

RESTRUCTURING FOR AFTER SALES SERVICES UNIT  
A CASE STUDY OF ALPHA COMPANY LIMITED

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CHAYAPHAT AURCHAIKARN : RESTRUCTURING FOR AFTER SALES  
SERVICES UNIT A CASE STUDY OF ALPHA COMPANY LIMITED.  
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The purpose of this study is to conduct major performance turnover of After Sales Service unit through restructuring exercise. This study aims to build an interface between theory and implementation, tools and techniques that relevant on how restructuring can be conduct successfully. Upon sufficiently understood the concept and every possible aspects of restructuring to conduct on outdated system and represent a more effective working system to operate more quickly, saving costs, improving efficiency and delivering better service, the exercise took place over a year and the results were recorded from methodology used to the outcome of such practices. The learning achievement of this study was the successful change from decelerating operating performance unit to well-recognized with high capability unit and fit with the vision of the future state.

Keywords : restructuring, sales support service, after sales

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## Chapter 1

### Introduction

#### 1.1 Company Background

ALPHA Company Limited (ALPHA) has established in year 1996 with positioning as small exporter of frozen cooked and frozen fresh chicken. A fully integrated supply chain of poultry business, from hatchery to export products, ALPHA has been holding a strong position as top ten fully integrated exporters in Thailand's poultry industry over past 20 years. ALPHA has exported 16,700 metric tons of frozen cooked and frozen fresh chicken in year 2016 and ranked 10<sup>th</sup> in frozen cooked non-reform chicken products.

ALPHA also supplies chilled products to indirect exporters as well as modern trades like MAKRO and TESCO LOTUS. Balancing her portfolio evenly, ALPHA has been a survival of many global economic crisis such as Hamburger crisis (1997), Bird-flu outbreak crisis (2007) and current economic slow-growth situation.

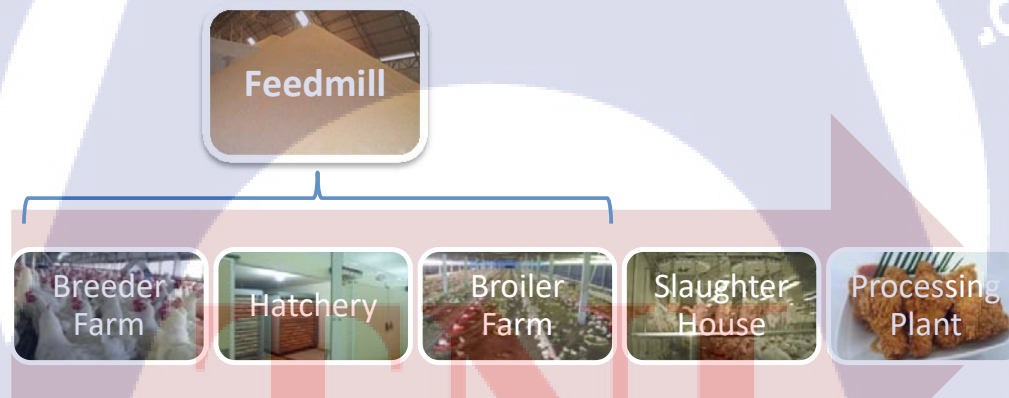


Figure 1 ALPHA'S Business Area



Figure 2 Sample of ALPHA's Product Range

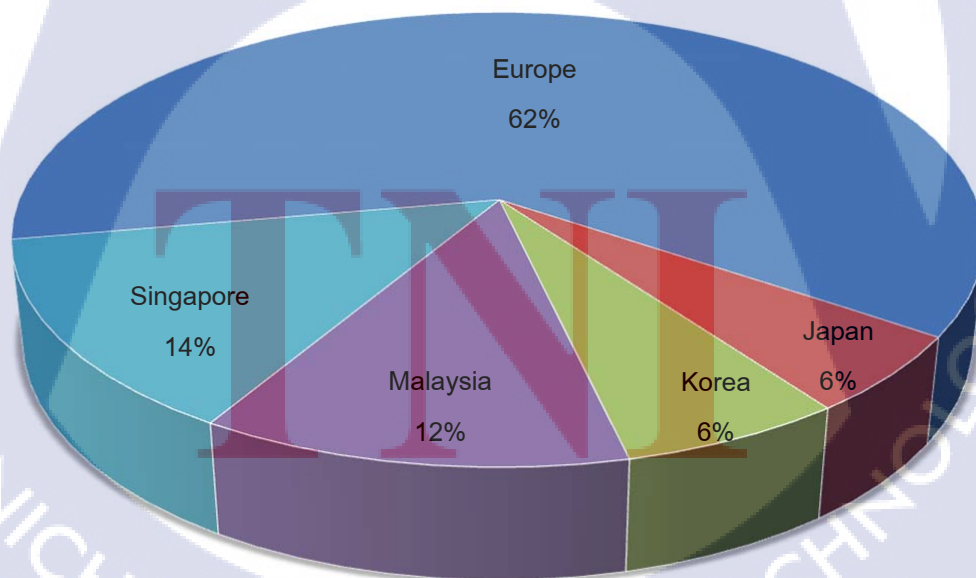


Figure 3 Export Portfolio by Revenue 2016

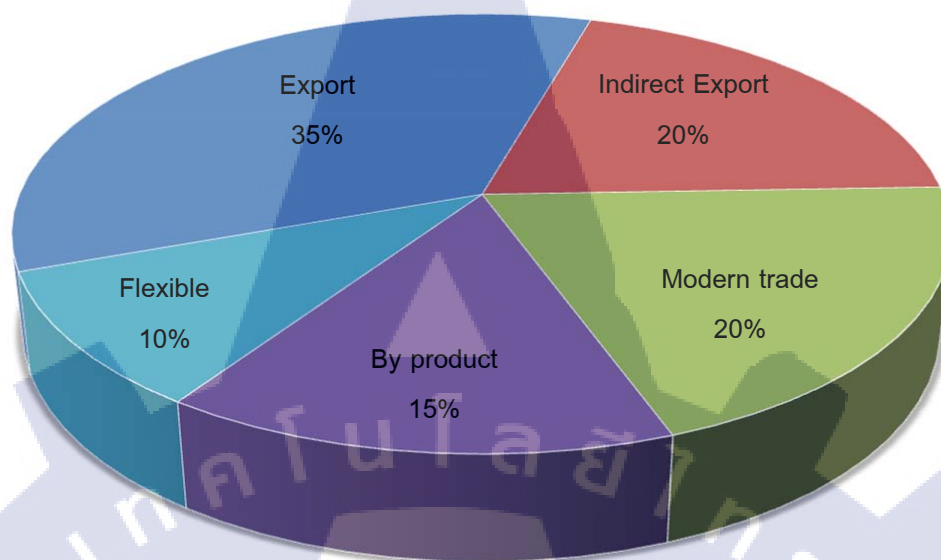


Figure 4 Revenue Portfolio by Business Sector 2016

ALPHA has registered capital of 700 million baht with earnings of 6,500 million baht in 2016. ALPHA is currently supporting over 4,000 jobs which 817 are full-time employees. 99 percent of full-time employees are Thai and over 90 percent lived in Chonburi province.

This study focus on After Sales Service unit which is operating under Sales and Marketing department. After Sales Service unit previously named as “Coordinating Export” unit followed her functional activity. After Sales Service unit was assigned to complying shipping document set that is use for export-import purpose. Generally, shipping document set is consist of Invoice, Packing List, Bill of Lading, Health Certificate issued by Department of Livestock Development, Certificate of Origin issued by Department of Foreign Trade, Halal Certificate, Microbiological testing report, Certificate of Analysis, Positive release and Beneficiary Certificate. There may be additional documents as per customer request. This shipping document compilation is difficult without good planning as some documents require minimum lead-time and some have limit validity. Some of these documents are extremely sensitive, international-level, and very troublesome to correct. An error in one of the documents may have domino effect which may result in national banning of good transfer.

In addition, this unit is responsible for communicating with customers after sales agreement has been committed, advising delivering date, assembling shipping documents then deliver to customer, custom clearance and payment collection. However, these were limited to export sales activity only.



Figure 5 Sales and Marketing Department Organization Chart

## 1.2 Problem finding and problem statement

Despite ALPHA is an international company, she is located in lesser-developed-area of Chonburi with a very locally management approach. Majority of the employee are local who live within the province. With rapid changes of global market-based mechanism, the market competitiveness has becoming extreme condition for only outstanding performance player would survive. Furthermore, some of customer demands have evolved into trends and eventually enforced into national regulations. The classic commerce buy-and-sell action is no longer a survival strategy. Quality product has to accommodate with commitment service and sustainable sourcing. Any company who cannot adapt to the speed of change will eventually fall out.

Gradually employee behavior, as majority, has formed a unique company culture which eventually shaped her identity. As slow pace as rural living nature, the company culture influence employee mindset to become “do-as-you-can” and “living on daily basis” with no much afford on striving to achieve competitive advantage. And those new recruits with high-energy and extremely motivated are commonly being influenced by the deep-rooted-culture and eventually either blend-in or left out. These resulting in high employee turnover as new recruit have hardly stayed more than 5 months.

Similarly, if the business starts turning into a revolving door where team members are coming and going, something needs to change. There could be morale issues, similar companies with more competitive compensation, or needed change going unaddressed by management. But if we could start seeing a pattern, be sure to pay attention to feedback and have a comprehensive exit interview process. Employee frustration is infectious and will spread if not treated with the appropriate level of attention.

This problem does not only affect at employee-level. Management level tends to adapt and stabilized their working life with “as-is” capability. When there is problem encountering or new regulation enforcing, employee would stunned with mumbling then managers would seek outsource experts to solve the problem at a higher cost. With very little attention on “learning” motivation, the situation repeats itself and the learning curve has go nowhere. Stress situation has been over-whelming in all managers conscience accumulatively and there has been no positive solution.

The ball is being dropped. Constant mistakes being made is a result of misalignment, poor communication, and lack of management. And that is everyone's fault. Not just that of those making the mistakes. When people feel overworked, are distracted, poorly managed, and working within the systems that no longer work, mistakes are inevitable. Before fingers start getting pointed we should take a deeper look under the hood to identify the root causes of the mistakes and address them accordingly.

At time of this study, the researcher has joined ALPHA for four years and being promoted gradually from operation level to manager level. The researcher was facing numerous difficulties on handling the job from previous Manager's unexpected resign. The researcher and After Sales Service unit members have to overwork till late night to clean up haywire works and next morning repeats all over again.

The structure was not optimally configured, outdated and too centralized. Previous manager designed self as center-of-universe; distribute work based on observation if unit member seems idle. Some members were overworked and others were underutilized. The unit members were victims of unfairly treated by previous manager. Such centralized approach without the core, the unit members did as they were told and did the same work over and over again, without realizing what is the mistake, even worse, what is correct.

Mishandling of work with very least understanding of detail task, the unit members have been working without seeing overall picture. Failing to assemble the processes to complete the whole workflow, the unit members have to rework almost every task they have done. This current system is definitely obsolete.

Communication was ambiguously done and miscommunication was commonly seen. Too centralized approach also affected in communication flow. The small loop discussion is like a road without any warning sign. Falling in the same mistake was common.

Failing to understand the severity of this situation, the unit members made uncountable mistake and, unintentionally, the company has been scorned as an amateur exporter.

### 1.3 Objective of Study

The main objective of this study is to restructuring After Sales Service unit to gain operational effectiveness. This objective can be achieved by restructuring two main factors, the workflow and the people. The breaking down of all jobs responsible at operation level, identify the critical workflow then redesign to more effective solutions and empowering individual employee growth to increase team capability. Finally, the system must be sustainably effective in the business.

This study also intended to provide readers a case study of using restructuring as a tool to contribute company development, providing example of a classic social capital problem, which is extremely sensitive to handle. Restructuring to obtain strategic move would minimize the urban-rural development gap of capability using systematic workflow as a tool to develop human resource.

This study is not only benefit the researcher for sumitting the term paper as partial fulfillment of the degree requirements but putting more focus on contributing a better working quality environment for employees in unit. Aiming to develop and enhance individual capability to design a clear career path for key employee growth. Moreover, this study intends to provide a revolution of company culture to be able to adapt and survive in dynamic competition.

### 1.4 Study Structure and Design

This study is organized as follows. This chapter provides a brief introduction to the study. In the next chapter (Chapter 2), the literature reviews covered topics from the reason for restructuring, organization restructuring model to case studies. Chapter 3 is the methodology and techniques of how all these data are being obtained and being implementing. The objectives are described clearly in this chapter. The structure in this chapter is arranged in chronically with respect to this study timeline. Chapter 4 reveals the results from the finding. This chapter only picked out the relevant literatures and contains the critical discussion on the findings using relevant literature and data as well as deep analysis to distinguish from past. In this chapter, discussion also includes factors influencing this use and further study to implement entire company with arguments presented in support of this approach.

