## JUSE Top Management Interview Vol.4- CPRAM Company Limited





Mr. Wisade Wisidwinyoo President CPRAM Company Limited http://www.cpram.co.th

CPRAM Company Limited is Thailand's largest producer and distributor of ready-to-eat products with annual revenue of USD 400 million. Currently, the company employs over 6,300 people and distributes to more than 20,000 modern retailers locally and to 15 countries abroad that include Japan. Since 1997, CPRAM implemented Total Quality Management (TQM) as its primary strategy to promote continual improvement in every aspect of the business which enabled the company to be recognized as a leader in innovation and producer of quality products entrusted by trade partners and consumers. In the past recent years, CPRAM has received a number of Thai and international quality-related awards that include 'The Prime Minister Best Industrial Award' in 2014 from the Prime Minister of Thailand, as well as the Deming Prize for its Ready to Eat Food Business in 2015, and the 'Excellence in Consistent TPM Commitment Award' in 2015.

Congratulations on winning the 2015 Deming Prize! First of all, could you tell us what make you decide to incorporate TQM in your organization and apply for the Deming Prize? At CPRAM, we give the utmost importance to quality and especially when it comes to 'Food Safety'. All of our company's efforts were therefore aimed at providing the best quality products services and through internationally-accredited standards such as HACCP, GMP, ISO9001, BRC and others. However, because CPRAM needed to continually improve itself to correspond to a world constantly in flux, we sought to adopt and utilize TQM as a key driver of our organization towards sustainable excellence.

After implementing TQM for 5 years, we found that our organization had improved every process of its business in terms of both performance and quality and this was exhibited in the increased satisfaction and trust of our customers.

To build confidence within the organization that TQM was implemented efficiently, CPRAM evaluated itself through numerous examining organizations and consequently was awarded the 'Thailand Quality Class Award (TQC) in 2005 from the Thailand Productivity Institute and the 'KANO Quality Award – Diamond Award' in 2016. With our company's continued commitment towards raising our standards to a global level, CPRAM applied for an assessment from JUSE with the Deming Prize as the definitive goal.

What do you, as the President, see as the "changes" before the challenge, and after winning the award?

CPRAM already had great confidence in TQM even before it was implemented. The changes that we experienced were numerous and it allowed us to continually improve our processes throughout the entire organization. However, even though our internal operations progressed, we still had to advance development externally with our trading partners. After we were awarded the Deming Prize, we found that our trading partner's level of confidence increased tremendously. Trading partners throughout our supply chain had requested to study our operations and our personnel were invited to advise the implementation of TQM. We truly believe that utilizing TQM in our supply chain will enable CPRAM to achieve sustainable excellence in the near future.

TQM is considered as the Japanese way of quality management. What did you feel was most difficult to understand and/or implement, as being Thai people.

Japan and Thailand share a long history together and our people have traded and worked together for hundreds of years. Learning and understanding the Japanese way of quality therefore wasn't considered to be difficult.

What we found challenging at first was identifying and organizing the data and facts used for analysis. Under TQM, it was critical that fact finding, collection of statistical data and

team work was needed to analyze and solve issues together under a continual process. In Thai culture, people tend to be humble and obey executive decision making rather than provide realistic feedback which can he counterproductive. Thus, our first step in the implementation of TQM meant that we needed to adjust our mindset to a new way of thought and action. Since Thai people have always had an open mind, after our employees had undergone TQM training, trust was established in the Japanese way of quality. These actions empowered our Thai employees to operate and embrace the 'Japanese Way' through actions of discipline, team work, dedication and loyalty towards the organization.

We were impressed with your "CPRAM Innovation Tree" which was presented at the Winners Presentation during the Deming Prize ceremony. How does it contribute to establish your corporate culture?

The 'CPRAM Innovation Tree' was a model created to communicate innovation management to our internal and external stakeholders.

