FACTSHEET ON ENTERPRISE TRAINING SUPPORT SCHEME (ETS)

The Enterprise Training Support (ETS) Scheme is a new scheme jointly developed by the Singapore Workforce Development Agency (WDA) and Ministry of Manpower (MOM). With effect from 1 April 2013, organisations will be able to access the ETS scheme to implement progressive human resource (HR) systems; enhance in-house training infrastructure and capabilities that will help raise the skills and productivity of workers.

Specifically, the ETS scheme seeks to achieve the following outcomes:
- Raise workers' productivity and skills levels as part of economic restructuring
- Create more hiring and competitive opportunities for Singaporeans through good HR development management systems and practices
- Benchmark compensation and benefits to market rates for local talent attraction and retention

The Government has set aside approximately $20 million for the ETS, which will run from 1 April 2013 to 31 March 2016. Over the three years, ETS is expected to reach out to organisations, of which 70% will be SMEs. The ETS scheme will provide funding support for organisations that tapped on the following components:

1. Training Grant
   - The training grant forms the core of the ETS scheme and it is a mandatory grant component under the ETS scheme.

   - It supports the cost of structured non Singapore Workforce Skills Qualification (non-WSQ) training (including e-learning[1] or mobile learning modes of delivery) and structured OJT, with bundled WSQ training hours forming at least 30% of an enterprise training plan.

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[1] In-house and external non-WSQ e-learning/mobile-learning will be funded and capped at direct contact hours respectively.

- The enterprise training plan developed should be relevant to at least 50% of the organisation's local workforce.

- Organisations tapping on the ETS training grant will have to commit to the following:

    a) 30% of the local workforce attaining at least one WSQ modular Statement of Attainment (SOA) under any WSQ framework; and

    b) Incorporate recognition of WSQ qualifications as part of their recruitment and training development policies.

2. Capability Grant
   - This one-time grant supports organisations in building their in-house capabilities in the areas of training delivery and infrastructure. For organisations that aspire to become WSQ in-house ATOs, this grant will help to defray costs involved in training up an ACTA-certified master trainer and putting in place the necessary organisation internal processes to attain Organisational Accreditation (OA). Organisations tapping on this grant will have to commit to having at least 2 WSQ modules accredited and at least 50 SOAs delivered in-house.

3. Curriculum Contextualisation and Alignment Grant
   - This grant helps organisations to defray costs in developing and/or contextualising Singapore Workforce Skills Qualifications (WSQ) training modules, both in terms of content and training delivery. This includes developing new WSQ e-learning/ mobile-learning curriculum, and contextualising or converting existing WSQ training modules to e-learning/ mobile-learning modes.

   - The grant will also support development of On-the-Job training (OJT) blueprints, which shall be implemented in the enterprise training plan

   - Organisations tapping on this grant will have to commit to deliver newly developed, contextualised or converted WSQ modules.

4. HR Development Grant
   - This one-time grant supports organisations in adopting holistic training plans, enhancing learning and development systems or developing a career progression pathway that is tied to the enterprise training roadmap.

The grant encourages organisations to integrate WSQ into their training plans and HR policy, and organisations tapping on this grant will have to appoint an external consultant to achieve one of the following outcomes:

a) Develop a system to administer and monitor a holistic training plan which would involve the identification of core functional competencies of its workforce, skills gaps and develop a training roadmap; or

b) Integrate WSQ into their training plan and HR policy framework; or

c) Enhance existing or acquire / develop a new learning and development system that helps to support the adoption of WSQ and an approach to measure learning gains for the various training interventions; or

d) Develop a career progression pathway that is tied to a WSQ training roadmap.

- Organisations tapping on this grant are expected to submit a consultant report on the implementation of the HR project and achieving one of the outcomes above.

5. Compensation and Benefits System Review Grant

- The grant will help organisations defray costs associated with consultancy to conduct enterprise-wide industry salary benchmark reviews to restructure wages, so as to better attract local talent and retain them in a tight labour market.

- Organisations tapping on this grant will have to commit to one of the following outcomes:

a) Increase wages to match the recommended salary benchmarks; or
b) At least a 3% wage increase for their local employees.

ELIGIBILITY CRITERIA

All organisations, companies, societies and non-profit organisations registered or incorporated in Singapore are eligible to apply for the scheme. Organisations who have tapped on government assistance schemes in the past, for similar funding components, may not qualify for some specific grant components.

CONTACT DETAILS

Organisations who require more information on the Enterprise Training Support scheme can contact the following appointed Programme Managers. More information can also be found at www.wda.gov.sg/ets. Alternatively you may call WDA Hotline at 6883 5885 or e-mail WDA_Enquiry@wda.gov.sg .

Programme Manager	Name	Tel	Email	Sector Coverage	Specific focus on the following WSQ frameworks
Capelle Academy *www.capelleacademy.com*	Ms Sim Yee Peng Senior Partner	6325 4982	yeepeng.sim@capelleconsulting.com	Can take companies from all sectors	• Creative Industries • Early Childhood • Finance • Human Resource • Leadership and People Management (LPM) • Business Management • Employability skills (WPLN, WPS) • Service Excellence (SV) WSQ
Human Capital Singapore (HCS) *www.hcs.com.sg*	Mr Glen Chan Consultant, Organisational Development & Systems	6603 8048	glenchan@hcs.com.sg	Can take companies from all sectors	• Human Resource • Leadership and People Management (LPM)
NTUC Learning Hub *www.ntulearninghub.com*	Ms Clara Chua General Manager, Next U Institute of Service Excellence	6486 7795	clara.chua@nextu.com.sg	Can take companies from all sectors	• Employability skills (WPLN, WPS) • Workplace Safety and Health Professionals (WSH) • Occupational Hygiene (OH) Professionals WSQ • Service Excellence (SV) WSQ

Programme Manager	Name	Tel	Email	Sector Coverage	Specific focus on the following WSQ frameworks
Singapore Chinese Chamber Institute of Business *www.scciob.edu.sg*	Mr Justin Lee Divisional Manager, Sales and Marketing Division	6505 3836	justin@scciob.edu.sg	Can take companies from all sectors	• Employability skills (WPLN, WPS) • Workplace Safety and Health Professionals (WSH) • Occupational Hygiene (OH) Professionals WSQ • Service Excellence (SV) WSQ
Training Vision Institute *www.trainingvision.com.sg*	Mr Claudius Ng Deputy General Manager	6325 1066	claudius@trainingvision.com.sg	Can take companies from all sectors	• Employability skills (WPLN, WPS) • Service Excellence (SV) WSQ
TUV SUD PSB Learning *www.tuv-sud-psb.sg*	Ms Charlene Ang VP	6885 1488	charlene.ang@tuv-sud-psb.sg	Can take companies from all sectors	• Employability skills (WPLN, WPS) • Service Excellence (SV) WSQ

Programme Manager	Name	Tel	Email	Sector Coverage	Specific focus on the following WSQ frameworks
SME Centre @ Association of Small and Medium Enterprises (SME Centre@ASME) *www.asme.org.sg*	Ms Stella Aw Yong Senior Business Advisor	6513 0359	stella.awyong@smecentre-asme.sg	Can take companies from following sector(s): • Healthcare • Social Services • Retail • Landscape • Security • Floristry • Cleaning • Attractions • Business, Travel, Meetings, Incentives, Conventions and Exhibitions (BTMICE) • Food and Beverage • Hotel and Accommodation Services • Spa • Tour and Travel • Casino	• Healthcare • Retail • Landscape • Floristry • Security • Community and Social services • Cleaning • Attractions • Hotel & Accommodation Services • Tour & Travel Services • Spa Services • MICE & Events • Casino Gaming • F&B service

Programme Manager	Name	Tel	Email	Sector Coverage	Specific focus on the following WSQ frameworks
SME Centre @ Singapore Manufacturing Federation (SME Centre@SMF) *www.smfederation.org.sg*	Ms Jessica Lee Assistant Director, SME Centre @ SMF	6826 3025	jessicalee@smecentre-smf.sg	Can take companies from following sector(s): • Manufacturing & Construction	• Precision Engineering • Generic Manufacturing • Aerospace • Textile and Fashion • Process • Environmental Technology • Public Transport • Port Services/Logistics • Clinical Research • WSH for Marine Industry
POLWEL Co-operative Society Limited *www.polwel.org.sg*	Mr Kelvin Low ETS Programme Administrator, Business & Employment Services Division	6235 6428	kelvin.low@polwel.org.sg	Can take companies from following sector(s): • Healthcare • Social Services • Retail • Landscape • Security • Floristry • Cleaning	• Healthcare • Retail • Landscape • Floristry • Security • Community and Social services • Cleaning
Singapore Association of Convention and Exhibition Organisers and Suppliers *www.saceos.org.sg*	Ms Lilian Kuan Executive Director, SACEOS	6379 5302	llilian@saceos.org.sg	Can take companies from following sector(s): • Business, Travel, Meetings, Incentives, Conventions and Exhibitions (BTMICE)	• MICE & Events