Table 1 Timeline of This Study

Chapter	Month Task	2016										2017	
		M	A	M	J	J	A	S	O	N	D	J	F
	Project Proposal												
1	Introduction												
2	Literature Review												
3	Methodology												
4	Finding, Discussion, Conclusion												
	Paper Finalization												

### 1.5 Scope of Study

This study focuses on After Sales Service unit which is under the researcher's scope of responsibility. After Sales Service unit is consisting of seven members with no more than four years of experience in this field, including the researcher.

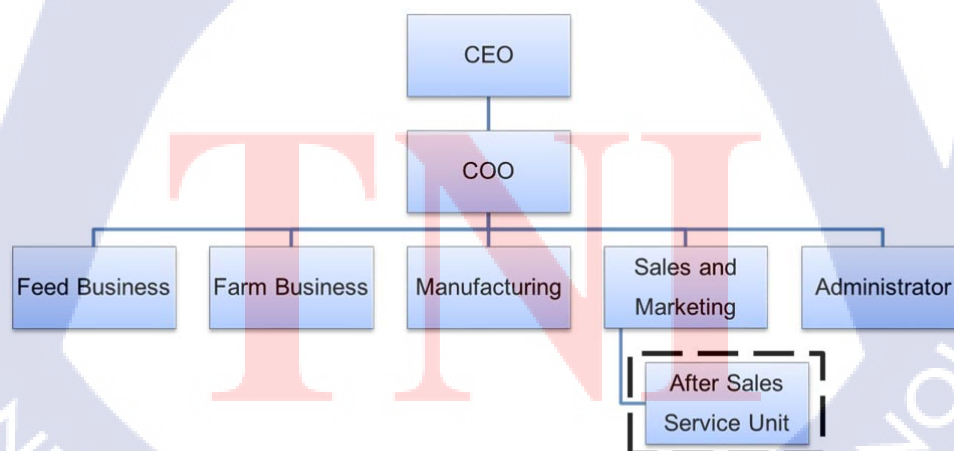


Figure 6 Scope of Study

## Chapter 2

### Literature Review

The literary review will contextualize the definition, purpose, process and its critical. This chapter is organized from the background; why restructuring, restructuring and reengineering differentiation, restructuring process model, restructuring critical factors and preparation concerned then followed by case studies. The aim of this chapter is to exploring the restructuring process and factor affecting to establish the essential knowledge and revise several case studies that use to plan a strategic framework.

#### 2.1 Introduction

Organizational development, reconfiguration, design/redesign, transformation, relocation, reforming, resizing (expansion and/or downsizing), merger and acquisition, offshoring, outsourcing, and closure are alternative names of restructuring. Whatever unique connotations are named, these terms share at very least common meaning and their intentions are motive to change. In the simplest definition, restructuring is the structure restoration. When current state of art is unable to response to dynamic environment change, restructuring may take in place. The restructuring exercise may involve more than one process mentioned earlier.

William; and Andreas (2000) defined restructuring “as any major reconfiguration of internal administrative structure that is associated with an intentional management change program”.

Many researchers define restructuring with specific aspects, but in generic term, restructuring may defined as all kinds of significant change in an organization/unit. (Balogun; and Hailey. 2004, Kim; David; and Arran. 2004, Moshe F. 2001, Klosowski S. 2012, Libena T. 2007). Restructuring exercise may sounds simple, yet most of the time, a dilemma in application. There is no absolute guideline available that is why usually under taken by professional.

Many researchers would classify restructuring in two general aspects: Financial restructuring and operational restructuring. However, many researchers also agreed with Bowman; and Singh (1993) that business portfolio restructuring should also

be considered as the third aspect to consider the market point of view (Gibbs P. 1993, Hoskisson; and Turk. 1990, Klosowski S. 2012). Libena T. (2007) proposed that restructuring may view at vertical levels; macro level and micro level. This refers, as example, to national economy and corporate structure respectively.

Since financial restructuring is commonly underpinned future growth in economic recession, business portfolio restructuring is more suitable strategy; to keep on growing and contributing in leadership position. (Jean Estin. 2008)

## 2.2 Review of Restructuring Purpose

Mahesh U. Daru (2016) stressed the purposes of restructuring may cause from exogenous factors that contribute to the change of business nature. For instance, market-driven situation forces business to adapt for survival. Restructuring to cut cost for narrower margin and seeking for higher process efficiency are common exercises. Use of technology has become an efficiency booster yet a good-for-nothing if misuse. Whereas such purposes may come from endogenous factors change like change of management team, ownership changes, policy changes and change of strategy. Mergers and acquisitions often results in a restructuring exercise.

Exogenous and endogenous factors may either one or together trigger the initial consideration if restructuring exercise should be conduct. The bottom line for this exercise is to adapt to survival in competitive pressure, facing challenge and/or solving specific problem.

Bowman; and Singh (1993) defined restructuring purpose as “Restructuring is intended to increase the efficiency and effectiveness of management teams through significant changes in organizational structure, often accompanied by downsizing.”

N. Nayab (2012) summarized benefits of restructuring in a simple statement “restructuring a company can improve efficiency, keep technology up-to-date, or implement strategic or governance changes made by, or mandated to, company owners.”

John B. McGuire; et al. (2009) research on successful restructuring exercises are driven from the power of leadership. Individual competencies are insufficient; instead collaborated leadership that developed as culture is common foundation. Successful restructuring can result in stronger core organizational capabilities, adopt an ability to implement emerging accelerates with greater speed and flexibility, bottom-line

result achievement, improve ability to create shared direction, alignment and commitment throughout the company, capabilities growth of all individual in a leadership collective, talent and culture development, effective cross boundary work, and many more.

Common intentions of restructuring are cost optimization, increase utilization, increase productivity and efficiency, increase in product quality and services, operational alignment and establishing systematic process/strategy, liquidity management, change in business planning, boosting competitiveness; leadership/survival strategy, increase operational clarity, change the nature of working, communicate and reporting and integration of these (Kozłowski; et al. 1993, Roland Berger. 2016, Birgit; and Götz. 2014).

Whatever objectives it set, the ultimate intention is to reduce the redundant, inefficiency that build up over time and align to new policy/strategy. This raises the question of how restructuring processes are to be designed to enable them to be managed productively by leaders and their teams. As well as, how the designed process to be implement.

### 2.3 Review of Restructuring and Reengineering

Sotiris Zigiaris (2000) defined reengineering is the rethinking and redesigning of core business processes intending to improve performance such as cost, service, quality and speed. He proposed 3 Rs as key components of reengineering; Redesign, Retooling and Re-orchestrating.

Table 2 3Rs of Reengineering

Redesign	Retooling	Re-orchestrating
<ul style="list-style-type: none"> <li>● Simplify</li> <li>● Standardize</li> <li>● Empowering</li> <li>● Employeeeship</li> <li>● Groupware</li> <li>● Measurement</li> </ul>	<ul style="list-style-type: none"> <li>● Networks</li> <li>● Intranets</li> <li>● Extranets</li> <li>● Workflow</li> </ul>	<ul style="list-style-type: none"> <li>● Synchronize</li> <li>● Processes</li> <li>● IT</li> <li>● Human Resources</li> </ul>

Source : Sotiris Zigiariis. (2000). Business Process Re-Engineering –BPR.  
p.8.

Sotiris Zigiariis (2000) provide example of successful reengineering, Bank's Teller case study. In the past, the teller was assigned for specific function; loans, accounts, ATM card. Implementation of reengineering resulted in "one-stop-service" allow customer to complete all three inquiries at one stop. This cross-functional unit boosted customer satisfaction dramatically and became today's standard practice.

Libena Tetrelová (2007) compare and contrast reengineering and restructuring in three perceptions; reengineering equal to restructuring, reengineering as one significant part of restructuring and reengineering as a philosophy while restructuring implied execution.

Many studies on reengineering implant the basic perception; the input, the processing and the outcome. Thereafter focus on the processing phase to configure at operation level.

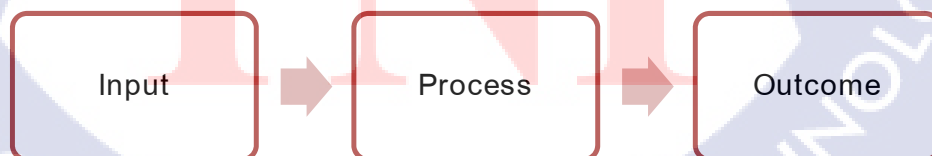


Figure 7 Basic Perception of Reengineering.

Restructuring and reengineering are correlates with many in common and few in difference. Both involve changes in defined scope; can be very broad or very selective. Most of the time, restructuring and reengineering require senior management involvement to result in increasing effectiveness and efficiency. Upon this study's literature review, the researcher convinced that the distinguish difference are listed in below table.

Table 3 Distinguish Between Restructuring and Reengineering.

Factors	Restructuring	Reengineering
Major beneficial	Shareholder, Senior management	Employee and customer well-being
Motivate by	Survival solution	Improvement solution
Magnitude of change	Significant change to the existing business	Conserve business activity, Focus on operational level change.
Main focus	From top to bottom	Remodeling process
Information Technology involvement	Optional	Cornerstone
Operational	Change coherent strategy	Optimization for efficiency, productivity and/or effectiveness.
Characterized	Strategic decision	Tactical decision
Change of organization size	Likely	Less likely

The researcher concluded that reengineering is emphasizing changes related to "change in process". Reengineering intervene on the processing phase while restructuring may involve all phases.

#### 2.4 Review of Restructuring Process

Recardo R.J. (2008) proposed a simple methodology for design/redesign an organization as Define, Design, Implement with over 30 tools to supports.

Later, Recardo R.J.; and Kleigh Heater (2013) proposed that successful restructuring should begin with executive sponsorship; tie strategy to design; use a

structured approach; simple process work; collect data and use it; consider the various options; be aware of trade-off; focus on people; avoid declaring victory prematurely and get an early handle on the IT system. They interviewed over 50 projects in both successful and unsuccessful outcome. They emphasize on the initiative process; the executive sponsorship is the key driving force and will be judging if the project could cross the successful line. Their paper provided several tools for decision making, solution selection matrix to select design change, cause of problem sheet to collect data, method of coordination to determine the coordinating method.

Klosowski S. (2012) defines the process as “an essential, having strategic character, change of organizational structure and organizational processes, in order to augment a company functioning’s efficiency.” Klosowski S. also proposed restructuring in 6 steps; identification of need, diagnosis, analysis of determinants, preparation, implementation and control.

Stuart C. Gilson (2016) introduced simple steps of restructuring with more detail on timeframe as Document restructure proposal, Meeting arrangement to launch, Discuss the restructure, Gathering feedback, Review the proposal and make decision and Confirm in writing. Stuart C. Gilson stressed much attention on the timing; when to plan to complete, when to complete and the crucial timeframe on communication within the affect employee.

Danny; and Kathleen (2004) proposed the Language of Work model -9 steps in restructuring a department. The model begins with defining value proposition from activities to deliver superior value to customers. Then define core process to present how to achieve value proposition, followed by job identification needed to execute those core process. Acknowledging what to be done, modeling each job to set inputs, processes, outputs, conditions, consequences and feedback. Understanding available resources by collecting work support data, people and tools, to determine resources needed to accomplish each job. Identifying organization structure and define work groups enable to set scope, roles and responsibility before execute a trial exercise and modify if necessary.

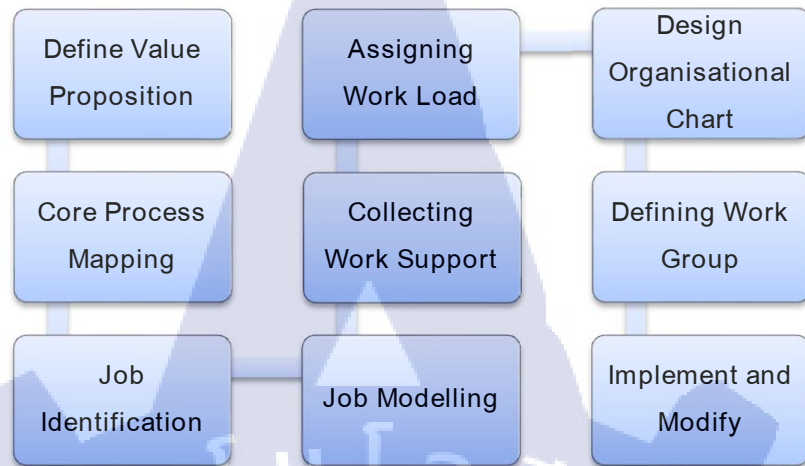


Figure 8 Summary of Danny; and Kathleen's Model -The Language of Work

Source : Adapted from Danny Langdon; and Kathleen Whiteside. (2004). re/Organizing a Department in 9 steps(and in only 10 days) –The Language of Work Model. no page.