The tree represents CPRAM with its branches signifying each department of the business along with leaves that symbolizes our employees, resulting in the tree bearing the fruit that is our innovation. In total there are 7 innovation categories: 1. Business Model Innovation. 2. Technology Innovation. 3. Organization Innovation 4. Process Innovation. 5. Product Innovation. 6. Service Innovation. 7. Management Innovation. The model lucidly shows that any employee from any level can create innovation. Whether it is a worker on the shop floor creating process innovation, an executive developing a business model innovation, anyone is capable of achieving such an accomplishment. Nevertheless, for any tree to grow strong and bear fruit every day, you will need to provide it with the right nutrients, fertilizers and water to strengthen the roots and foundation. The food and water for the tree are the 'Intangible Resources' that consist of Relational Capital, Structural Capital, Human Capital (Competency) and Informational Capital. The 'Tangible Resources' that strengthen the tree trunk that we can view are the property, buildings, machinery, money and facilities. Hence, all innovation must be beneficial to the economy, environment and all stakeholders.

Once every employee of the organization understands the 'What' and the 'How' in innovation, CPRAM sought to establish the culture of innovation comprises 8 components: 1. Compelling Vision 2. Inspirational Leader 3. Effective Communication 4. Empowering Climate 5. People Development and Learning 6. Goal Oriented 7. Customer Admiration 8. Stakeholder Engagement.

Every CPRAM employee understands that continuous improvement is essential to the organization and with P-D-C-A employment we are able to achieve Kaizen throughout our operations. By combining the above with our own unique 'Innovation Culture', we have also been able to garner 'Break Through Ideas' that exemplifies innovation

critical for constitutional improvement. What

kind of opportunities in QC education and

What Human resource management is considered

training do you provide to your employees? And how do you motivate your people?

Human Resource is key success factor for CPRAM. We believe that when our employees are happy, their work will be of quality and proficiency which is why we promote a 'Happy Workplace' to ensure an enjoyable work experience and maintain personnel retention. From the moment our employees arrive, we have to provide a work environment that is comfortable and safe such as shaded parking lots, Smart Offices and etc.

We also support team building and networking activities that includes 'IGO' board game, arts, social development volunteering, sports, music and Buddhism clubs. In addition, CPRAM organizes a variety of cultural activities throughout the calendar year to bring together employees of every level from executives to workers on the shop floor to meet and greet each other.

CPRAM has set up a vocational school for to prepare our future workforce by combining both theory and practice in the form of 'work-based learning' as well as our corporate values and corporate culture.

Furthermore, our employees undergo coaching and training programs customized directly to their scope of work and experience cross functional programs in the form of 'project-based learning' to achieve 'Multi-Disciplinary Knowledge Management' that becomes a major factor of our 'Corporate Core Competency'.

What is your future plan from the standpoint of quality and/or TQM?

CPRAM operates in the food industry and that means we will always have to uphold the highest of standards. Our modus operandi had always been 'No Compromise on Quality Business Standards' and to achieve excellence and become a global leader, we will have to go beyond normal practices.

Thanks to the technological developments of today, TQM has advanced to another level. At CPRAM, we are raising our capabilities by connecting our business in an era of the 'Internet of Things' (IOT) and gathering 'Big Data' from every element of the business into the 'Cloud'. This means that by connecting machines to systems, we are able to generate self-learning and self- correction, while any department of the business will be able to monitor and analyze information intelligently when running simulation models.

I truly believe that if you utilize technological advancements appropriately and at the right time, you can certainly achieve the leadership status in your industry. This applies to CPRAM as well because we are now progressing towards an age where Industry 4.0 needs to be matched with TQM 4.0.

Lastly, what is your advice to organizations that aim to promote TQM from now, or wish to apply for the Deming Prize? When your organization has been analyzed and audited by JUSE, it can be compared to undergoing a 'health check' by the best doctors in the world. The Deming Prize awarded to CPRAM is a source of great pride to every single employee at the company and gives encouragement to the work that we will continue to do into the future. Our employees have great belief in TQM and our mentality is that there will always be an 'opportunity for improvement'.

I had stated to our employees that CPRAM's success isn't based only in our people but that of our partners as well. Our company has become a 'role model' to our partners who want to adopt TQM and it is our duty to provide support in all areas possible.

TQM from this point forward for CPRAM will be to raise the quality and standards of the entire supply chain both internally and externally by utilizing new technology, raising the level of our competency and workforce to accomplish our goal of achieving the world class JUSE 'Deming Grand Prize'.

Thank you, Mr. Wisidwinyoo, for your time and valuable inputs!

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