Programme Manager	Name	Tel	Email	Sector Coverage	Specific focus on the following WSQ frameworks
Singapore National Employers Federation (SNEF) *www.snef.org.sg*	Mr Stephen Yee Assistant Executive Director	6827 6928	stephen_yee@snef.org.sg	Can take companies from following sector(s): • Healthcare • Social Services • Retail • Manufacturing & Construction • Business Services • Infocomm Technology and Infocomm Technology related sectors	• Infocomm Technology • Healthcare • Retail • Landscape • Floristry • Security • Community and Social Services • Precision Engineering • Generic Manufacturing • Aerospace • Textile and Fashion • Process • Environmental Technology • Public Transport • Port Services/Logistics • Clinical Research • WSH for Marine Industry
	Mr Don Tiong Assistant Manager, Training	6827 6926	don_tiong@snef.org.sg		

SUMMARY OF GRANT COMPONENTS & INCENTIVES UNDER ETS

Type of Grant	How it Helps Organisations
1. Training Grant **(Up to $200,000 per organisation)**	• Forms the core of the ETS scheme. • It supports the cost of non-WSQ structured training (including e-learning/ mobile learning modes of delivery) and On-the-Job training (OJT), with bundled WSQ training forming at least 30% of an enterprise training plan. • The overall enterprise training plan should be relevant to at least 50% of the organisation's local (SC/PR) workforce.

	In-house non-WSQ training funding rate[2]	External non-WSQ training funding rate (for courses not funded by WDA or via SkillsConnect)[3]
SME – Rank and File	$15/hr	90% capped at $15/hr
Non-SME – Rank and File	$7/hr	80% capped at $7/hr
SME – PME	$15/hr	90% capped at $15/hr
Non-SME – PME	$15/hr	50% capped at $15/hr

Type of Grant	How it Helps Organisations
2. Capability Grant **(One-time grant of $20,000 per organisation)**	• Help SMEs and non-SMEs who aspire to be a WSQ in-house ATO to build capabilities in the areas of training delivery and infrastructure.
3. Curriculum Contextualisation and Alignment Grant **(Up to $52,000 per organisation)**	• Helps organisations to defray costs in developing and/or contextualizing Singapore Workforce Skills Qualifications (WSQ) training modules, both in terms of content and training delivery. • This includes developing new WSQ e-learning/ mobile-learning curriculum, and contextualising or converting existing WSQ training modules to e-learning/ mobile-learning modes. • The grant will also support development of On-the-Job training (OJT) blueprints for the organisation.

Activity	Grant Amount	Funding Rate
Development of WSQ courses	Capped at $30,000	90% capped at $10,000 per competency unit developed
Contextualisation of WSQ courses		90% capped at $5,000 per competency unit contextualised
Development of new e-learning/ mobile learning WSQ curriculum (CU)		Up to 90% of actual cost capped at $15,000 per CU
Contextualisation of existing non e-learning/ mobile learning WSQ curriculum (CU) to e-learning/ mobile learning WSQ curriculum (CU)		Up to 90% of actual cost capped at $10,000 per CU
Conversion of existing WSQ curriculum (CU) to e-learning/ mobile learning WSQ curriculum (CU)		Up to 90% of actual cost capped at $5,000 per CU
Development of OJT blueprint	Capped at $22,000	90% capped at $2,000 per OJT blueprint

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[2] Includes course fees for in-house non WSQ e-learning/ mobile learning. Course fees will be funded at direct contact hours only.
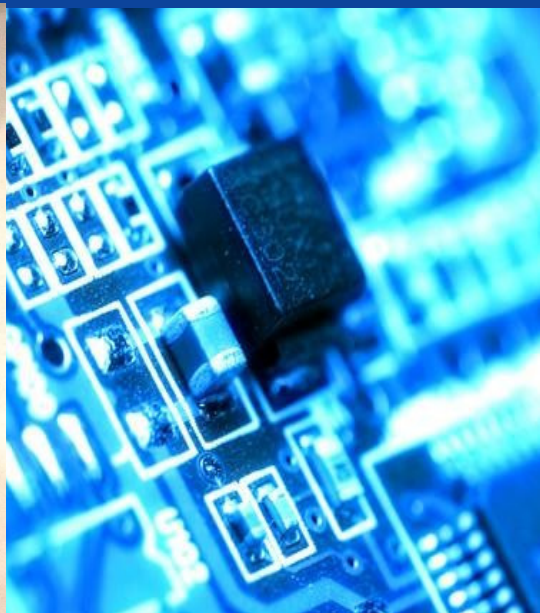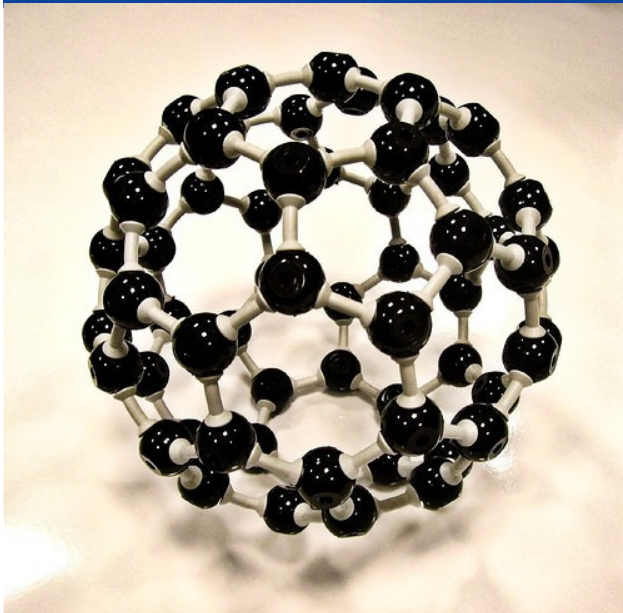
[3] Includes course fees for external non WSQ e-learning/ mobile learning. Course fees will be capped at direct contact hours.

Type of Grant	How it Helps Organisations
4. HR Development Grant **(Up to $60,000 per organisation)** • **Funding of up to 70% of invoice costs, with $5,000 sub-cap on organisation internal manpower costs.** • **Funding cap of $50,000 for outcomes (a) – (c).** • **Higher funding cap of $60,000 for outcome (d).**	• One-time grant to help organisations defray costs of engaging consultants to: a) Develop a system to administer and monitor a holistic training plan which would include identifying skills needed of the workforce and developing training pathways; or b) Integrate WSQ into their training plans and HR policy; or c) Enhance existing or develop new learning and development systems to support adoption of WSQ and measure learning gains; or d) Develop career progression pathways, tied to the training roadmap with WSQ components.
5. Compensation and Benefits System Review Grant **(Up to $15,000 per organisation)** • **Funding of up to 70% of invoice costs, capped at $15,000 per organisation.**	• To help organisations to defray costs of engaging consultancy services to conduct enterprise-wide industry salary benchmark reviews and restructuring of wages, to attract local talent and retain them in a tight labour market.

Innovation and Capability Voucher (ICV)

To encourage SMEs to take the first step towards capability upgrading

$5,000 Voucher

SME may apply for **up to 8 vouchers**

New!

Consultancy Projects

Up to **2 vouchers for each capability area**

- Innovation
- Productivity
- Human Resources
- Financial Management

Paid to Participating Service Providers

Solutions

Up to **2 vouchers in total**

- Equipment & Hardware
- Technical Solutions
- Professional Services
- Design & Renovation

Reimbursed directly to SME. Purchases must be made after application approval.

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SME Eligibility

As per current eligibility criteria, all business entities which fulfil the following conditions are eligible to apply for the enhanced ICV:

1. Registered with ACRA

2. Incorporated and physically located in Singapore

3. Have at least 30% local shareholding

4. Have a group annual sales turnover not exceeding S$100 million or having a group employment size of not more than 200 employees.