Many books and papers written on restructuring have a conceptual content rather than an application-oriented focused. Many models, methodology and flows have been presented but not much on details what they have encountering during the process or the supporting toolkits. There is no doubt that readers will not understand how to practically implement and what is the expecting outcome when exercising restructuring.

To conclude general restructuring process is demonstrated as below;



Figure 9 General Restructuring Process

Objective(s) should be set by higher person in charge or key decision maker such as chairman, top or senior management level or team leader. Objective should be clear and directive to where the company should be.

Diagnosis the current state, “as-is”, with respect to objectives set. In many cases, auditing by third party, internal or external, was invited to assist the assessment and make recommendations. Nevertheless, diagnosis process requires high level of existing employee involvement to collect relevant data.

Planning/Redesigning process requires critical, and most of the time complex, thinking on how to narrow the gap between “as-is” state to achieve the objective, “to-be” state. Plan must address the restructuring purpose, aiming to maximize the opportunity of achieving strategic objectives. Addressing all foreseeable contingencies and outlining the appropriate plan in much detail as possible are the key components to ensure that strategies are well-placed and promote the ultimate achievement. This stage should involves all relate employees to made awareness of the plan, the potential effect that may create, input the proposal and suggestions on how to operate in a more efficient and effective manner and how to establish an effective communication system during the exercise.

Adopt quality interventions tools or process improvement tools, as appropriate, such as Six Sigma, Total Quality Management, Kaizen, and Lean Manufacturing. Implementation of new quality standards may result in major changes in the organization as they strive to intervene in the existing workflow. For instance, waste reduction may require eliminating/combining certain processes, and thereby result in job reassigning and/or personal reallocation.

Any major change incurred should be assess and evaluate for objective set.

## 2.5 Review of Critical Restructuring Factors

Restructuring can be very difficult because this challenge can potentially burn extraneous resource if not limits and/or handling appropriately. Any type of restructuring is basically a change initiative. Outcome depends on how managing resistance and convincing the support group to move towards goal. An effective and clear communication system is crucial to pursuing the need for change, the change process and the possible benefits.

"Restructuring" is undeniably a fearsome word for any employee. This heightened sense of insecurity in more or less individual. Will I lose my job? Will my responsibilities change? Will I have new bosses and/or new colleagues? How do I to deal with them? Will there be future in my position? Will I be able to cope with new environment? Understanding the primary concern of employee is directed to the potential consequences of restructuring.

Balogun; and Hailey (2004) conclude his study that the successful chance of restructuring is generally at 30 percent.

Tomasko R.M. (1993) studied over 1,000 case studies on restructuring and results shown that less than half of companies planned to reduce cost success, one third would success in increase productivity and only three out of ten successes in improving internal processes.

Iverson; and Pullman. (2000) study on age factor influencing the leaving of company and result turn that younger age tend to leave the company, avoiding the gambling of career stabilities. And as consequence, company lost potentially good resource of human capital.

Based on a systematic literature review Datta; et al. (2010) found that restructuring, especially by employee reductions, have the most severe and cause unfavorable impacts. Employee reductions can impact on survival in demoralizing, reducing commitment and job involvement, which eventually lead to loss of confidence in management and may perceived as unfairness, less-motivation and ultimately performance reduction (Minnick; and Duane, 2005). Kim S. Cameron (1994) researched further on negative impacts and classified these into 12 attributes, which in contrast, are the key attribute to success.

Birgit and Götz (2014) studied the impacts on restructuring exercise. The change may be gambling on the opportunity of positioning a better organization with excess stress and work intensification. Long term is higher risk to employee health problem and potentially, the raising of doubt and conflict between the opposition and the support team. Health affected in restructuring will unavoidably affect employee physical and mental health, employee satisfaction, motivation and consequently behavior change (Jeffrey Kurebwa. 2011, Sameer B. 2013).

Stuart C. Gilson (2001) suggested the three critical hurdles that management faces in any restructuring exercise. Design; what is the most appropriate type(s) of

restructuring to conduct? Execution; managing the process to overcome barriers and creating as much value as plan? Marketing; how should this plan make clear and portrayed to all participants gaining the support?

Brown; and Humphreys. (2003) stress on the common key failure is neglecting the reaction of employees. Schweiger; and Denisi. (1991) valued the communication with employees as a key success in restructuring.

Similarly, Robertson; Robert; and Porras. (1993) underline the need for transparent communication throughout the transition process. Avoid employee engagement may turning the office into 'arena' seeking for performance show-off. A values balancing act with social support and timing communication lead to less uncertainty, more job satisfaction and job commitment. (Birgit; and Götz. 2014, Minnick; and Duane. 2005)

Birgit; and Götz (2014) also recommend on formal and well-plan execution. Short timing action plan is highly recommended and instant reaction to confront employee with proper measurement to minimize cumulate pressure. Failure to address any one of these challenges can cause the restructuring to fail.

Kozlowski; et al. (1993) and Jeffrey Kurebwa (2011) suggest bring common senses to a difficult situation and help to ensure owning the initiative.

These critical factors suggest key areas that contribute to restructuring success. This study took suggested recommendations into account to ensure the new working environment enable the unit to gain better focus on its objectives while working with more present condition.

## 2.6 Review of Restructuring Case Studies

Unlike European business, business in Thailand confronted lesser restructuring experience. European Restructuring Monitor (ERM) collecting restructuring events in member countries and publishes case studies for public but generally focusing on human welfare handling. ERM has established since 2002 and has been monitoring the employment impact of large-scale restructuring events mainly in Europe. The ERM offers a searchable database of restructuring events based on announcements in national media sources. Detailed information is available on ERM website; the data collection method, the media sources used, available information and data limitations. (Storrie; and Ward. 2007, European Commission. 1997, 2009)

ERM can be considered an important source of data for foundation of this study to provide example cases of restructuring in Europe, the impact for survival and leaver, counter measure conducted and their results (European Commission. 2009) However ERM has few limitations on focusing specific geographic area and only considers large-size companies. Case studies in Asia are limit and small and medium businesses, which are more commonly established in Thailand, is minimal. Nevertheless, similar model and best-in-class practice can be adopted and implement. ERM does not provide comprehensive information about restructuring and must be interpreted cautiously at national level.

Further research on case studies was conducted and two case studies were selected to bring about this study.

Case 1 : Restructuring : Queen's University Library, 2010. (Library Change Steering Group, 2010, 2014)

Restructuring conducted of Queen's University library demonstrate similar situation with this study. The library was practically outdated with low-IT support, engaging limited budget and lacking of operation efficiency.

The library committees initiated restructuring exercise to adapt to new era aiming to create higher standard of professionalism. The exercise was planned for 12 months timeframe, covering all activities thought out all divisions.

Queen's University library began with defining core value and strength, realign existing resource available and future digital age, formulated strategies supporting goals and created course of actions. Queen's University library action plan was used as operational handbook to achieve satisfied efficiency.

12 months later, the exercise was on its track with some tasks found far behind their goals. Queen's University library committees extend the timeframe and preceded furthermore as achieved results was sufficiently pleased, corresponded with committees' objectives set. Standardization and risk mitigation in expense and revenues were in place. Excess employees were lay off and reassigned. Consolidation of e-resources management infrastructure was established but incomplete.

### Case 2 : Case of Garuda Indonesia

The government owned, Garuda Indonesia airline has gone through several restructuring exercises. The first restructuring exercise was conducted in 1998 after 5-years consequential loss due to government support policy on promoting domestic airlines opened market. Restructuring exercise was a changeover. The airline achieved positive operational profit and improved cash flow on third year. Garuda Indonesia's performance drop when new management was appointed in 2002. In 2005, Garuda Indonesia conducted second restructuring exercise and the outstanding performance was observed in 2007.

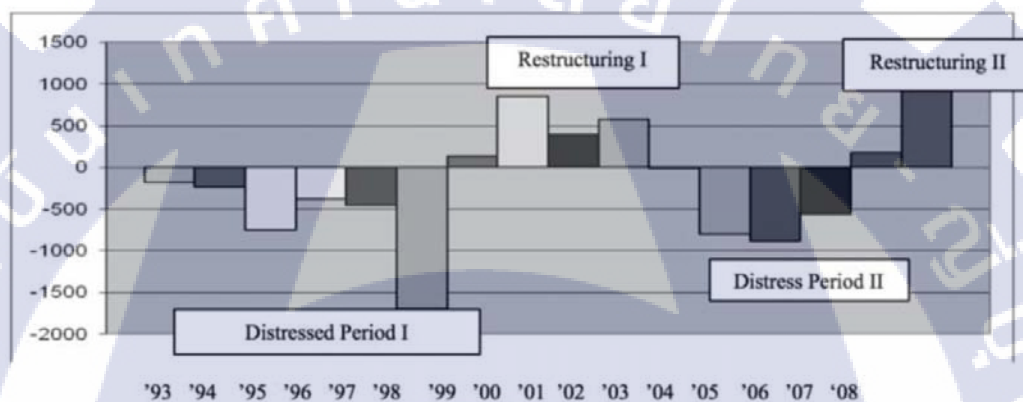


Figure 10 Operation Profit of GARUDA INDONESIA in 1993-2008.

Source : Robert Akyuwen. (2011). The Impact of Restructuring on the Airline Performance : The Case of Garuda Indonesia. p.120.

Figure 9 shows financial turnaround twice after restructuring exercise conducted. Operating profit of 135.5 billion rupiah and 221.1 billion rupiah were achieved in 1999 and 2007 respectively. The results perceived relationship of successful restructuring and positive outcome, as well as the forces to undertake a restructuring. The larger the organization size, the longer time required to acknowledge significant result.

## Chapter 3

### Methodology

#### 3.1 Introduction

This chapter clearly defines the methodology conducted the study. Researching for relevant knowledge in literature review was essential to conceptualize the methodology conducted in similar situation. Some situations can be similar but are seldom identical and results expecting is likely altered. This chapter explains how the data and information to address the objectives. In general view, methodology conducted was broadly used but was customized in detail level to collect, present, analyzed and design. Preparation was personally conducted prior exercise initiate to consider the main factors the possibly require restructuring. As a tool, the methodology conducted provides managers a common framework, step by step restructuring process, data collecting techniques by surveying, interview and group meeting, employee engagement guideline that associated evaluation for understanding, keys factors concerned and directing to restructuring exercise.

Total of 42 questionnaires has been sent out. And total group meetings conducted was 49 sessions which held on every Saturday.

#### 3.2 Preliminary Approach

Before the initial meeting mandated, the researcher gathered information from historic email logs, activities and records, as well as self-learning from website relate to scope of responsible, then grouping them as guideline information with respect to their subjects.

The researcher began the project by officially announced restructuring. The meeting was organized with all unit members concerned to inform them of the reasons behind the proposed change, the expected outcomes and a list of key areas to be affected. Stressing on the problem of current state, would be a good lead to project objectives and limitation of this project. Promoting the opportunity for a better organization of process and work situation that can support the prosperity of the company. Convincing all members that the benefits will be outweighed but more

cooperative actions will be necessary. However the risk of malfunction and negative impact on individual member may build up from time to time.

As a motivator, the researcher committed that there will be no excess employee intentionally; any unfit and incapable employee will be given opportunity to have proper train on desired job in the company, being assign to more appropriate job or offering a position in other unit accordingly.

Affirming affected position, the researcher continued the meeting with the exercise introduction guideline, describing in brief details and ending session with opened question and answer session to clarify any problem raised. After group meeting, the researcher followed up individual meeting with unit members at instance giving the opportunity to express their views concerning these changes. Individuals should also feel free to have direct meetings with the project leader to clear up any doubt hidden.

Questioning technique is useful for direct extracting information and tracking back historic records. Research suggests clinical question technique is the most suitable to promote understanding and recall information. Whereas questionnaires are more suitable for sensitive questions allowing indirect confrontation and enable critical thinking aimed at analyzing, synthesizing, and evaluating before answering.

The researcher, as the project leader, acted as the center of support communication, setting up a central channel to include all unit members in the communication loop.

Upon kick off meeting settled, the next day the researcher preceded classification this study into two major subjects and set up two different methodologies for each subject; the workflow and the people. Finally, organization chart was redesign to facilitate the new systematic approach.

