

Chapter 1

Case on System Performance Improvement

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1 Introduction

Performance improvement is a formal approach to the analysis of service operations and systematic effort for improvement. System performance improvement is also an ongoing effort to make performance better which might be in industry. The aim of this case is to improvement performance of the S.M Enterprise Company which the manager based on their good location, system effort and investments believes that their performance can be much higher than the current situation.

2 Case Study

S.M Enterprise is an ASTRO (a Malaysian direct broadcast satellite Pay TV service) retailing and an electrical shop. It's well-known among the B. area residents in Pahang state, Malaysia. Even though, the company is there for about 5 years and have varieties of products in it also providing services on ASTRO, still there are some customers who are willing to go for other companies which are quite far from town.

ASTRO is a broadcast business and they keep on upgrading their system with latest HD Channels, Equipment with WIFI services (Astro on the Go) and so on.

The employee's of S.M not really professional on these upgrades. They more focused on make installation and activations of equipment only. Employees also wasting their time to make activation buy calling the activation department which is most of the time engage because of some unavoidable reasons. It's lead to disappointment among customers.

Authors found equipment at S.M is pending too long or addressed as delayed installation sets. Some of the sets issued 2 weeks before but the equipment are not installed and even haven't returned to warehouse for further actions.

According to the Managing Director of the company their customers often called their office and keep on asking “when you can make installation for my ASTRO? I have waited for a long time and when I called the Head Office, they gave your contact number to be contact.” It’s a major problem that being restriction for this company to grow further. Even though, the Manager awarded as a top performer of ASTRO by practicing some good qualities in his business but authors’ observation found that there is some improvement should be done in their business.

Teaching Note
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This case study is suitable for Service Operations Management subject for (Management) diploma students. This case study designed for level 2 and/or 3 (Comprehension and/or Application) of Bloom's taxonomy.

Lecturers may ask students to be in small groups and read and discuss the case for about 30 minutes. Then lecturer may ask the groups to share their findings with the class. At the end lecturer may use a few minutes to conclude the answers. Lecturer need to mention bellow solutions.

Problem Solution

Operations performance is a much more complicated term than it appears. Obviously system quality can be defined in different ways, depending on who attempts to define it and to what service or product it is related. It is also defined as a degree of excellence; or the totality of features and characteristics of a product or service that bears on its ability to satisfy given needs.

- Training

We might think that a low-risk industry would not need advanced technical training. Providing simple instructions or information is most likely to be sufficient. It's not applicable for all the businesses. The employees of S.M must be provided enough education or knowledge about the latest upgrades on Astro. For example, the employees should be well-explained and trained about the guidelines on how to make activation by using IVR or SMS.

If it's well understood by the employees then time and money that spent on making call for activation could be reduced which indirectly will improve Excellency.

- **Stock/Equipment Management**

S.M facing problem on their performance to make appointment on time, We would like to suggest the company to practice FIFO. "FIFO" stands for First In, First Out which defined as an asset-management and survey method in which the assets produced or acquired first are used, sold or/and disposed of first. Where, the in charge person must give appointment to customer and arrange a proper schedule to make installation of the sets based on the date they received the sets from warehouse. The first received sets should be the first to give appointment. So that, if there is some customer who are arranging the appointment later from the certain given period. Here the installer can make decision to make replacement on that sets which will lead to a more systematic inventory management which will help the company to meet customer satisfaction.

Case practice

In a real practice, the managing director of S.M Enterprise agreed to improve system quality by practicing our both above suggestions. He found that FIFO is a best suggestion to create a better positive business image. He think so because, it doesn't request so much of capital investment but more focused on time management and a proper scheduling system. He also agreed that providing an ongoing training to employees will guarantee a better quality business. It's because Astro always will move forward with their latest strategies thus, it's important for S.M as well to educating their staffs to be adopted with the latest varieties on the service. Refer to our interview with the company manager, this case study practice can improve the business performance of the company.

This study was a practice of Operations management, lean management, TQM, and system performance improvement.