The following entities are not eligible (aligned with the CDG ops guidelines):

1. Service Providers/ Knowledge Institutes

2. Corporate shareholding parents or subsidiaries related to service provider, KI or supplier or companies with common directors/ management officers to service provider, KI or suppliers

3. Non-profit organizations like charities

4. Co-operatives, Societies, Companies limited by guarantees

5. Government agencies and its subsidiaries.

ICV – Consultancy

Innovation

Technology Development
1. Feasibility Study
2. Technical Support
3. Knowledge Development

IP Diagnostic
1. Business Diagnostic
2. Legal Diagnostic

Customer Insights

HR

1. Manpower Planning
2. Recruitment & Selection
3. Compensation & Benefits
4. Performance Management
5. Learning & Development
6. Career Management

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ICV – Consultancy

Productivity

Business Excellence
1. SME Management Actions For Results (SMART)

Service Excellence
1. Service Diagnosis
2. Mystery audits
3. Improvement

Productivity Management
1. Productivity Diagnosis & Measurement
2. Productivity Improvement
3. Benchmarking

Quality & System Management Consultancy
1. ISO 9001
2. HACCP
3. Energy Efficiency Audit

Financial

1. Planning & Budgeting
2. Cash-flow & Working Capital Management
3. Financial Controls for SMEs
4. Financial Assessment and Planning for Growth

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ICV – HR

HR	Scope	Deliverable(s)
Performance Management	To establish guidelines to appraise and continuously monitor the performance of employees based on agreed performance objectives. To help maintain or improve employee job performance through the use of objective setting, appraisal, coaching and feedback.	1) A minimum of 30 consultancy hours as detailed : • Date, time & venue for each session • Participants involved • Contents of discussion • Co-signed by both SME participant & service provider 2) Conduct a diagnostic, identifying strengths and weaknesses of the company pertaining to the module, prior to start of project. 3) Project Report includes : • Detailed diagnostic results and corresponding recommendations to address gaps • Review and development of appraisal system and KPIs (e.g. scaler rating system); provide detailed guidelines, including instructions and templates, on usage of system • Establishment of link between performance and bonus payout, promotion, transfer and career development; provide detailed guidelines, including instructions and templates, for company's future review and adjustment • A project action plan for implementation by the company indicating steps, timeline, resources and considerations; recommendations should be for both short-term and long-term • An overall Performance Management policy customised for the company

ICV – Productivity

Productivity	Scope	Deliverable(s)

SMART	To perform the following using the *SMART tool:
	
	1) Assess business management capabilities using the *SMART assessment tool
	
	2) Identify strengths, weaknesses, and areas for improvement in the seven categories of the Business Excellence framework
	
	3) Prioritise gaps identified
	
	4) Develop actionable road map to improve business management capabilities leading to higher productivity
	
	*SMART (SME Management Action for Results) assessment tool is based on SPRING Singapore's Business Excellence framework
		1) A minimum of 40 consultancy hours :
		
		   • Date, time & venue for each session
		   • Participants involved
		   • Contents of discussion
		   • Co-signed by both SME participant & service provider
		
		2) Project Report includes:
		   • SMART Assessment Tool
		   • SMART Roadmap
		   • SMART Monitoring Report
		   • Gantt Chart on Roadmap
		
		3) Closing Presentation to be held between SPRING, SME & Consultant

SMART – Business Excellence
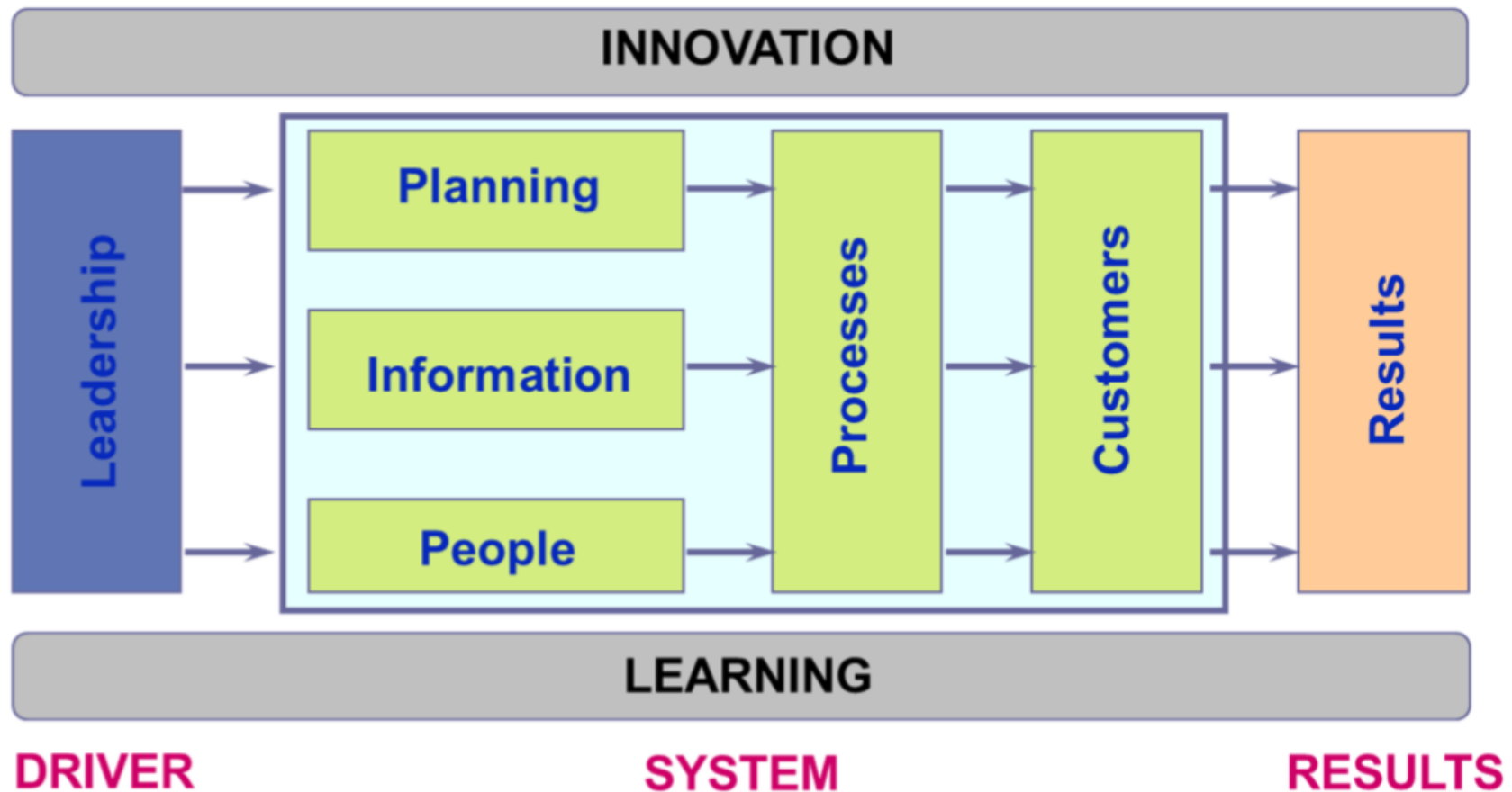
ICV – Solutions

New!

Supportable Cost Categories	Supportable Items	Non-Supportable Areas
Equipment & Hardware	• Machinery / Equipment e.g. automated machinery, barcode scanner and etc.	Operating costs* such as: 1. Rental 2. Salary 3. Utilities cost 4. Raw materials cost 5. Government licensing and permit cost 6. Accounting/audit/ legal fees *Non-exhaustive
Technical Solutions	• Software e.g. manpower scheduling system, simulation software and etc.	
Professional Services	• 3rd-party training arising from ICV consultancy project that SME has completed* e.g. training of employees to implement financial processes or policies *Excludes consultancy services	
Design & Renovation	• Renovation work e.g. re-designing of floor plan/layout to maximise use of space	

Achieve <u>at least 1</u> of the expected outcomes:
1. Increase in sales √
2. Improvement in efficiency √
3. Reduction of cost / waste √

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ICV – Solutions

New!

Equipment & Hardware

Manual Process → Automated Machinery Cost $4,000

2 Hours → 1 Hour
Increases Efficiency by 50%!

Technical Solutions

Manual Book Keeping → Accounting Software Cost $1,000

2 Employees → 1 Employee

Reduces Cost by 50%!

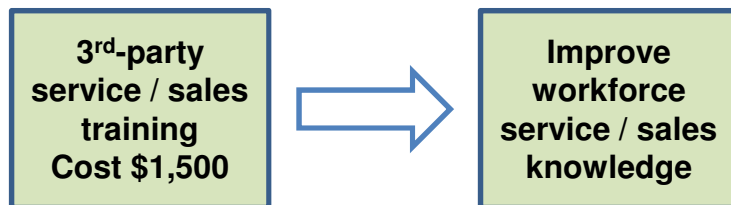**Equipment & Hardware $4,000**

Technical Solutions $1,000

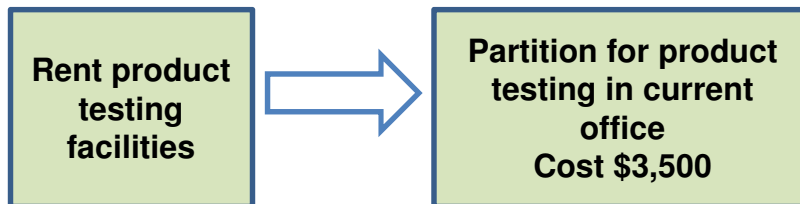→ **$5,000 Voucher (Solutions)**

ICV – Solutions

New!