### 3.3 The Workflow

With literature review, the researcher designed and set up steps as below to best suit the situation;

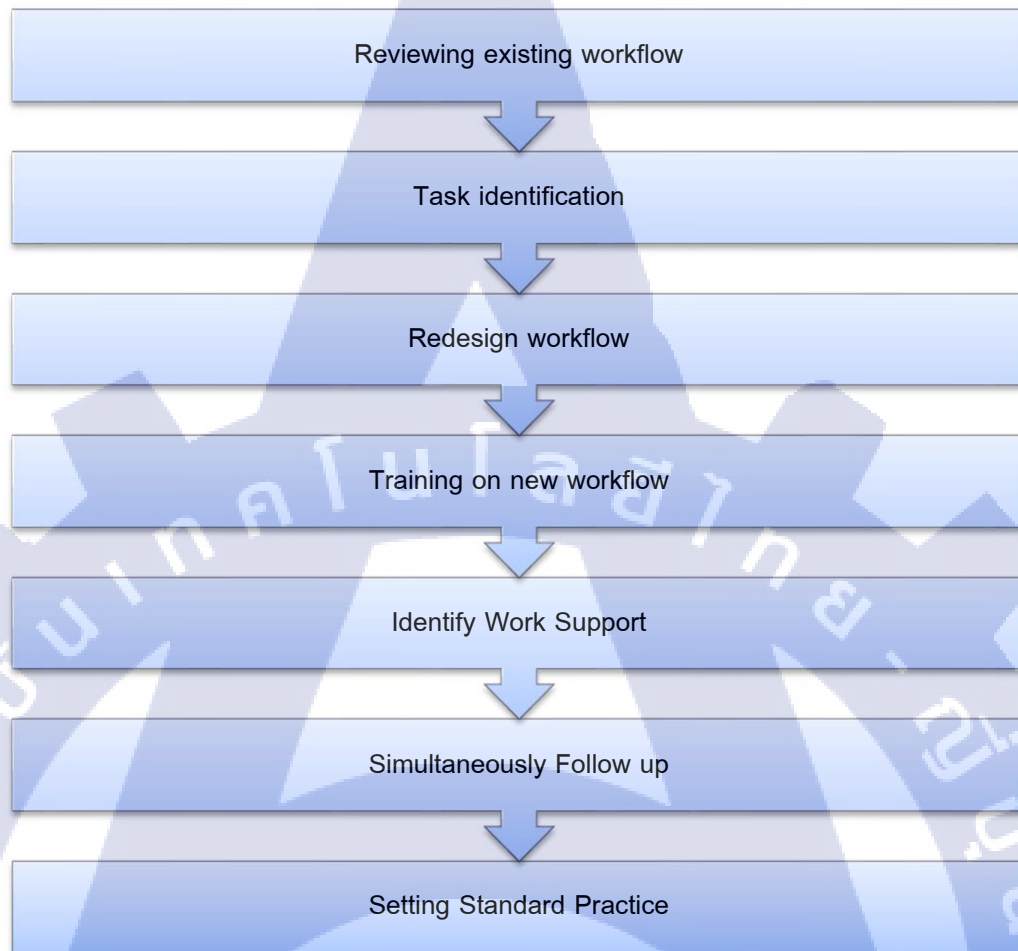


Figure 11 Steps Conducting of Workflow Design

Step 1-2 began with asking all unit members to explain their roles and responsible to clearly describe in paperwork as per their understanding, as well as list down all contacting person and what task are they involved. Conclude as process map delineating what and who are responsible to obtain holistic view. These steps require all collaboration available. Missing information or misunderstanding may result in formulate different strategy and eventually need to roll back to this step.

Step 2 Task identification is breaking down of tasks into a simpler task and get deeper understanding the objective of each task; what to be achieve and what to be expect. Once formal as-is workflow has concluded, process investigation should

proceed immediately to study the gap between. Overview of problem may identify at this step.

Step 3 requires in-depth analysis considering value added to the outcome. Relevant problem should be identified at deeper level to understand the existing constraints. With use of process improvement tools along with identifying the gap “as-is” and “to-be” state, what attributes, knowledge, skills are require for each task with timeframe limitation. The process improvement tools are to be considered to best suit current employees’ capability aiming to allow them involve in improvement of workflow. Therefore, only basic tools are to be considered in this study as all of employee in unit is new to such tools.

Table 4 Lists of Improvement Tools Used in This Study

Improvement Tools	Applications
ECSR (Eliminate, Combine, Simplify, Rearrange)	Use as conceptual understanding of daily action (Table 8). Eliminate unnecessary paperwork, unproductive work, unnecessary variation in procedure and system. Combined existing tasks. Etc.
Process mapping	Use to illustrate overview action sequence in a task. (Figure 16–19)
Flow Chart	Use to illustrate detail action sequence in a task. (Figure 23)
7 Wastes	Use as conceptual understanding of daily action (Table 8).
5S	Use as conceptual understanding of daily action (Table 8).
Why-Why analysis	Use as conceptual understanding of daily action (Table 8).
Check sheets	Use as cover form to assemble document set
Error proofing	Use as conceptual design on creating database platform
Capability study	Reviewing of Job description, Procedure, Work Instruction.
Skill matrix	Use to evaluate unit member and reassign task (Table 9).
Work load balancing	Use to evaluate unit member and reassign task (Table 9).

The intention of selecting basic process improvement tools is also extended for employee to regularly use for continuous improvement. This leads to Step 4, train/retrain as appropriate. Some may require coaching for closer assistance. Guiding

how the entire workflow works, what will happen each step, and how they can contribute and work together to complete the task. Training may include essential knowledge and skill to accomplish their given tasks.

Step 5 : What tools and authority/permission are needed to get the task done. Clear decision-making authority and make full understanding of decision impact on others part of organization are crucial.

Step 6 Follow up the progress simultaneously to ensure that all are as expected. Workload balancing may be considered.

Step 7 has objective for setting new standard practice. Trails and error from similarly practices shall be consider finding best capable practice then implemented and set as new standard practice focusing on systematic approach. Adopt benchmark and key measurements to ensure performance is substantial.

### 3.4 The People

The unit and the researcher were hardly known before the exercise. Thus, understanding the employee's individual capability is one of the most important elements for successful restructuring. Questionnaires were designed to evaluate the employee's capability and performance. These questionnaires were arranged in two perspectives. A questionnaire is for evaluating the employee within the unit and a questionnaire is for evaluating the employee from other units. This "other units" refers to any unit that collaborate work or associate in anyway.

The internal questionnaire was arranged aiming to collect employee background, skill, learning technique, preferable task type-aptitude, computer software knowledge and task questioning if employee has ever done, still doing, want to do and dominating employee who may best suit the task.

This information will be used to design how knowledge would be share, expecting knowledge from individual background, how learning activities should be set to suit employee capability, who can be the mentor, who are experience in each task, common sense shared, individual preference and type of approach to interact with each employee.

The external questionnaire was arranged to evaluate employee performance in another perception, his/her strength, weakness and any suggestions. This questionnaire also seeks for evaluation of current workflow to suggest efficiency,

effectiveness, weakness, strength and any expectation that may useful to improve the workflow.

This information is used to cross-check with another questionnaire that employee evaluated themselves, pin pointing current workflow weak spot, constraints and conditions, designing target and critical outcome expecting from receiver point of view. This questionnaire is also extended to suppliers' unit to obtain as much information.

Both questionnaires are designed to understand the strength, potential capability, willing and characteristic of employee. Interviews and focus groups were conducted with 42 respondents, including unit members. Respondents vary from top managements to operation employee. 10 of respondents were manager level and above. This will be used as relevant source of data to conduct the final individual assessment with one-on-one interview. This session aimed to affirming current skill inventory of employee and competency assessment.



TNI

<b>Questionnaire for Workflow Design</b>									
<b>Objective :</b> <u>To reassign task and balance workload</u>									
<b>Target :</b> <u>Improve operational effectiveness</u>									
<b>Name of Respondents :</b> _____									
<b>Education/Field :</b> _____									
<b>Other Certification :</b> _____									
<b>Work Experience<sup>1</sup> :</b> _____ _____ _____									
<b>Job preference<sup>2</sup></b> _____ Calculation-Evaluation _____ Coordinate-Intra-Company _____ Coordinate-Contact third party _____ Data Collecting, Follow-up Information _____ Record, Document Control _____ Checker, Data Verification _____ Payment Collection	<b>Learning Style<sup>2</sup></b> _____ Remembering _____ Understanding _____ Applying _____ Analysing _____ Evaluating _____ Creating _____ Reading								
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: left; padding: 2px;"><u>Computer Skills</u></th> <th style="width: 50%; text-align: left; padding: 2px;"><u>Remark</u></th> </tr> </thead> <tbody> <tr> <td style="padding: 2px;"> <b>Excel :</b> _____            _____         </td> <td style="padding: 2px;">           1 = Basic Function + - * / ^ sum avg GRAPH            2 = Logical Function IF OR AND ERROR TRUE FALSE SUMIF            3 = Data Management Function LOOKUP COLUMN ROW INDEX TEXT         </td> </tr> <tr> <td style="padding: 2px;"> <b>PDF :</b> _____            _____         </td> <td style="padding: 2px;">           1 = Edit content            2 = Watermark, Security            3 = Advance Edit, Modification         </td> </tr> <tr> <td colspan="2" style="padding: 2px;"> <b>SAP :</b> _____            (Provide SAP form and code) _____            _____         </td> </tr> </tbody> </table>		<u>Computer Skills</u>	<u>Remark</u>	<b>Excel :</b> _____ _____	1 = Basic Function + - * / ^ sum avg GRAPH 2 = Logical Function IF OR AND ERROR TRUE FALSE SUMIF 3 = Data Management Function LOOKUP COLUMN ROW INDEX TEXT	<b>PDF :</b> _____ _____	1 = Edit content 2 = Watermark, Security 3 = Advance Edit, Modification	<b>SAP :</b> _____ (Provide SAP form and code) _____ _____	
<u>Computer Skills</u>	<u>Remark</u>								
<b>Excel :</b> _____ _____	1 = Basic Function + - * / ^ sum avg GRAPH 2 = Logical Function IF OR AND ERROR TRUE FALSE SUMIF 3 = Data Management Function LOOKUP COLUMN ROW INDEX TEXT								
<b>PDF :</b> _____ _____	1 = Edit content 2 = Watermark, Security 3 = Advance Edit, Modification								
<b>SAP :</b> _____ (Provide SAP form and code) _____ _____									
<b>Remark</b> <sup>1</sup> : State only position title or general scope of responsible; example Cost Accounting, Sales representative, HR Staff <sup>2</sup> : Ranking 1 - 7 , 1 = Most likely, 7 = Least likely <sup>3</sup> : Required Answer <sup>4</sup> : Optional Answer <b>* This questionnaire is only intent to use for stated objective only.</b> <b>** This questionnaire is confidential and will not be release to any third party unless permitted by respondent.</b>									

Figure 12 Internal Questionnaire Template –Page 1

Question		Experience / No Experience <sup>3</sup>	Currently Handling / Not Handling <sup>3</sup>	Want to Learn/ Do not want <sup>3</sup>	Want to do/ Do not want <sup>3</sup>	Recommend Employee Name <sup>4</sup>
Task						
1	Letter of Credit Verification					
2	Payment Collection					
3	Sale Contract					
4	Sale/Order Confirmation					
5	PO					
6	Duty drawback under 19 BIS					
7	Schedule Visit					
8	Advise Shipment					
9	Booking Nippon Freight, (Sample)					
10	ISO-Audit preparation					
11	SAP					
12	PR-PO (Routine)					
13	PR-PO (Irregular)					
14	Return Cargo					
15	Shipping Document					
15.1	B/L					
15.2	Particular					
15.3	Paperless-Custom Procedure					
15.2	Invoice, Packing List					
15.31	Health cert					
15.321	CO (Co-Export)					
15.322	CO (Third party)					
15.331	COA (Third party)					
15.341	HALAL (Co-Export)					
15.342	HALAL (Third Party)					
15.332	COA (QC)					
15.34	Micro report (QC)					
15.35	Positive Release (QC)					
15.36	Loading Diagram (QC)					
15.37	Credit-Debit Note, Memo					
15.4	Verify SD					
16.1	DHL (to customer)					
16.2	DHL (to Bank)					
17	SAP					

Figure 13 Internal Questionnaire Template –Page 2

### Questionnaire for Improve Workflow

As you are one of key person who involve in tasks relate to After Sales Service unit's responsible, we would like to ask for your kind cooperation on completing this questionnaire to improve workflow. This will be based on history work performance and your professional relation with After Sales Service unit.

This questionnaire will be use for one purpose only. Workflow improvement may covered reassignment, workload balancing and change of operating procedure.

