreign manpower adjustment will help in the transition, as the firm is able to retain all 15 S pass Holders in the interim, while they train the remaining locals to operate the new equipment. Eventually, with its local workers trained (to become more productive), the firm can reduce its reliance on S pass Holders while paying its local workers more.

Example 2: Strengthening the Singaporean core *(Temporary Increase in S Passes)* A design firm wants to take on more projects using Building Information Modelling (BIM), and needs to hire more trained staff. It commits to sponsoring local polytechnic and ITE students, so that they can join them in two to three years after graduation/National Service (NS). The firm, however, doesn't have sufficient foreign worker quota to hire more foreign workers to meet current manpower needs.
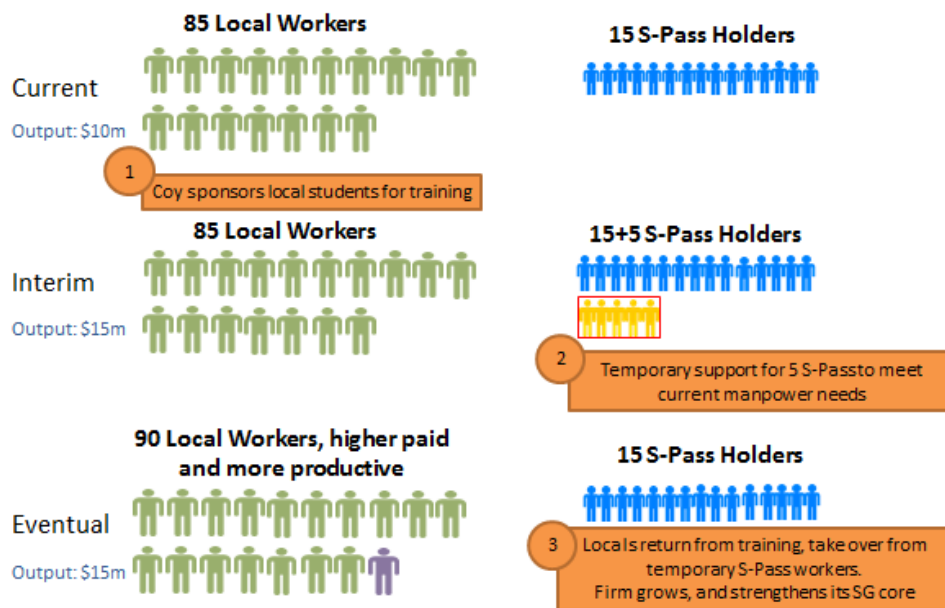
The temporary foreign manpower adjustment will help the firm to hire some S pass Holders in the interim, while the locals are still in school/NS. Upon graduation/completion of NS, the locals will take over these roles. This allows the firm to grow and strengthen the Singaporean core of its workforce. The firm also becomes more manpower-lean since output increases at a greater rate than headcount, and can thus afford to pay more productive locals better salaries.

Example 3: Becoming more manpower-lean *(Ready-to-Go Solutions)* A food and beverage firm faces some challenges in hiring cleaners. In addition, due to the nature of peak/non-peak cycle, there is often an inefficient allocation of manpower and resources, to ensure a clean and hygienic hawker environment during peak meal hours.

The firm can manage its reliance on cleaners and improve its workflow by adopting a ready-to-go (RTG) solution* such as the Smart Management Tracking System (SMTS). Through SMTS, the firm can then implement a tray-return system, that can monitor and read RFID tags attached on any item, from large containers to even plates and trays, with an integrated onsite centralised dishwashing. In this case, diners pay an extra dollar when they order food, then get reimbursed when they return their RFID-tagged tray at the automated gantry that leads to the dishwashing area.
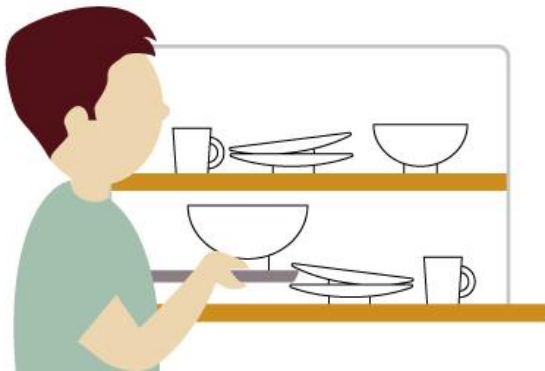
The adoption of this system enabled the firm to reduce the number of cleaners needed during peak periods. They can then be re-deployed at the dishwashing area. It has also changed the socio-cultural behaviour of diners. Overall, through this RTG solution, manpower and resources are managed more efficiently.

* More than 40 solutions across a wide range of industries and business functions are currently featured at Tech Depot. These include solutions developed and/or pre-qualified by the Agency for Science, Technology and Research (A*STAR), Info communications Media Development Authority of Singapore (IMDA) and SPRING Singapore for funding support. Find out more at www.smeportal.sg/techdepot

Example 4: Becoming more manpower-lean *(Cluster based Solutions)* In the early childhood and education sector, there are routine administrative duties manually handled by the teaching staff on a daily basis. This includes attendance taking, taking and recording of temperature, invoicing, progress updates to parents as well as the tracking and submission of regular mandatory licensing data to Early Childhood and Development Agency (ECDA).
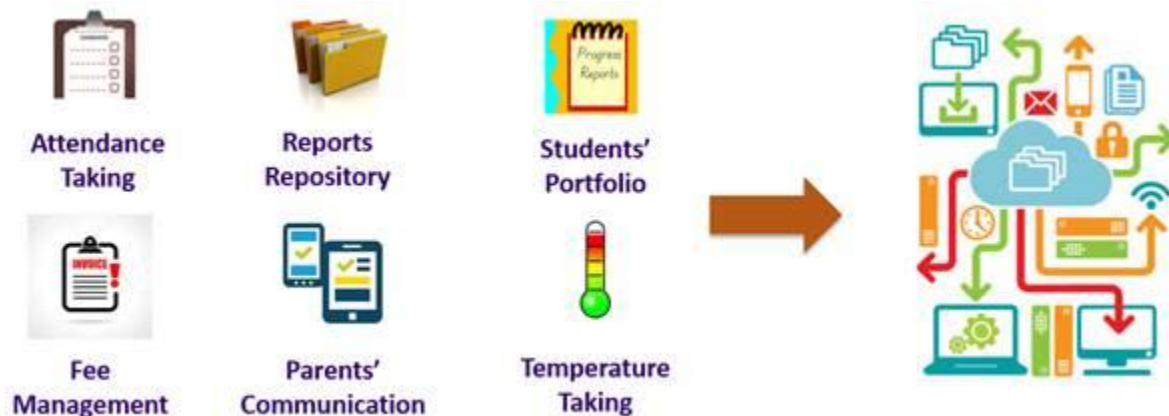
Led by the industry association, the sector implemented a fully integrated Smart IT Solution, which would take care of the entire value chain, from teachers, parents to regulatory authorities. Over 100 childcare centres have indicated interest and are progressively adopting the solution, which can result in the following impacts:

- Improved productivity with more than 160 man-hours savings per month
- Lower cost due to economies of scale
- Real time access to accurate data
- Improve interaction between teachers and parents
- Improve job quality as teachers could focus on actual teaching work and receive greater job satisfaction