Professional Services

| 3rd-party service / sales training Cost $1,500 | → | Improve workforce service / sales knowledge |

10 Sales/day → 12 Sales/day

Increases Sales by 20%!

Design & Renovation

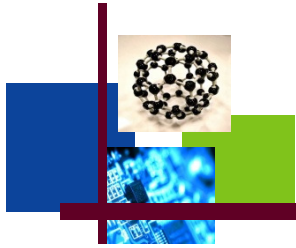| Rent product testing facilities | → | Partition for product testing in current office Cost $3,500 |

Rental Cost → Not required

Reduces Cost by 100%!

Professional Services $1,500

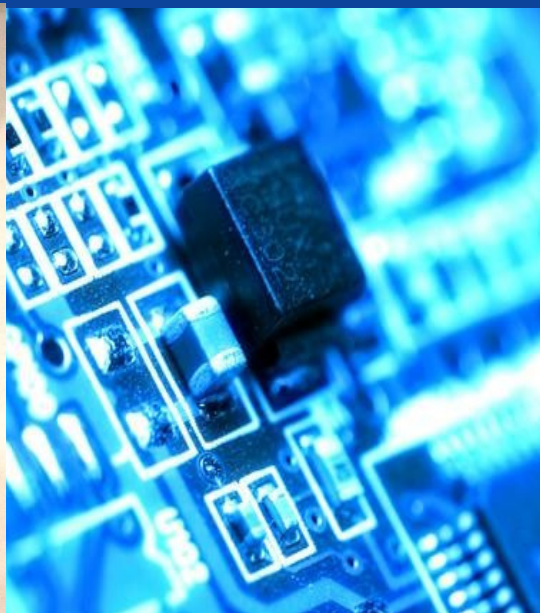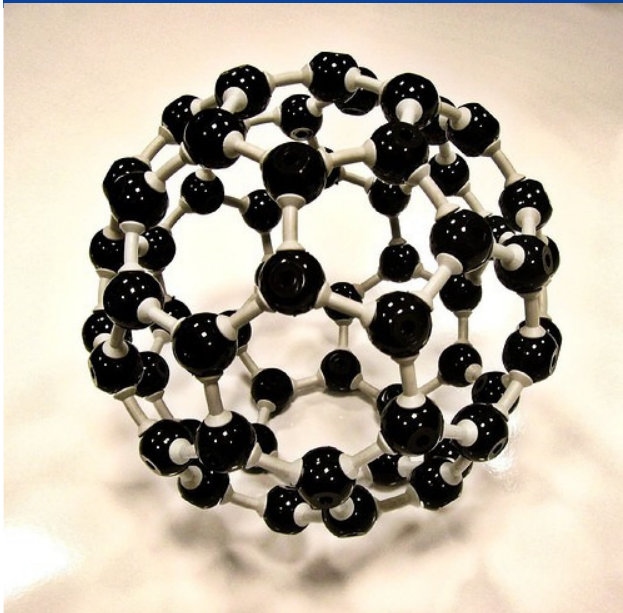**Design & Renovation $3,500**

→ **$5,000 Voucher (Solutions)**

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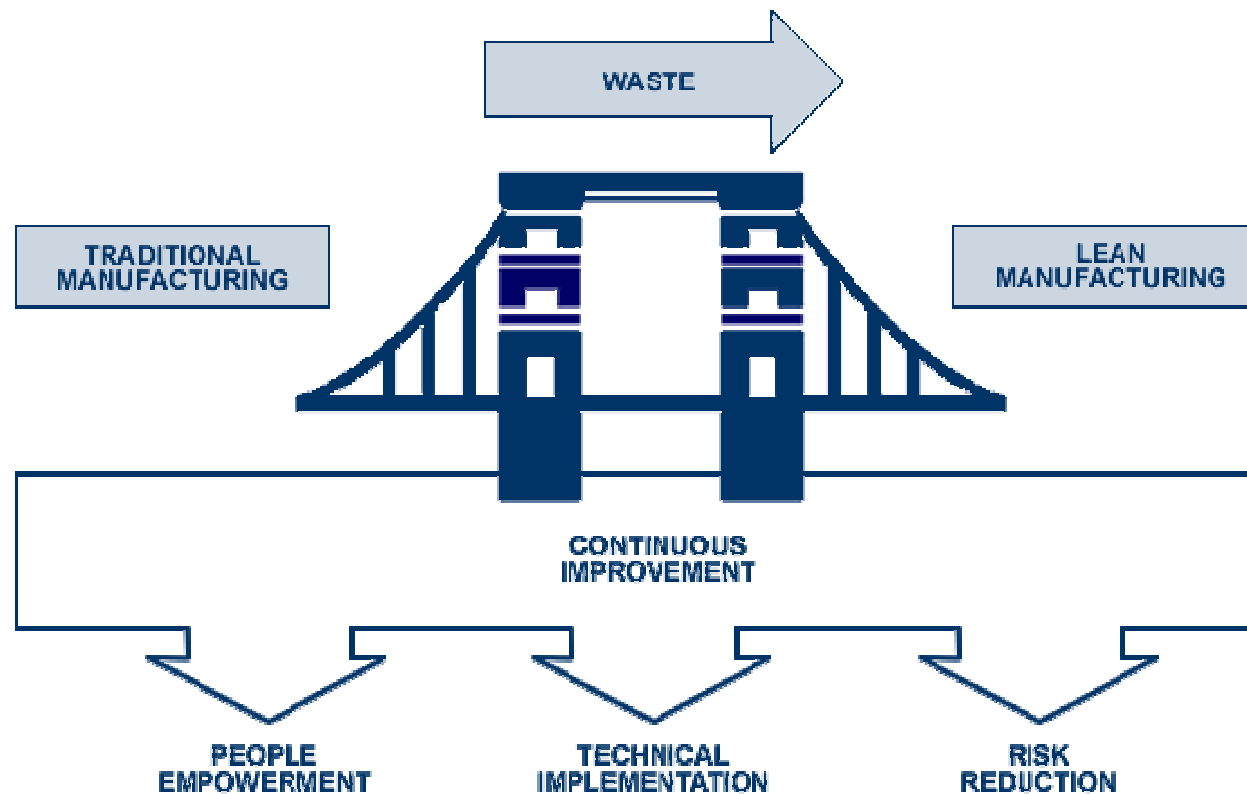
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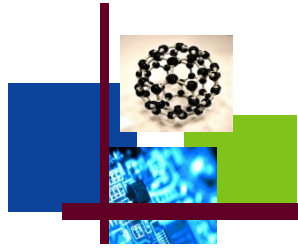
Thank You

Why Productivity?

What's Productivity?

- Basic definition: **ability to convert inputs to outputs efficiently**

$$Productivity \quad = \quad \frac{Output}{Input}$$

WASTE

TRADITIONAL MANUFACTURING

LEAN MANUFACTURING

CONTINUOUS IMPROVEMENT

PEOPLE EMPOWERMENT

TECHNICAL IMPLEMENTATION

RISK REDUCTION

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Productivity Improvement?

A) Workplace Productivity Improvement

B) Business Productivity Improvement
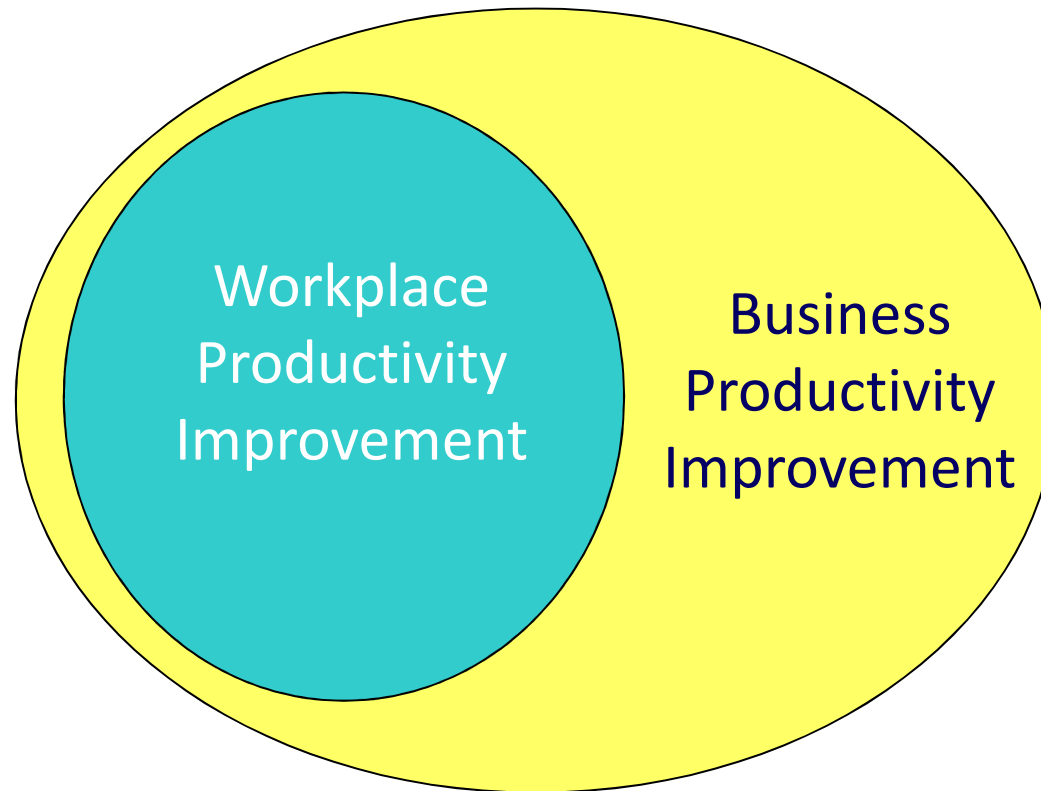
Workplace Productivity Improvement