This questionnaire is confidential and will be disclose. Once complete, kindly return in closed envelop ATT : Chayaphat; After Sales Service or chayaphat.au@alpha.co.th. Kindly response within 30 April 2016

Thank you for your kind cooperation.

This questionnaire consist of 3 parts :

Part 1 : Key tasks that relate to After Sales Service's unit

Part 2 : Evaluate Current Workflow (As per your perspective)

Part 3 : Personal evaluation.

Part 1 : Key tasks that relate to After Sales Service's unit

--

Part 2 : Evaluate Current Workflow (As per your perspective)

Strength :	Weakness :
Major threat(s) :	
Other Recommendation :	

\*Leave blank if there is no information

Figure 14 External Questionnaire Template –Page 1

Part 3 : Personal evaluation.

3.1. Personal evaluation. ( State Opinion number in front of name)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Name)

\_\_\_\_\_ (Name)

*\*\*In case there are more than 1 name, kindly evaluate individually.*

Opinion 1

Strength :	Weakness :
Other recommendation :	

Opinion 2

Strength :	Weakness :
Other recommendation :	

Opinion 3

Strength :	Weakness :
Other recommendation :	

Figure 15 External Questionnaire Template –Page 2

### 1. Human capital planning

- a. Evaluate employee capability, skills and experience. Understand individual driver/motivation and core capabilities.
- b. Evaluate competency gap. Set up training courses for each task clearly in details. Coaching may require.
- c. Talent management system through peer reviews. Empowering people (giving people the ability to do their work using right information, right tools for right environment with sufficient authority and right training.)
- d. Knowledge sharing experience through group assessment.

### 2. Improve communication

- a. Commitment and involvement. Enable unit members to raise any concerns which may have so that these can be taken into consideration by management in the decision-making process.
- b. Boost morale. Stressing what happen if we do nothing, what can we potentially achieved.
- c. Sharing unit vision and where will we be
- d. Providing and sharing information helps to perform their work with up-to-date status

## 3.5 Organizational Alignment

Since current organization alignment was too focused on manager capability, decentralization is required. Where appropriate, the too manager-centric workflow that owned high-level strategy-affecting decision should consider relocation of management authority, prioritizing the important of task, the necessary of attention and decision making authority to ensure strategy-impacting decision are made within the right person at the right level.

The preferred organization structure should consider career planning and progression to support career path.

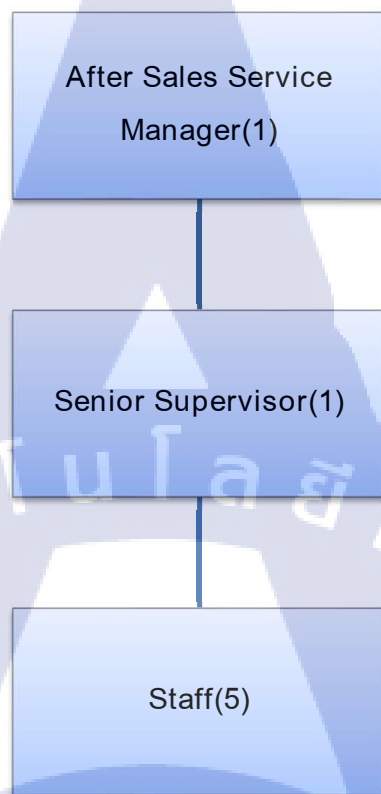


Figure 16 After Sales Service Unit Organizational Chart Before Change

## Chapter 4

### Findings, Discussion and Conclusion

#### 4.1 Introduction

This chapter summarized the findings that used several information collecting and capability assessment tools and methods to enable discovering activities, skills and values created. The primary objectives are to collect as much information as possible, followed by discussing the results to contribute as a factor in the strategic decision for designing and configuring of new structure. This chapter is described phase by phase corresponded with the structure of methodology, considering at the key activities and the outcome of each phase. This chapter ends with conclusion at the latest point of time this study has to be submitting.

#### 4.2 Preliminary Approach

To obtaining previous manager's perspective through her past work, scope of only 2-years records was used as resource due to record availability. Self-learning through past records was insufficient. The implemented system was lacking of effective system. The researcher was push to take up additional short courses such as International Trade and UCP 600. Many resources are collected from internet to obtain relevant understanding.

The initial approach announcing scope and limitation of the exercise was very successful. Stressing all the motivated reasons was very powerful push and informed that there would be no one left behind allow employee to overcome the dilemma uncertainty and job insecurity.

Through several sessions of individual and group discussions, the unit members had realized the instability of functioning conditions. The situation enforced them to undertake permanent adaptive activities, the restructuring. Repeating the state of daily problems in employee's perceptions shows the understanding the situations of individual difficulty and successfully encouraged them to take a step away from current position and change the ending.

The individual meeting created privacy and more secure environment for many employees to express their thoughts. This was a successful custom-made remedy to

boost individual morale support using question-answer interaction. As expected, hidden doubts were raised and mostly concern on the bizarre approach from definition of restructuring to outcome expecting.

Table 5 Summary of Key Questions Rose in Kick-off Meeting.

Question	Response
1. Would this exercise affecting their salary?	If performance is outstanding, well acknowledged, benefit and salary may be considered.
2. Would this exercise resulting in reposition?	Tentatively. Assisting individual work is priority. If one eventually shows as “unfit” after the supporting period, then re-assign/reposition may consider.
3. Would this exercise improve their working environment? And relationship within the team?	Definitely. Workload will be balance. Fair treatment will be practice and promoting internal communication.
4. Would this exercise take long? When will this end?	Changes will be welcome intending to improve work quality and employee welfare. Timeframe is yet to design but this is inevitable practice.

Creating group communication channel bonding all members and create sense of belonging as a team which, later, leads to strong tie contact within unit members. Many researches emphasized on clear communications and transparent restructuring process and this exercise was another study that implemented this guideline and result was effective.

A contact list was created containing all contact numbers of unit members and all people involved or related to any task responsible. Upon collecting this list, a brief internal introduction was shared to acknowledge each contacts followed by specific distribution email lists were created for specific task.

#### 4.3 The Workflow

The previous management system was too centric approach and no single member can explain all tasks in the unit since the previous manager left unexpectedly and unprepared. Group discussing was only solution to obtain holistic view. This sharing information session also enable knowledge sharing and promote team building. This session took several hours in many days to summarize all tasks.

With implementing clinical questioning technique to encourage and give opportunity to contribute in the decision making result in effective gathering information methodology. As all the information was scattered, incomplete, and some misunderstood, many group sessions were necessary to consolidate such information and agreed as one. Affirming a clear vision of current tasks and responsible, unit members were ask to review the paperwork describing their roles and responsibilities and resubmit.

This review also applied to co-worker from other units, asking for suggestion and expectation. Assuming all are “internal customers” and implanting customer-oriented service mind into employee to suppress expectation and avoiding redundant tasks creating efficiency. This has extends to suppliers’ service, comparing different service approaches provided, assisting them to adjust service offerings to comply “to-be” state and seek best suitable practice. With open-mind understanding and allowing these to contribute our development, progress was speeding up. All expectations are, later, set as recommending measurement to improve and control responsiveness.

The following figures, Figure 16 and 17 are the result of reviewing initial workflow step 1-2. The green box refers the initial activity that enables the workflow whereas the amber box refers to the end of workflow. Yellow box refers to by-pass processes which create no added value to activity. The workflows can be categorized into two categories; the primary task and the secondary task.

The primary task is delivering shipping document set to the Accounting unit and Customers for payment collection and goods clearing at destination port respectively. The secondary tasks are supporting tasks for commercial activity and general routine tasks.

The improved workflow has been re-mapping in Figure 18 and 19 as result. All changes have been highlight in red fonts and redundant task had been abort highlighted in red color filled box.

Task identification was conducted along with workflows mapping to investigate at detail level. In improved workflows, most of the tasks were modified at operation level to support the change.





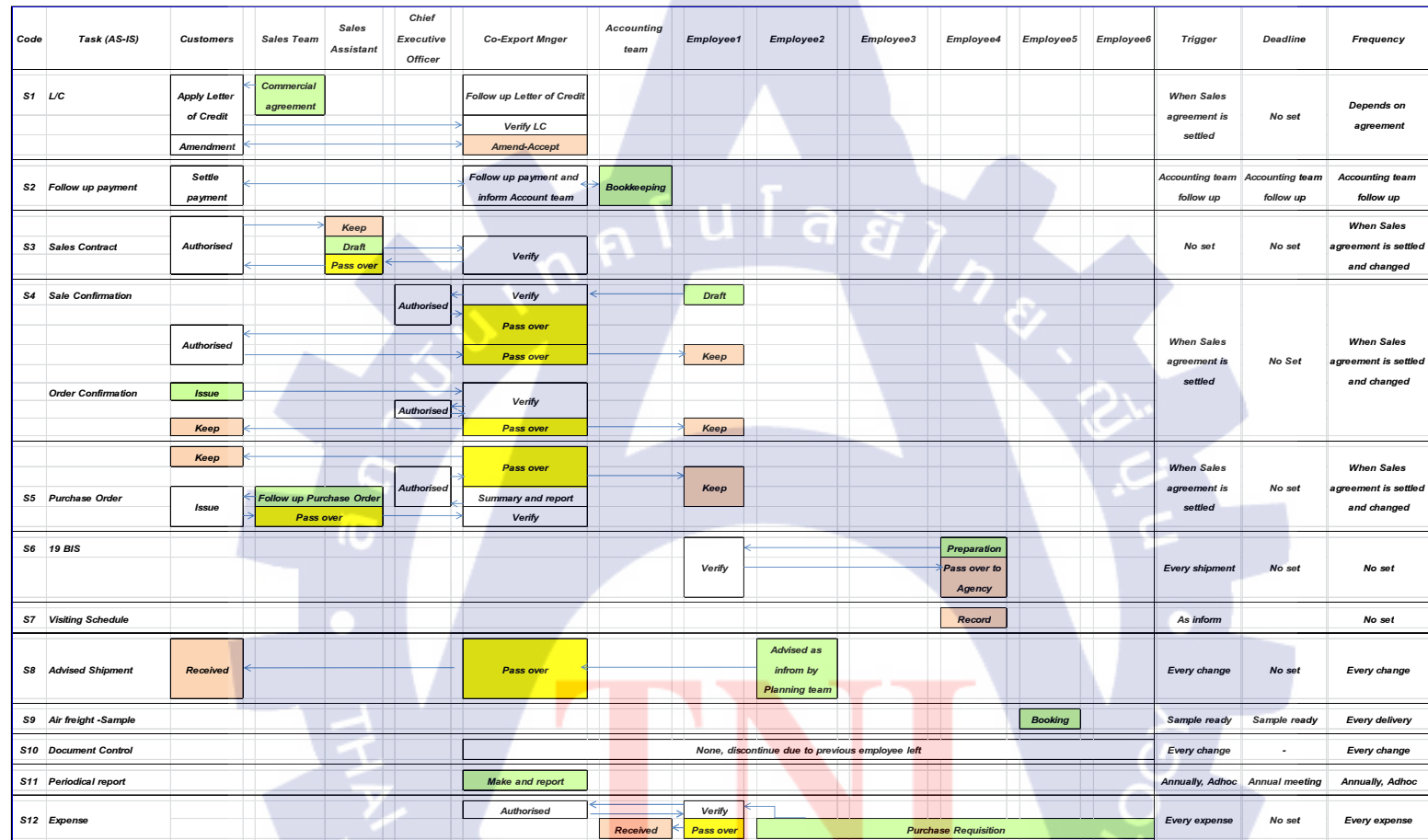


Figure 18 Workflow of Secondary Task Before Restructuring

Code	Task (To-Be)	Co-Export Mnger	Accounting team	Database division	CR division	Logistic Division	Trigger	Deadline	Frequency
P1	Shipping Document								
P2	Bill of Lading					Advance Booking	Provide advance planning		Update Weekly
P3	Draft Particular	Verify	↔	Issue			Before loading date	Loading date	Every Shipments
P4	Release shipment online			Submit			After loading	Loading +1 day	
P5	Invoice, Packing List	Authorised	↔	Automatically generate			After loading		
			↔	Assembly					
P6	Health certificate			Verify	Automatic Draft,		After loading	Loading +1 day	
P7	C/O (DFT)				Apply		After loading	Loading +1 day	
P8	Halal Certificate (CICOT)						After loading	Loading +1 day	
P9	COA/Positive						Before loading date	Loading date	
P10	Micro report (Lab)				Request from QC,		After production	Loading +1 day	
P12	Loading Diagram (QC)				Lab team		After loading	Loading +1 day	
P13	Credit-Debit Note, Memo			Automatically generate			After loading		
P14	Final verification	Verify, Authorised	↔	Complete set, Verify			ETD	ETD+2	
			Submit Bank		Submit, scan and email to customer				
P15	Book DHL	Cancelled							

Figure 19 Workflow of Primary Task After Restructuring –Delivery Shipping Document Task

Code	Task (To-Be)	Customers	Sales Team	Sales Assistant	Chief Executive Officer	Co-Export Mnger	Accounting team	Database division	CR division	Logistic Division	Trigger	Deadline	Frequency
S1	L/C	Apply Letter of Credit Amendment	Commercial agreement			Verify LC Amend-Accept					When Sales agreement is settled	30 days before ETD	Depends on agreement
S2	Follow up payment	Settle payment					Bookkeeping	Automatic generate Payment Reminders, Payment outstanding and Payment Overdue			Automatically generate. 5 days before DueDate, DueDate, every 3 days after DueDate		As Set
S3	Sales Contract	Authorised	Verify					Issue Keep			Sales agreement confirmed by email	1 day after sales agreement	When Sales agreement is settled and value changed,
S4	Sale Confirmation Order Confirmation		Cancelled, due to improve process and template of Sales Contract										
S5	Purchase Order	Keep Issue	Follow up Purchase Order Verify		Authorised			Return Keep, Summary and report weekly			When Sales agreement is settled	When Sales agreement is settled	Every agreement
S6	19 BIS							Prepare and Pass over to Agency to verify			Monthly	before 5th day of following month	Monthly
S7	Visiting Schedule	Request	Visit confirmation						Record and announced		Within the day		Every visit
S8	Advised Shipment	Received						Automatic generate. Advised weekly for confirmed shipment and tentative shipment			Automatic		Weekly
S9	Air freight -Sample									Booking	Sample ready	Sample ready	Every delivery
S10	Document Control								Assigned		Every change	-	Every change
S11	Periodical report					Create template		Automatically generate			Timely	Timely	Timely
S12	Expense					Authorised	Received	Purchase Requisition			Every expense	No set	Every expense

Figure 20 Workflow of Secondary Task After Restructuring

With use of process improvement tools, the researcher took months to coach the basic concepts of these tools, implanting the new mindset and co-working with unit members to study the process, experimenting with various methods of doing then implement the improved workflow.

Eliminating non-value process and/or repeated process, Sales Confirmation and Order Confirmation are replaced by new Sales Contract. Invoice and Packing List have been combined. Delivering a copy of shipping document by DHL, air courier service, has change to simple scanning of document set and email to customers.

Many work supports were proposed during the exercise and all support provided that relates to expense were projected for break-even and/or gain and loss. For example, to gain flexibility and mobility, 3 cellphones were purchased with breakeven of 34 days on communication expense to uplift the limitation of contacting during off-hour. Cost per minutes was down from 4.01 THB to 1.39THB.

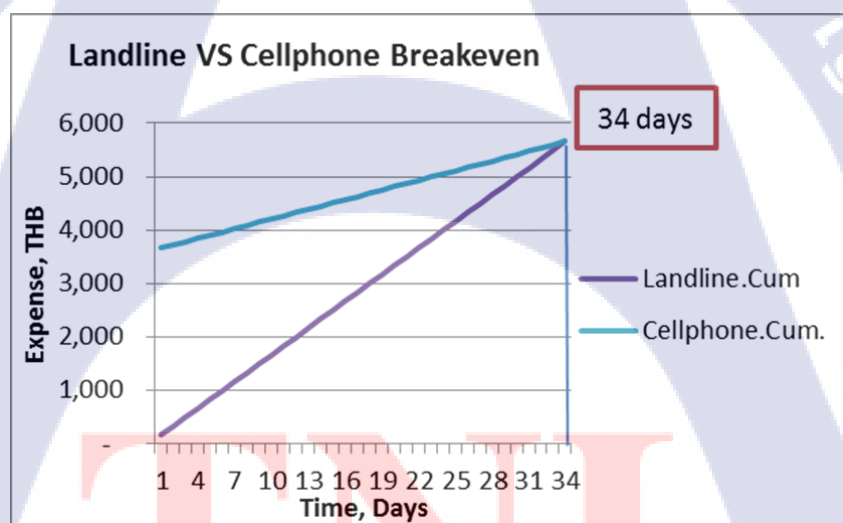


Figure 21 Landline-Cellphone Breakeven Graph

Some work supports were provided to solve existing problems. New printer was purchased to solve paper jam issue that misaligns printing on purchased form. Some work supports were provided to increase capability. Employees are encouraged to use personal vehicles to complete coordinating tasks in exchange of fuel and depreciation compensation to solve company vehicles limitation. Limitation of email

storage space was expanded for some employees that required document keeping. Access to specific document was granted to increase customer responsiveness. Some work supports were provided to reduce redundant process. Frequency of pretty cash requests was reduced from 3-4 times a week on ad hoc basis to once a week as regular practice by limit increased and expense forecast, result in reducing workload. Certain non-core tasks were authorized through emails and kept email log as record, reducing hard copy keeping.

To achieve “To-be” state, the team has to review the workflow many times over and reconsider any potential improvement can made. Joint-responsibility of management and employee ensured that change is implemented smoothly and effectively. Joint-responsibility concept also allows in-depth understanding of given tasks and balancing workload.

Once all agreed on new mapping as standard practice, reviewing Procedure (PD) and Work Instruction (WI) are essential for long term sustainability. The review was extended to Job Description and working Forms to complete update ISO 9001 standard.

The result will be described in later of this chapter as workflow and the people were gone through coherent changes. Results as individual change may not be evaluated unless the change was clearly segregated.

#### 4.4 The People

With the willing to change, the exercise had been conducted in a very present environment. Resistance was sensible but in a very low and manageable level. Cooperation and level of involvement was high. Information on employee was best gathered through interview and survey questionnaire process. Below is the table summary the number of questionnaires response.

Table 6 Two Questionnaires Respondent Summary

Type of questionnaire	Sent	Received	Percent
Internal Questionnaire	6	6	100%
External Questionnaire	36	36	100%

The internal questionnaire responsiveness was good as the unit's willing to change was highly active. The external questionnaire responsiveness was received 100 percent because the researcher was chasing the answerers closely, timely and mannerly. Otherwise, responsiveness may conclude as incorporative.

Internal questionnaire shows the aptitude nature of employees, individual skills and experience level of each task as expected. In general, the lacking of overview understanding, the knowledge barrier, seeing a limited picture, lacking of proper mentor and lacking of skill and knowledge are common in most of employee. The results corresponded with employee education background and experiences. None was found to have experience in current position before joining the unit. All but one is graduated in non-relevance field of study. This clear up the diversity of understandings embedded in individuals.

Table 7 Summary of After Sales Service Unit Education Background

Education background	Number of people
Accounting	1
Human Resource	2
International Relation (Japanese)	1
Higher Education	2

External questionnaire shows many critical weaknesses in workflow that urgently required attention. Previously After Sales Service unit and other units have not going through much meeting to get mutual understanding. Therefore many tasks delivered were under expectation and lacking of guidance. Many suggestions were interesting and were followed up with telephone questioning for in-depth understanding. Criticisms of individual personality have been identified as an employee weakness and potentially required assistance to improve if applicable.

The final evaluation session concludes the reviewing and verifying of information gathered to design new workflow and set up human capital plan. One-on-one interview with in-depth exchange of information turned into a discussion session.

Begin filing new roles and compiling skill inventory required as draft. Human capital plan was then individually designed for unit members seeking in career progression. Each unit member has different training courses and once mastered, will be promote as “the mentor” to lead the knowledge sharing session which held on every Saturday. This session contents from basic knowledge to clearly description of task objective, how given task can be done, expecting outcome and required knowledge and skill to accomplished. The indirect benefit of this session is to promote presentation skill, building strong commitment, enable sharing ideas and suggestions, expressing positive thinking and receiving critic for improvement. Topics discuss over time are listed in below table.

Table 8 Historic Record of Weekly Training Program.

Week	Topic	Key content
23/16	Inco term, Managing Reefer Container	International trade Terminology. How reefer container works
24/16	7 Wastes, Eliminate, Combine, Simplify, Rearrange and 5S	Conceptual and exercises
25/16	Microsoft Office training	Basic knowledge of software
26/16	Why Why analysis	Conceptual and exercises
27/16	Where are customers? –Japan	Customer geographical locations, addressing system, vessel routing, main ports graphical location,
28/16	Where are customers? –Malaysia	
30/16	Where are customers? –Singapore	
31/16	Where are customers? –EU	
32/16	Where are customers? –Korea	
34/16	Where are customers? –Others	
36/16	How we made –Factory tour(Further plant)	How product is manufactured.
37/16	How we made –Factory tour (Slaughter house)	From start to loading dock.

Table 8 Historic Record of Weekly Training Program.(Continued)

Week	Topic	Key content
38/16	Product Training by R&D team	Product tasting, Product evaluation.
39/16	Loading procedure –On site practice	Assisting loading team from receiving loading order to actual load into the container.
40/16	UCP 600	UCP terminology and its interpretation.
41/16	Payment behavior	Understanding payment system
42/16	From Factory to Port –Laem Chabang –T2	How the container is being handle from factory to terminal

Several training sessions are compulsory to review and make firm understanding of all fundamental knowledge. The need for learning was identified during preliminary session but the content was not yet concluded until later. Reviewing all fundamental knowledge also include on-field training by specialists. For example, R&D staff was invited to train After Sales Service unit on product characteristic and provide active product tasting session. Loading unit trained on loading methodology and handling reefer container procedure as well as on-site training on loading procedure. Freight forwarder, as service provider, trained on vessel routing and reefer container handling in port terminal.

Communication and involvement boost morale and built closer relationship through activities and meeting. If the vision and objectives are clearly identified, it is more likely to achieve them. The new structure would be up and running more quickly, saving costs, improving efficiency and delivering better service.

Table 9 Summary of Questionnaires and Outcome After Interview

Group	Task	Decision 1	Decision 2	Support 1 Want to Learn+do	Support 2 Want to Learn but do not want to do	No-Go Do not want to learn nor do	E1	E2	E3	E4	E5	E6
Commercial base	Letter of Credit Verification	E1	E4	E5		E2, E3, E6	7			5		5
	Sale/Order Confirmation	E1	E4	E5		E2, E3, E6						
	PO	E1	E4	E5		E2, E3, E6	7			5		
Custom Duty	Duty drawback under 19 BIS	E4	E1	E5, E6		E2, E3	5			5		
Audit/Visit	Schedule Visit	E6		E5		E1, E2, E3, E4				5		
	ISO-Audit preparation	E2	E4, E5	E3		E1, E6	x	x	x	x	x	x
Expense	SAP	E5, E4, E1		E3, E2		E6				x	5	
	PR-PO (Routine)	E5	E2	E4	E1	E3, E6		x			7	7
	PR-PO (Irregular)	E1	E5	E2		E3, E4, E6	7					
	Return Cargo	E1	E5, E6	E2	E4	E3	7					
	Shipping Document						7		7			
	Booking Nippon Freight, (Samp	E5		E4, E6, E3		E1, E2						
Shipment Schedule	Advise Shipment	E2	E5			E1, E4, E3, E6		7				
	B/L	E2	E5		E4, E1	E3, E6		7		x	5	
	Draft Particular	E4	E1	E5	E3, E6	E2				7		
	Paperless-Custom Procedure	E3	E6	E1, E5	E4	E2			7	5		5
	Invoice, Packing List	E3	E4, E1	E5, E6		E2			7			
	Health cert	E5	E6	E1		E2, E3, E4				x	7	5
External Document	CO (Third party)	E6	E1	E5		E2, E3, E4			7	x	5	7
	COA (Third party)	E6	E4, E1	E5		E2, E3, E4						7
	HALAL (Third Party)	E6	E1	E5		E2, E3, E4			5		5	
Internal Document	CO (Co-Export)	E3	E4	E3, E1	E5	E2, E6						
	HALAL (Co-Export)	E3	E4	E5, E1		E2, E6			7			
	COA (QC)	E3	E4	E1	E5, E6	E2			7			
	Micro report (QC)	E3	E4	E1	E5	E2, E6			7			
	Positive Release (QC)	E3	E4	E1	E5	E2, E6			7			
	Loading Diagram (QC)	E3	E4	E1	E5	E2, E6			7			
Account Receivable	Process Flow (RD)	E3	E4									
	Credit-Debit Note, Memo	E1	E5	E3		E2, E4, E6	7					
	Verify SD	E1	E5, E4		E3, E6	E2						
DHL	Payment Collection	E1	E4	E6, E5		E2, E3						
	DHL (to customer)	E5	E3	E4, E1, E6		E2				7	7	
	DHL (to Bank)	E5	E3	E4, E1	E6	E2						
Remarks							x =unqualify, dislike work, with condition, not appropriate +2 =Currently Handling					
							0, (BLANK) =No experience +5 = Experience					

#### 4.5 Organizational Restructuring

At a certain point, when all tasks and responsibilities were distributed clearly, the idea of new organize structure can be design functionally to facilitate the workflow. New decentralized organization structure that supports a common goal and serve as a scope limitation guiding creating identity for employees was request for approval. Three divisions have been created as a result and employee reposition was a necessary change.