✓ Efficiency and effectiveness of processes

✓ Skills, knowledge and competency of workers

✓ Leadership and competency of supervisors

✓ Investment and maintenance of machines, equipment and tools

✓ Selection of value-added materials

Business Productivity Improvement

- Improve the Top Line
  - ✓ *New and innovative ways of creating new products, services and going into new markets*

- Operations Re-organization
  - ✓ *Organization restructuring (skill upgrading)*
  - ✓ *Shared services, out-sourcing*

- Business Process Improvement

  - ✓ *Lean Manufacturing / Six Sigma*

- Technology Application

- Knowledge Management

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Productivity Tooling
Lean Manufacturing / Six Sigma

2 combined strategies that target many processes of a company

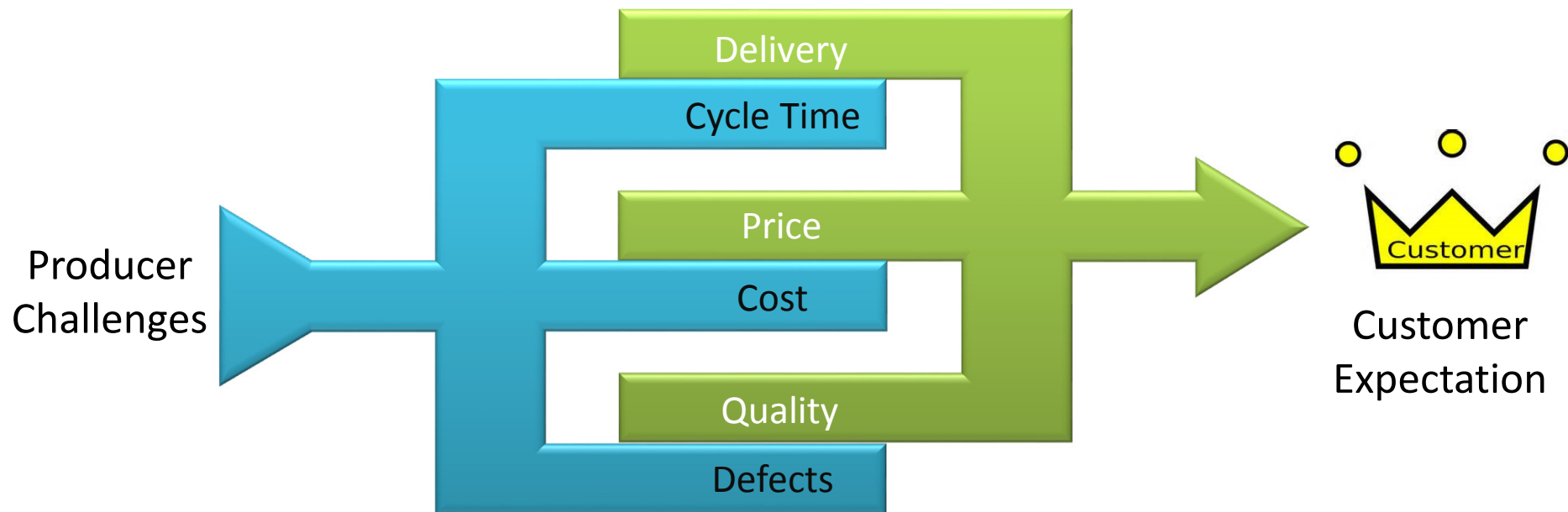| Lean Manufacturing	Six Sigma
✓ Roots in **industrial engineering**	✓ Roots in **quality/statistical engineering**
✓ Developed into rigorous methodology by **Toyota (TPS)**	✓ Developed into rigorous methodology by **Motorola**
✓ Focuses on **reducing wastes**, achieving flow & velocity	✓ Focuses on **process variation** & optimization (project-based improvement)

Speed **+** Accuracy

=

Customer Satisfaction & Growth
Employee Satisfaction
Shareholder s' Benefit

Productivity Objective

Business survival depends on **how well we satisfy our customers**

✓ Fundamental needs of customer satisfaction do not change

Producer Challenges

Delivery

Cycle Time

Price

Cost

Quality

Defects

Customer
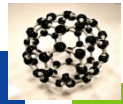
Customer Expectation

Lean Six Sigma provides strategy for breakthrough improvement in all aspects of business linked to customer satisfaction

Enterprise Level Productivity

Financial Measures of Productivity

OUTPUT

1. Increase sales

2. Increase output per unit cost of production

$$Labor\ Productivity = \frac{VAM\ (\$)}{No.\ of\ Workers}$$

INPUT

3. Optimize use of labor

4. Optimize use of capital

$$Sales/Employee = \frac{Sales\ (\$)}{No.\ of\ Workers}$$

$$VAM\text{-}Sales\ Ratio = \frac{VAM\ (\$)}{Sales\ (\$)}$$

$$Profit\text{-}VAM\ Ratio = \frac{Operating\ Profit\ (\$)}{VAM\ (\$)}$$

$$Profit\ Margin = \frac{Operating\ Profit\ (\$)}{Sales\ (\$)}$$

$$Labor\ Cost\ Competitiveness = \frac{VAM\ (\$)}{Labor\ Cost\ (\$)}$$

$$Labor\ Cost/Employee = \frac{Labor\ Cost\ (\$)}{No.\ of\ Workers}$$

$$Capital\ Productivity = \frac{VAM\ (\$)}{Fixed\ Assets\ (\$)}$$

$$Capital\ Intensity = \frac{Fixed\ Assets\ (\$)}{No.\ of\ Workers}$$

$$Sales/Unit\ Capital = \frac{Sales\ (\$)}{Fixed\ Assets\ (\$)}$$

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Enterprise Level Productivity Toolkits IMPACT Primer

The IMPACT (Integrated Management of Productivity Activities) Primer is a tool to assess productivity performance.

"It is important to assess productivity performance because it allows me to understand:
- Where I am now – current performance
- Where I would like to be – targeted performance
- What I should do to reach my target – identify areas for improvement and track progress"