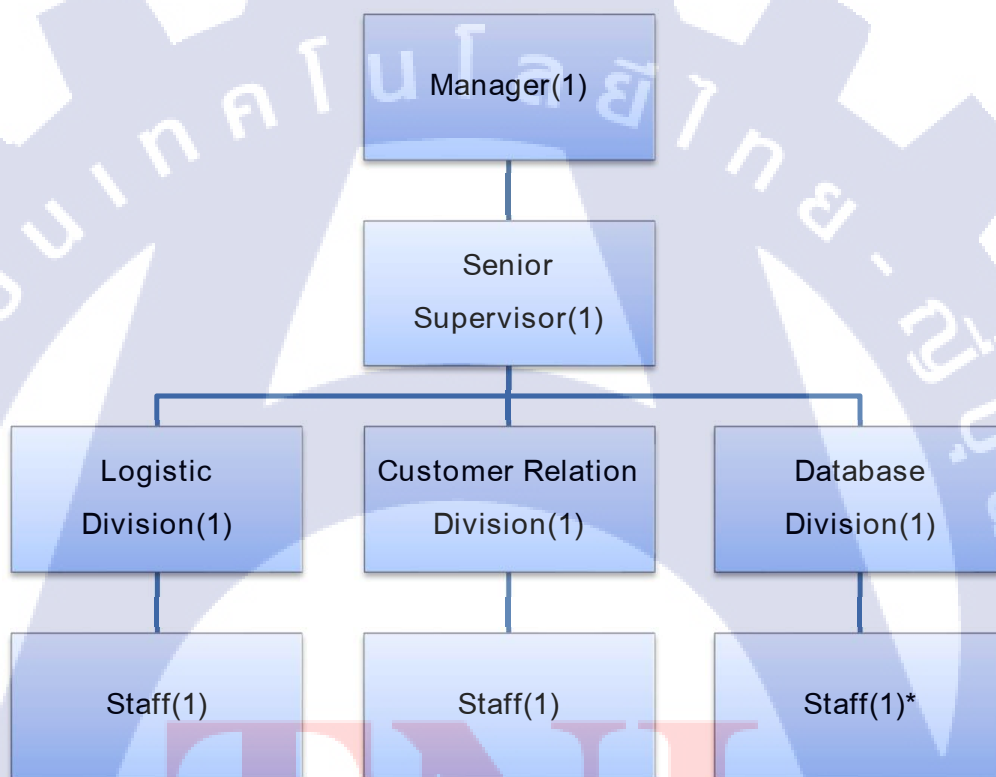


Figure 22 New After Sales Service Unit Organizational Chart

Logistic division is handling transportation arrangement from factory to customer as per agreement. The transportation includes three transportation modes; land, sea and air. This division also select most suitable transportation schedule at competitive cost. Setting up specific division allow employee to focus and specialize in designed area. With deep knowledge training on logistic and new scoring system implemented lead to a great reduction of transportation cost.

Table 10 Freight Expense 2014-2016

Year	Freight expense (THB)	Number of shipments	Average expense per shipment (THB)	Change
2014	57,144,821	653	87,511.21	-
2015	51,727,001	825	62,699.40	-28.4%
2016	33,839,606	817	41,419.35	-33.9%

Transportation expense was greatly reduced due to new approach implemented and downtrend of freight cost applied. This was successfully achieved by designing a competitive system that allow suppliers to offer their best services and were periodically evaluate for their scoring. The number of services used will be generally based on their rankings. The rewarding system was associated with information sharing on tentative orders, expectation budget, providing market guideline motivating freight forwarders to achieve expecting target. These ensure the continued delivery of excellent services.

Product	Criteria	Supplier1	Supplier2	Supplier3	Supplier4	Supplier5	Supplier6	Weight1%	Weight2%	Avg. Weight
Container condition	1-More than 2 complaints 2-1 complaint 3-No complaint/Receive Compliment (within evaluation period)	4	2	5	3	5	5	5%	5%	5%
Container quality		4	3	5	5	5	5	10%	10%	10%
Offering price		3	1	1	5	2	5	10%	10%	10%
Free Time competitiveness		5	2	3	5	1	1	5%	5%	5%
Closing time flexibility	1-Not negotiable 2-Sometime negotiable 3-All time negotiable	5	4	1	5	3	1	5%	5%	5%
Agent variety		3	3	1	5	1	3	5%	5%	5%
		24	15	16	28	17	20	40%	40%	40%
Service	Criteria	Supplier1	Supplier2	Supplier3	Supplier4	Supplier5	Supplier6	Weight1%	Weight2%	Avg. Weight
Booking Confirmation detail	1- Often mistake 2-Sometime mistake 3-No mistake	3	3	3	3	3	5	5%	5%	5%
Booking Capability	1-Sometime unable 2-Standard 3-Always able to book	5	1	1	3	3	3	5%	5%	5%
B/L verification	1-Revise 3 or more 2-Revise 2 times 3-Revise 1 time or less	5	3	3	3	3	3	5%	5%	5%
Responsiveness	1-Later than 3 hr. 2-within 3 hr. 3-within 1 hr.	5	3	1	3	3	1	10%	10%	10%
Problem solving capability	1-Able but slow 2-Able 3-Able with close attention	5	1	1	4	1	1	10%	10%	10%
Credit term		3	3	3	3	3	3	10%	10%	10%
Document delivery	1-Slow, more than 2 days 2-Standard 2 days 3-Within 2 days	5	5	3	1	3	3	5%	5%	5%
		31	19	15	20	19	19	50%	50%	50%
Others		Supplier1	Supplier2	Supplier3	Supplier4	Supplier5	Supplier6	Weight1%	Weight2%	Avg. Weight
Saleman		3	5	1	4	3	4	5%	5%	5%
Offering period		4	3	5	5	1	1	5%	5%	5%
		7	8	6	9	4	5	10%	10%	10%
		83%	56%	49%	76%	53%	59%			
Ranking		1	4	6	2	5	3			

Figure 23 Freight Forwarder Service Evaluation Criteria

With assistance of Database Division, advising coming shipment for customers became very simple. Previously unit member has to key in all information such as Bill of Lading number, Seal number, Container Number, Vessel name and etc. Now, shipment information of each customer can be extract with 3-clicks concept. Customer name, Period of shipment and Shipment status are main criteria to list down in advised shipment notification.

Customer Relations (CR) division is accounting for all communications with customers for After Sales Service. This enable the company to control communication channel and acting as a screening process. Communication effectiveness has been greatly improved as CR division was trained and authorized to answer basic inquiries. Managers require much less attention on such inquiries as 7 out of 10 are being answered by CR division. Many customer inquiries are subject to request for supporting documents which are mostly general subject like quality certificate. Authority was requested and granted to release limited documents. This screening process was also added in complaint handling procedure to screen out complaints with incomplete information. Results found that 42 percent of incoming complaints were rejected due to insufficient evidence.

Table 11 Inquiry Records: Comparison 2015-2016

<u>Inquiry records : Comparison year 2015-2016</u>						
	2015			2016		
	Number of inquiries			Number of inquiries		
MONTH	Received <sup>(1)</sup>	CR response <sup>(2)</sup>	%	Received <sup>(1)</sup>	CR response <sup>(2)</sup>	%
JAN	20	0	0%	19	4	21%
FEB	8	0	0%	12	4	33%
MAR	8	0	0%	11	4	36%
APR	14	0	0%	11	6	55%
MAY	21	0	0%	25	20	80%
JUN	2	0	0%	1	1	100%
JUL	6	0	0%	5	4	80%
AUG	10	0	0%	6	6	100%
SEP	14	0	0%	11	11	100%
OCT	12	0	0%	12	12	100%
NOV	27	0	0%	28	25	89%
DEC	12	0	0%	10	8	80%
Avg.	154	0	0%	151	105	70%

Remarks : (1) = Number of Inquiry received

(2) = Number of Inquiry response by CR team

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Table 12 Complaints Screening: Comparing 2015-2016

<u>Complaint Screening : Comparison year 2015-2016</u>						
	2015			2016		
	Number of complaint			Number of complaint		
MONTH	Received <sup>(1)</sup>	Rejected <sup>(2)</sup>	%	Received <sup>(1)</sup>	Rejected <sup>(2)</sup>	%
JAN	10	0	0%	8	2	25%
FEB	6	0	0%	6	1	17%
MAR	3	1	33%	3	0	0%
APR	0	0	0%	1	1	100%
MAY	2	0	0%	4	0	0%
JUN	1	0	0%	3	1	33%
JUL	5	0	0%	8	4	50%
AUG	7	0	0%	2	2	100%
SEP	9	0	0%	10	6	60%
OCT	10	1	10%	9	6	67%
NOV	3	0	0%	3	0	0%
DEC	1	0	0%	2	2	100%
Avg.	57	2	4%	59	25	42%

Remarks : (1) = Number of complaint received

(2) = Number of complaint rejected

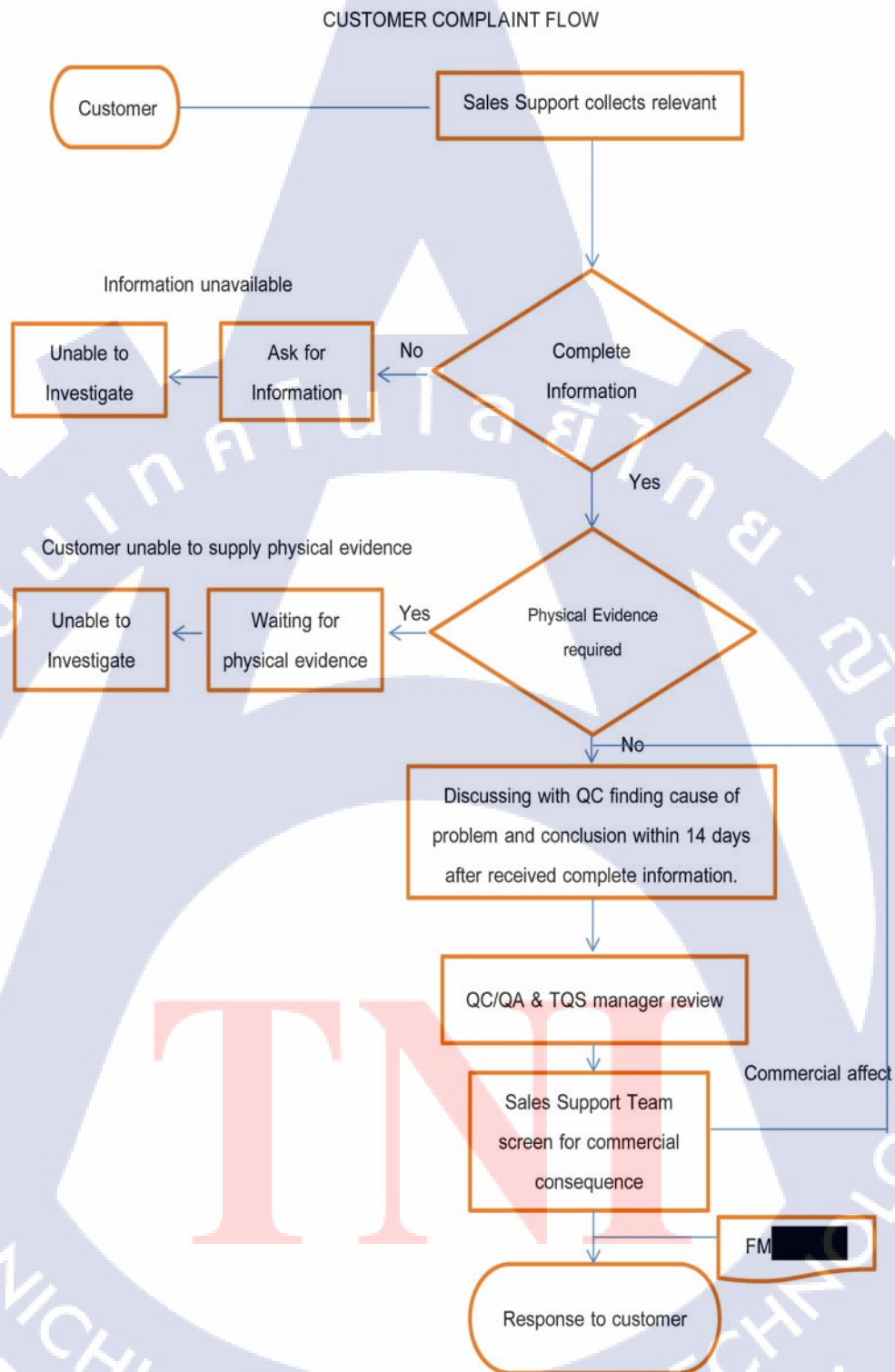


Figure 24 Complaint Screening Decision Flowchart.

CR division also responsible for complying shipping document set. The new process flows rely on timely pull-concept rather than previous push-concept. Each type of documents will be requested on specific time with a signal “start” warning stating the deadline to submit. Using shared database and template minimized document verifying process, eliminating redundant process and limit the area of mistake. This enabled the unit to achieve shipping document submission within two working days as an average, a greatly improved from previous record of 8 working days.

Table 13 Delivery Shipping Document Performances: 2014-2016

Delivery Shipping Document performance : Comparison 2014-2016									
	2014			2015			2016		
KPI = 70%	<sup>(1)</sup> 10 DAYS			<sup>(1)</sup> 10 DAYS			<sup>(1)</sup> 10 DAYS		
MONTH	Total SD	Error Count <sup>(2)</sup>	%	Total SD	Error Count <sup>(2)</sup>	%	Total SD	Error Count <sup>(2)</sup>	%
JAN	45	20	56%	53	28	47%	66	45	32%
FEB	43	12	72%	64	32	50%	61	42	31%
MAR	54	26	52%	75	45	40%	83	50	40%
APR	54	38	30%	69	60	13%	64	51	20%
MAY	70	39	44%	75	45	40%	70	47	33%
JUN	49	21	57%	58	39	33%	69	24	65%
JUL	56	23	59%	65	39	40%	33	5	85%
AUG	56	27	52%	66	41	38%	50	3	94%
SEP	62	40	35%	71	52	27%	88	0	100%
OCT	57	33	42%	76	58	24%	72	0	100%
NOV	51	38	25%	66	60	9%	79	0	100%
DEC	56	40	29%	87	75	14%	82	0	100%
Avg.	653	357	45%	825	574	30%	817	267	67%
Remarks : (1) = Delivery Period allowance									
(2) = Count of non-conformance (over 10 days)									

Delivery Shipping Document performance is refers to days taken to assemble shipping document set and deliver to account team from Estimate Time of vessel Departure (ETD)

CR division has been trained to arrange customers and auditor visit preparation. This new system helps auditee team to be informed for preparation guideline enabling increase in auditor responsiveness and facilitate to smooth the visit program.

Overall customer satisfaction has increase dramatically. Annual customer satisfaction survey was sent to customers after New Year to ask for evaluation. The result is shown in below table.

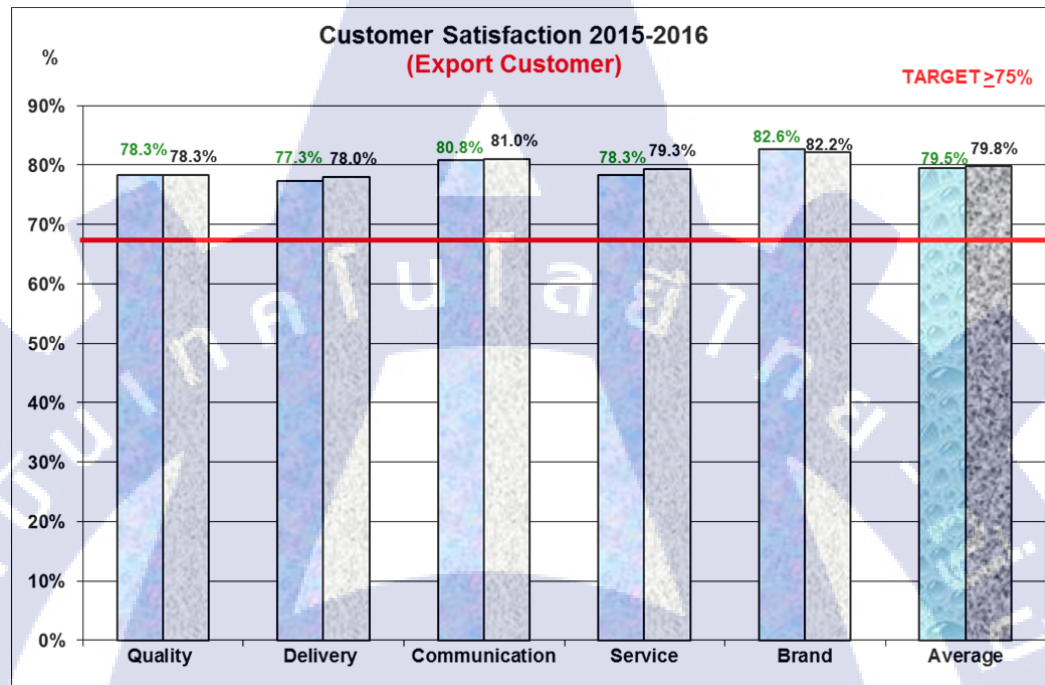


Figure 25 Customer Satisfaction 2015-2016

Database division, in collaboration with other division, acts as central management of internal commercial information. Using Microsoft Excel as tool, a new database and templates required have been set up to reduce reliability on human skill and reduce processing time for paperwork. All documents issued are using information from single database source. With appropriate and up-to-date templates, this sharing information allows error-proof system to activate effectively. Issuing shipping document set process achieved over 99 percent accuracy, increased from 52 percent in previous system. Doing things right at first time is key achievement and greatly reduce verifying process.

Table 14 Issuing Invoice Count: Comparison 2014-2016

Issuing Invoice Count: Comparison 2014-2016									
	2014			2015			2016		
	Number of Invoice Issued			Number of Invoice Issued <sup>(1)</sup>			Number of Invoice Issued <sup>(1)</sup>		
MONTH	Count <sup>(1)</sup>	Count <sup>(2)</sup>	%	Count <sup>(1)</sup>	Count <sup>(2)</sup>	%	Count <sup>(1)</sup>	Count <sup>(2)</sup>	%
JAN	80	35	44%	110	57	52%	68	2	3%
FEB	83	40	48%	119	55	46%	62	1	2%
MAR	101	47	47%	160	85	53%	83	0	0%
APR	120	66	55%	142	73	51%	67	3	4%
MAY	102	32	31%	163	88	54%	70	0	0%
JUN	86	37	43%	103	45	44%	69	0	0%
JUL	97	41	42%	103	38	37%	33	0	0%
AUG	79	23	29%	123	57	46%	50	0	0%
SEP	130	68	52%	152	81	53%	88	0	0%
OCT	103	46	45%	142	66	46%	72	0	0%
NOV	89	38	43%	99	33	33%	79	0	0%
DEC	121	65	54%	161	74	46%	83	1	1%
Avg.	1191	538	45%	1577	752	48%	824	7	1%
Remarks : (1) = Number of invoice issued									
(2) = Number of invoice cancelled due to mishandling									

Consolidate all different sources of information into single database platform. Standardization will be most suitable for integrating all incoming and outgoing information and develop into new own format. Information input restriction and automated format would support channeling of information into appropriate location. Converting most forms into template and synchronized information aiming very least human involvement result in great mistake reduction. Invoice, Packing List, Health certificate, Sales contract, Advised shipment, Booking Confirmation, Visiting Schedule and many other forms and notification were connected and notification alert when any change occurred.

Table 15 L/C Discrepancy Performance: Comparison 2014-2016

L/C Discrepancy Performance: Comparison 2014-2016												
	2014				2015				2016			
KPI = 2%	<sup>(1)</sup> Discrepancy = 0			REMARK	<sup>(1)</sup> Discrepancy = 0			REMARK	<sup>(1)</sup> Discrepancy = 0			REMARK
MONTH	Total L/C	Count <sup>(2)</sup>	%		Total L/C	Count <sup>(2)</sup>	%		Total L/C	Count <sup>(2)</sup>	%	
JAN	10	0	0%		5	0	0%		17	0	0%	
FEB	7	1	14%	LC Expired	9	1	11%	Description mistake	12	1	8%	Short load
MAR	25	1	4%	Wrong lot number	14	0	0%		14	1	7%	Short load
APR	14	0	0%		20	2	10%	Short load	8	0	0%	
MAY	22	1	5%	Description mistake	7	0	0%		9	0	0%	
JUN	17	1	6%	Description mistake	7	1	14%	Description mistake	10	0	0%	
JUL	16	0	0%		5	0	0%		8	0	0%	
AUG	17	1	6%	LC Expired	5	1	20%	LC Expired	12	0	0%	
SEP	23	2	9%	LC Expired	16	0	0%		15	0	0%	
OCT	19	1	5%	LC Expired	19	2	11%	LC Expired	17	0	0%	
NOV	10	0	0%		21	1	5%	LC Expired	20	0	0%	
DEC	18	2	11%	Description mistake	40	1	3%	LC Expired	11	0	0%	
Avg.	198	10	5.05%		168	9	5.36%		153	2	1.31%	
Remarks : (1) = Discrepancy allowance												
(2) = Count of non-conformance												

Payment collection was redesign from manually follow up by email to automatic follow up notifications. Payment reminder is set 3 days prior due date. Payment Outstanding will be send after midnight of due date, Thailand time zone. And Payment Overdue will be send every 3 days after due date. In any case customers have not settle payment within 15 days after due date, more aggressive follow up procedure apply. This strictly follow-up system results in following table.

Table 16 Summary of Interest Paid Due to Customer's Late Payment

Interest Paid due to Customers' late payment	Amount (THB)	Change
2015	1,078,907.97	-
2016	588,920.41	-45.4%

Establishing this system also allows team to formulate sales and performance reports which eventually developed into sales strategy for sales team to consider. As

this system require main responsible, a firm position has to be assigned to ensure the information is updated dynamically.

In additional, Database division was assigned to responsible for customs procedure for both export and import. One of the measurable performances was the conversation of tax-refund product to duty drawback under 19 BIS. Over 89 formulas had been approved during this exercise, round off to 70 percent of formula available. Duty drawback under 19 BIS offer 2 percent tax refund while norm tax refund, the previous practice, only offer 0.06 percent.

Table 17 Tax Refund Comparison 2014-2016

	19 BIS		Norm Tax Refund		Total	
Year	THB	Change	THB	Change	THB	Change
2014	3,624,224		753,079		4,377,304	
2015	4,589,628	26.6%	686,722	-8.8%	5,276,350	20.5%
2016	7,697,895	67.7%	469,748	-31.6%	8,167,643	54.8%

With much effort on setting up new systematic approach, working environment has been gradually changed. Relying more on systematic workflow, automatic generate notification and emails, minimized human input information and using database as central source of information; overtime working hours from average of 67.6 hours per month was reduced to 28.5 hours per month and maintaining as new level.

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#### 4.6 Conclusion

Restructuring of After Sales Service unit was successive to an extent. The new structure supports process-centered operation rather than people-centered operation. The kick-off meeting was conducted in January 2016. All changes from January 2016 were result of restructuring exercise. However there was no establishment of timeframe limitation and potential of improvement is still at sight the exercise may precede on next phase as continuous process improvement rather than another restructuring exercise.

Change requires new mindset which leads to employee engagement issue. Strong leadership skill was the key to direct and keep focus on objectives. Intermediate interaction was sufficiently to earn employee's trust as too much will create uneasiness and too less will create uncertainty. Transparent communication and clear command promote close productive working relationship within the unit. On-going feedback is encouraged to weight for consideration and support progress as plan.

In return, three of After Sales Service unit were promote to superior level and all have been acknowledged for their job performance and upheld by co-workers. As workflow is more systematic and unit members are sufficiently educated on relevant knowledge, work results are significantly improved. Work overload is rarely happen. Unit members have clear understanding of their roles and responsibility, furthermore, able to support peer's work to a certain extend. All unit members agreed that new working environment results in better work quality and extended to their living quality.

Table 18 Change of Management Before and After Restructuring

Before Restructuring	After Restructuring
Coordinator	➔ Facilitator
Communicate	➔ Relation management
Work daily basis	➔ Systematic flow
People-oriented	➔ Process-oriented
Data recording	➔ Data implication
Follower(Customer/Supplier)	➔ Leverage, Take lead
Amateur exporter	➔ Professional exporter



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