IMPACT 基本分析(生产力活动综合管理)是一个评估生产力表现的工具。

"评估生产力表现是非常重要，因为它能让我了解:
- 我所在的阶段--目前表现
- 我要朝向的阶段 —目标
- 我该如何实现目标--找出需要改进的范围并监督进度。"
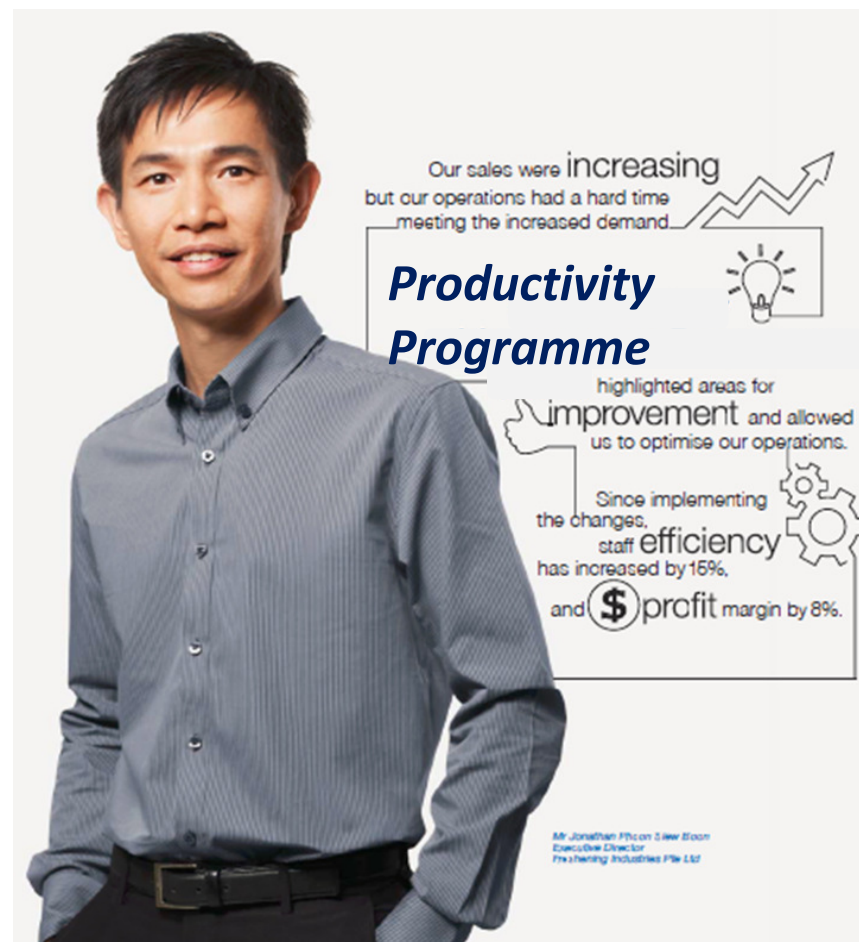
Enterprise Level Productivity Toolkits IMPACT Primer

The Journey of Freshening Industries:

- Undertook an IMPACT Assessment
- As part of recommendation:
  - Implement CRM system
  - Implement automation & process re-engineering
- Embarked on Productivity Training

*"The **findings from the assessment were a wake-up call for us**. We discovered that we **needed a system to measure and track productivity**."*

Mr Jonathan Phoon
Executive Director

Productivity Programme

Our sales were increasing but our operations had a hard time meeting the increased demand.

Productivity Programme highlighted areas for improvement and allowed us to optimise our operations.

Since implementing the changes, staff efficiency has increased by 15%, and $ profit margin by 8%.

Enterprise Level Productivity

Operational Measures of Productivity

Manufacturing	Logistics & Distribution	Service & Admin.
• Throughput yield • Scrap rate, Rework % • Field return rate	• Parts availability • Material picking efficiency • Parts shipped/warehouse area	• Customer service index • Complaints/service staff • Wrong deliveries/week
• Equipment downtime • Process lead time • Material downtime • Set-up changeover time	• Freight expenses/month • Trucking trips/day • On-time delivery rate	• Service lead time • Invoice process time • Credit decision cycle
• Direct labor efficiency • Overtime rate • Consumables overheads	• Repair lead time	• Data entry error/invoice • Approval time/document

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Enterprise Level Productivity Toolkits 5S

通过简易的方式改善作业环境，从而提高生产力，实现您的商业目标。

企业可运用5S，以简易的方式提高效率，使作业环境井然有序。

5S源自日本。以下图表说明5S(五常法)的日文词及意义。

Achieve your business goals with simple housekeeping practices to improve productivity.

Good housekeeping refers to simple practices that can be adopted by companies to improve efficiency through 5S.

The 5S method of good housekeeping originated from Japan. The meaning of 5S is given in the diagram below.

13
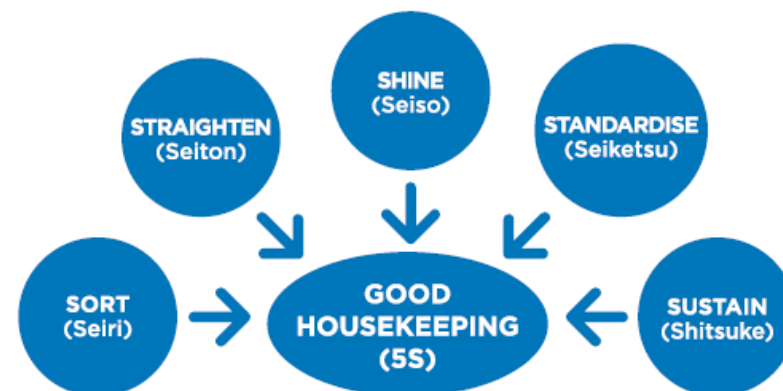
Enterprise Level Productivity Toolkits 5S

Examples of Effective 5S Implementation

White gloves

Good access to tooling

Visual controls

Enterprise Level Productivity Toolkits 7W

7W是一种通过寻找和消除浪费提升生产力的方法。

浪费是任何无附加价值的活动或步骤。它可被归类为七种常见的类别。

七种常见的浪费

不良品

过量生产

等待

搬运

库存

动作

加工

"我的公司存在哪种浪费现象?"

1

7W is an approach to increase productivity by identifying and eliminating waste.

Waste is any resource or process that is unnecessary and does not add value. It can be classified into seven common categories.

Seven common types of waste

Defects

Over-production

Waiting

Transportation

Inventory

Movement

Over-processing

"What are the types of waste in my company?"

1

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Enterprise Level Productivity Toolkits
7W

- muri: Overload
- mura: Imbalance
- muda: Waste
- no muri, mura or muda

Enterprise Level Productivity Toolkits
Manpower Scheduling

人力规划是根据员工的工作能力和工作量分配工作。

有了良好的人力规划，公司就能顺利地进行活动，并充分发挥员工潜力。

Manpower scheduling is about the assignment of employees to jobs based on their capabilities and the workload.

With good manpower scheduling in place, activities are carried out without disruption and employees' capabilities are maximised.

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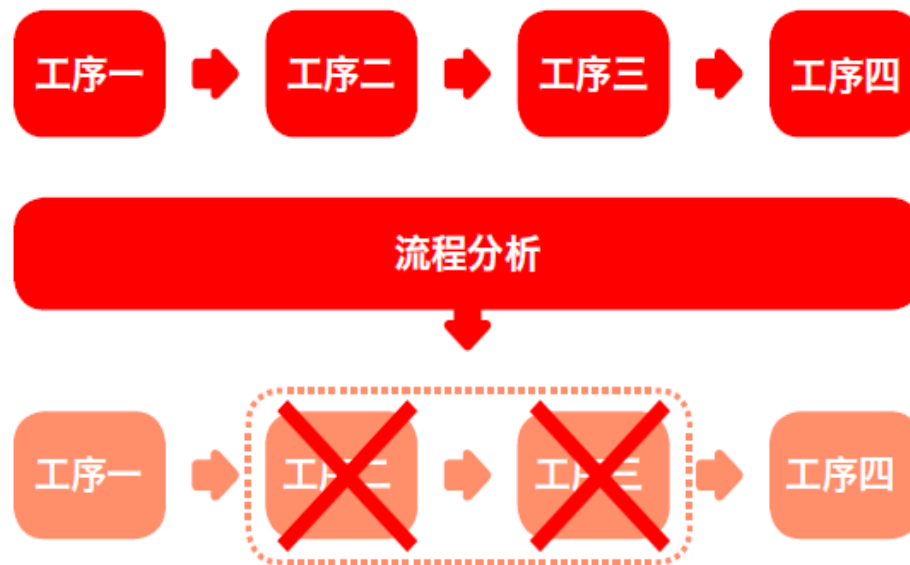since 1932
新加坡制造商总会

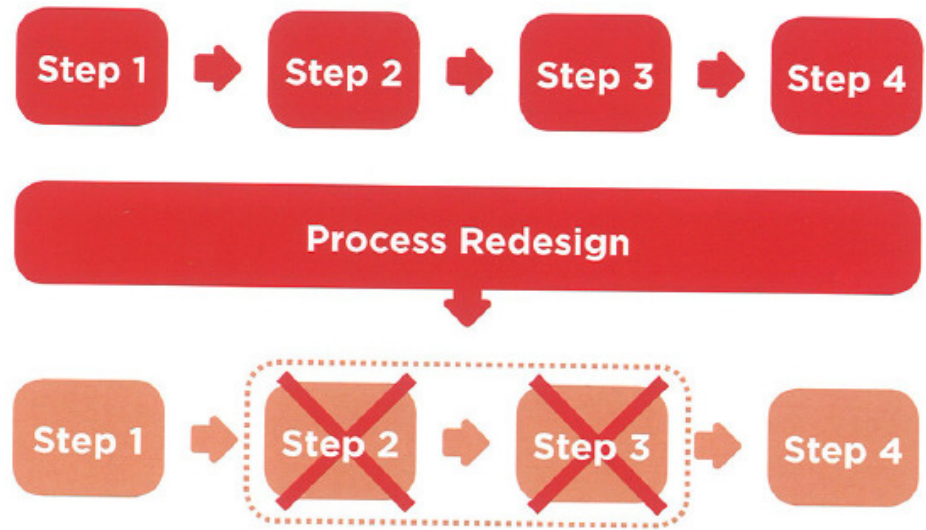# Enterprise Level Productivity Toolkits Process Redesign

流程分析指改善或精简主要流程中的工序，以减去非增值的活动，专注改善有助增值的活动。

下图显示流程分析如何将四个工序缩减为二。

Process redesign refers to changing or simplifying the steps in the key processes to remove wasteful activities that do not add value to customers, and focus on improving activities that do.

An example is given here, where process redesign has reduced a 4-step process to a 2-step process.

Enterprise Level Productivity Toolkits
Stock Control

库存管理是有效地管理订购、储藏及使用存货。

> 良好的库存管理建立在四大基础上。

存货中有什么
了解每样存货的
种类、大小、
颜色及数量

存货在哪里
了解每样存
货所放置的
确切位置
例如: 存放
在储藏室R2
架上

需要多少存货
每隔一或两周,
预测销售量,
了解存货需求

何时补货
了解填补存货所
需的时间, 以及
何时订购, 以
满足销售需求

Stock Control refers to the process of managing the ordering, storage and use of stocks efficiently.

> Good stock control is built on 4 pillars.

What I have in stock
Know the types, sizes, colours and quantities of each stock

Where the stock is located
Know the exact location of each stock. E.g. stored on shelf-R2 in the storeroom

How much stock I need
Know the stock demand by estimating the sales forecast on a weekly or fortnightly basis

When to replenish
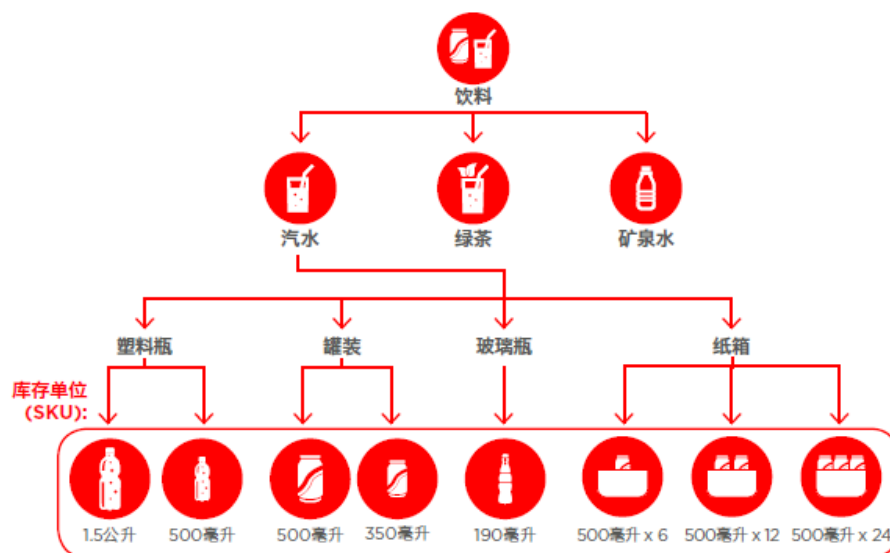Know the lead time required to top-up the stock and when to order them to meet sales demand

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Enterprise Level Productivity Toolkits
SKU Analysis

找出最佳的产品组合。

想要获得良好的产品组合，应当对库存单位（英文简称SKU）的概念有所了解。库存单位是商品管理中最小的存货单位。

下图将以一家饮料公司为例，对SKU进行说明。

Find out the best way to manage product mix in a store.

To achieve good product mix, it is necessary to understand the concept of Stock-Keeping Unit (SKU), which is the smallest unit of product management.

The diagram below illustrates what SKU means in a beverage company.

您可以独特的编号追踪每个库存单位。
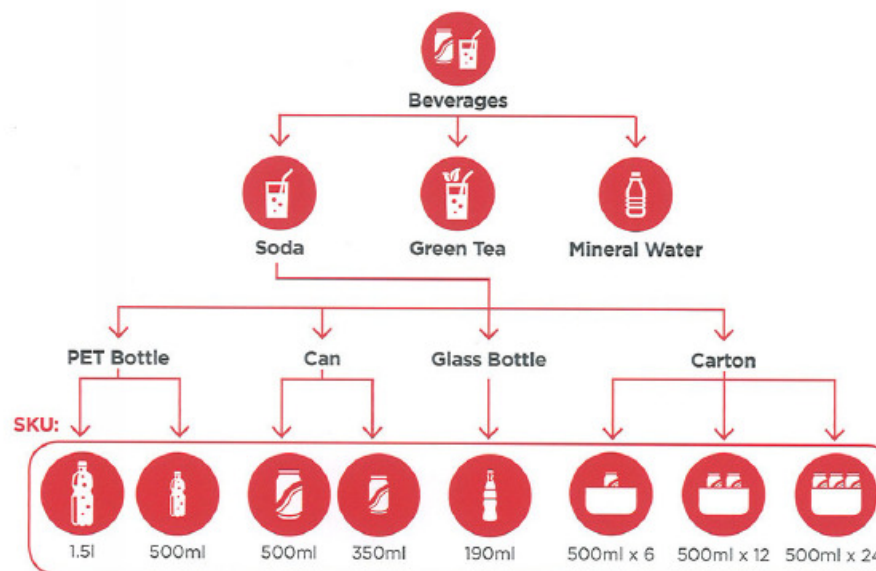
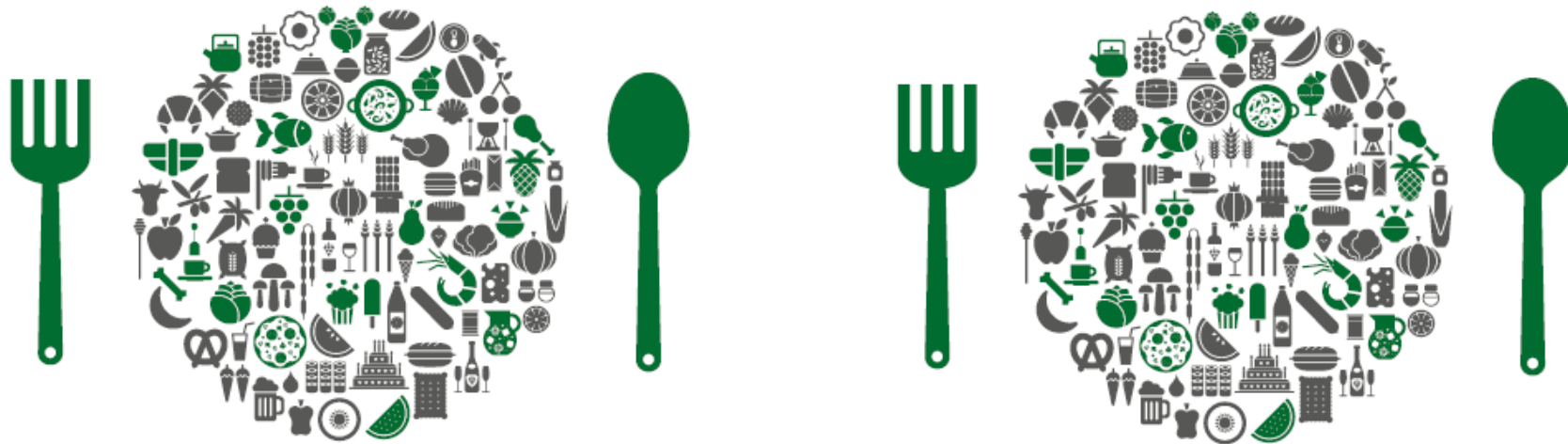Each SKU can be tracked using a unique code.

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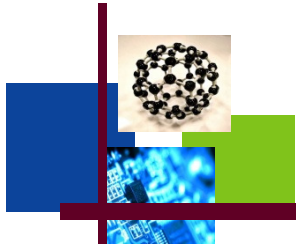新加坡制造商总会
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探讨菜单中的个别菜肴，记录出售的食品，以策划畅销的菜单。

Review individual items on the menu and track the items sold, so as to streamline and improve the menu.

Where to get assistance ?

如果您想…	…使用以下生产力工具	If you want to...	...Use this tool
一般行业		General	
评估企业生产力	IMPACT 基本分析	Assess performance	IMPACT Primer
使作业环境井然有序	5S (五常法)	Practise good housekeeping	5S
消除浪费	7W (七种浪费)	Cut out waste	7W
有效地调派人员	人力规划	Design efficient work schedule	Manpower Scheduling
零售业		Retail	
精简流程	流程分析	Simplify workflow	Process Redesign
找出最佳的产品组合	商品分析	Determine the right product mix	SKU Analysis
掌控存货	库存管理	Manage inventory	Stock Control
餐饮服务业		Food Services	
精简流程	流程分析	Simplify workflow	Process Redesign
策划畅销的菜单	菜单分析	Create a menu that sells	Menu Analysis

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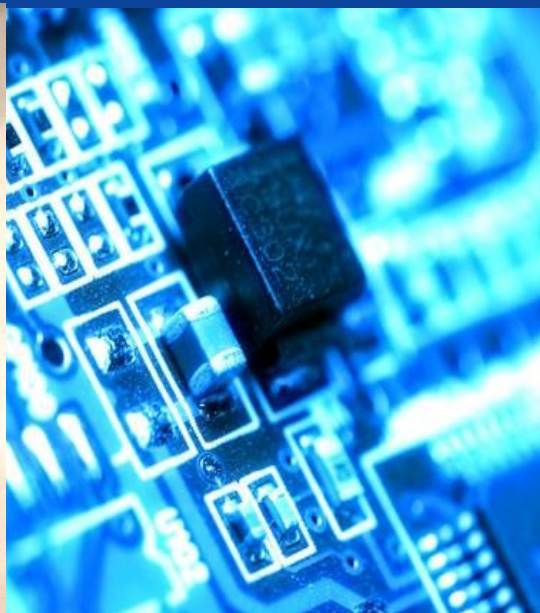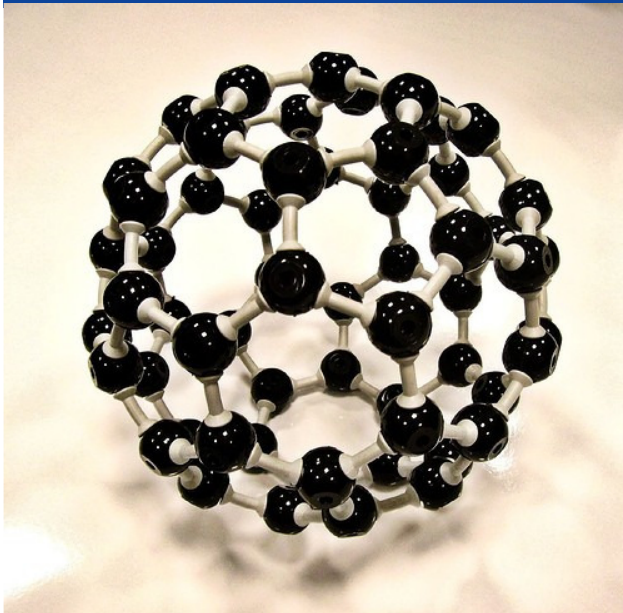Singapore Manufacturing Federation
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Thank You

Productivity and Innovation Credit & Plus Scheme

By Mr Wu Jiaqing
Business Advisor
SME Centre@SMF

Empowering SMEs – Partner in Capacity and Capability Development

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PIC (Productivity and Innovation Credit Scheme)

By Inland Revenue Authority of Singapore (IRAS), to encourage investment for productivity and innovation efforts

What is the Benefit

- **Claiming of qualifying expenditure** for Years of Assessment (YA) 2011 to 2018
- **Tax Deduction**: 400% tax deductible on up to $400k expenditure <u>per year</u> in each of the 6 activities ; **OR**
- **Cash Payout**: 60% cash payout on up to $100k expenditure <u>per year</u> in all 6 activities

•IT and Automation Equipment •Purchase/ leasing of software laptops, printers, etc	•Staff Training •Skills upgrading courses, external training	•Registering for Intellectual Property (IP) •Paying fees to Intellectual Property Office of Singapore (IPOS)	•Acquisition and In-licensing of IP •Buying patented technology and licensing IP rights for manufacturing	•Research and Development •Engaging personnel or R&D institute for creating novel products	•Approved Design Project •Fees for in-house or outsourced designing

PIC

PIC Automation Equipment

Costs to acquire or lease automation IT & automation equipment. Examples from PIC automation equipment list:

- ✓ Computers & laptops
- ✓ Photocopiers
- ✓ Software
- ✓ Point-of-sale system
- ✓ Computer numerical control (CNC) cutting machine
- ✓ Automated warehousing equipment and software

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PIC

PIC Automation Equipment

Equipment not in the PIC IT and Automation Equipment List but which serve to automate or mechanise business processes and enhance productivity may be approved for PIC on a case-by-case basis.

The criteria and application for approval procedure are available at www.iras.gov.sg

PIC

Training of employees

External training: Training of employees by external service providers
In-house training: Training of employees by in-house trainers

Examples of qualifying costs:

- ✓ External training course fees
- ✓ Salary paid to in-house trainers for conducting the training
- ✓ Rental of training facilities
- ✓ Training materials
- ✓ Meals and refreshment used for the training

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PIC

Registration of Intellectual Property Rights (IPR)

Registration costs of patents, trademarks, design and plant varieties.

Your business must be the legal and economic owner of the IPR

Qualifying costs:
- ✓ Official fees paid to respective Registry
- ✓ Professional fees for registration of IPRs

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PIC

Acquisition or In-licensing of Intellectual Property Rights (IPR)

Costs of acquiring the legal and economic ownership of the IPR for use in your trade.

Examples of qualifying IPRs:

- Patents
- Copyrights
- Trademarks (Acquisition only)

PIC

Research and Development (R&D)

R&D refers to any systematic, investigative and experimental study that involves novelty or technical risk carried out in the field of science or technology with the objective of acquiring new knowledge or using the results of the study for production or improvement of materials, devices, products or processes.

Qualifying costs:
- Staff costs and consumables for R&D
- 60% of outsourced costs or shared costs for staff costs and consumables

PIC

Approved Design Project

For design projects approved and administered by Design Singapore Council.

More details can be found on Design Singapore Council's website at http://designforenterprises.sg/pic.aspx

Qualifying costs:
- Staff costs of qualified design professional
- 60% of payments to outsourced approved design service provider deemed as costs of qualified designers

PIC

Criteria

- **All Singapore registered companies**
- Carry on active business operations in Singapore
- **Cash Payout**: must employ at least 3 local employees with CPF contribution *(Singaporean Citizens or Permanent Residents, excluding shareholders who are directors of the company)*

Application

- **Tax deductions**: Claim in your <u>income tax returns</u> ; **OR**
- **Cash payout**: Submit PIC Cash application form at the end of each quarter or at the end of Financial Year
- Complete the PIC Cash Payout Application Online Form via IRAS website

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PIC Bonus

Objective:　　　To further incentivize productivity and innovation

What is the Benefit

- **Dollar-for-dollar matching cash bonus** up to $15,000 over 3 years, from Year of Assessment (YA) 2013 to YA 2015
- **In addition** to the existing PIC benefits

▶ **Automatic Payout to Employers**

How to Qualify

- Businesses (companies, partnerships, sole proprietorships)
- Incurred **at least $5,000 spending in PIC activities**
- Active operations in Singapore
- Employed at least **3 local employees** (Singapore Citizens or PRs with CPF contributions)
- Local employees exclude sole-proprietors, partners under contract for service, shareholders who are also directors of companies

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PIC Bonus

Illustration

The PIC Bonus is computed based on expenditure net of grants and subsidies from Government and statutory boards for making investments in qualifying PIC activities. This is the same as the existing PIC Scheme.

Changes to PIC (Summary of Budget 2014)

What's New?

Expansion of 'PIC IT and Automation Equipment List'

With effect from YA 2014, the list is expanded to include

- Website (Item 37)
- Automated cover system for open top containers (Item 38)
- Landscaping equipment (item 39)

Refining the 3-local employee condition

- With effect from YA 2016, businesses applying for PIC Cash Payout will have to meet 3-local employee condition for a **consecutive period of 3 months** prior to claiming the Cash Payout.

Individuals under centralized hiring

- With effect from YA 2014, businesses can claim PIC benefits on training expenses incurred in respect of individuals hired under centralised hiring arrangements, subject to qualifying conditions

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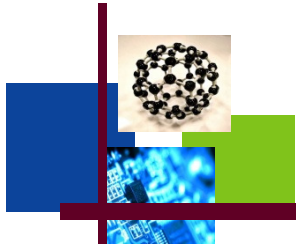since 1932

PIC + Scheme

NEW!

What's New?

Extension and increment in qualifying expenditure

- Enjoy 400% tax deductions on an **additional $200,000 in expenditure for each qualifying activity per** Year of Assessment from (YA) 2015 to 2018
- Expenditure cap increased to $600,000 per qualifying activity per YA

How to Qualify

- Businesses (sole proprietorships, partnerships, companies)
- **Annual turnover of not more than $100million OR employment size of not more than 200 workers**
- Criterion will be at the group level if the business is part of a group

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THANK YOU

For more information, please contact SME Centre@SMF

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