



Transformation of Finance Role in Public Sector – A JTC Perspective

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Catalysts of Change

Global Volatility & Uncertainty are Changing the Way Businesses are Run

Labour costs could soar by up to 20% in some sectors

Firms will feel pain of higher foreign worker levies and tight labour market

PUBLISHED ON JAN 1, 2014 8:55 AM



While firms may feel the pressure, workers can expect wage increases this year. With low unemployment, potential nominal wage growth of around 4 to 5 per cent and inflation expected to stabilise at around 2 to 3 per cent this year, real wage growth is on the cards for the man in the street, said OCBC economist Selena Ling. -- ST PHOTO: KEVIN LIM



STPROPERTY

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Industrial

Global economic uncertainty casts pall on industrial property

S'pore also expected to face competition from Iskandar soon, says Knight Frank

The Business Times - October 10, 2013
By: Kalpana Rashiwala

Like 2

KNIGHT Frank has presented a cautious picture for Singapore's industrial property market, citing policies that could restrain its growth. At the same time, the Republic is expected to face competition from Iskandar Malaysia in retaining and attracting industrial space users in the near future.

Although Singapore government initiatives such as the ratification of various free trade agreements have helped to

Increase in supply: Competition from

NEWS



How Competitive is the Singapore Industrial Property Market?

CCS has received feedback that the business community has faced sharp increases in industrial property prices and rentals in recent years. The concerns were that these increases were caused by the growing presence of REITs in the industrial property market, and/or private property players' acquisitions of industrial properties that were previously owned by JTC. CCS then carried out a market study on this market, with inputs from Colliers International. The findings of the market study are summarised below.

BRICS set up bank to counter Western hold on global finances

BY ALONSO SOTO AND ANTHONY BOADLE

FORTALEZA Brazil | Wed Jul 16, 2014 4:56am IST

A More Informed & Discerning Public has Raised “Bar” for Accountability & Transparency

Change mindset to curb rising health-care costs in Singapore

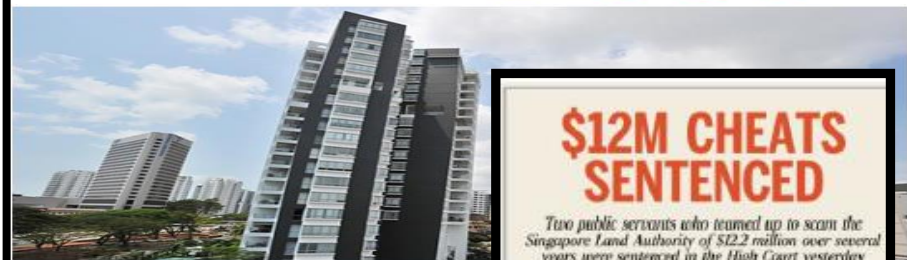


By 2030, almost one million people will be 65 years and older, more than double the number today.
 Tuesday, Mar 18, 2014

Singapore Budget 2014: Too early to relax property cooling measures, says DPM Tharman

PUBLISHED ON FEB 21, 2014 4:00 PM

483 77 0 2



The Government will continue to monitor the real estate market. Deputy Prime Minister and Finance Minister Tharman Shanmugaratnam said at a press conference on Tuesday.

\$12M CHEATS SENTENCED

Two public servants who teamed up to scam the Singapore Land Authority of \$12.2 million over several years were sentenced in the High Court yesterday.

ST Breaking News / Singapore ST Index 3,093.84 Singapore 24°C

Home > Breaking News > Story

Ex-SCDF chief Peter Lim found guilty of corruption

Channel NewsAsia NEWS TV WATCH LIVE Tue, Mar 18 2014

SINGAPORE

Former CPIB assistant director jailed 10 years

Former assistant director of the Corrupt Practices Investigation Bureau Edwin Yeo Seow Hong, has been sentenced to 10 years in jail for misappropriating more than S\$1.75 million and committing forgery.

POSTED: 20 Feb 2014 18:07

RELATED CONTENTS: Lawyers in CPIB assistant director's case to meet

PHOTO: SINGAPORE POLICE FORCE

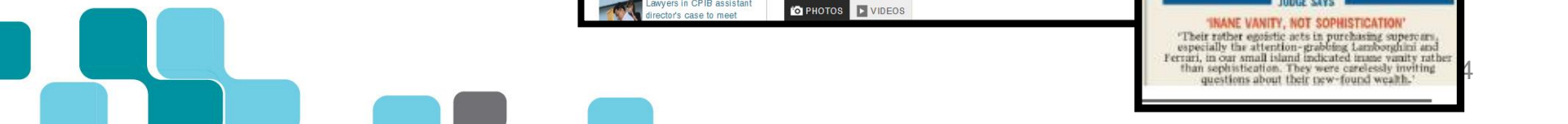
22 YEARS
KOH SEAH WEE, 41, former deputy director of the Singapore Land Authority's technology and internet security department, played the lead role. He did the money he took into bank accounts of relatives, invested in property, used trusts and the stock market, and bought a Lamborghini sports car, two Mercedes-Benz cars, luxury watches and designer handbags.

15 YEARS
LIM CHAI MENG, 38, a manager and Koh's subordinate, also bought private property and deposited money in the bank accounts of his relatives. He bought several cars, including a 1999 Cooper, Audi coupe, Porsche Cayman and Ferrari.

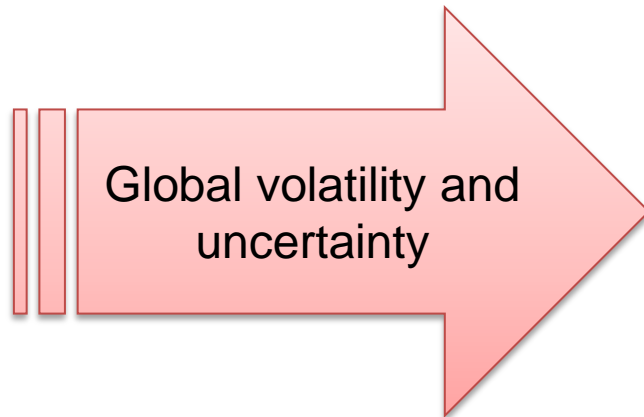
JUDGE SAYS

'SHAME VANITY, NOT SOPHISTICATION'

"Their rather egotistic acts in purchasing supercars, especially the attention-grabbing Lamborghini and Ferrari, in our small island indicated shame vanity rather than sophistication. They were carelessly inviting questions about their new-found wealth."



Catalysts of Change Drive **Finance Transformation**



Greater need for:
Business partnering
Competency development and specialisation





Moving Up the Finance Value Chain

Traditional Roles of Finance

Steward
Establishes and maintains systems and processes for effective and efficient management of financial resources

Analyst

Analytics

Planning & Control

Reporting

Financial Operations

Steward

Risk Management

Internal Control

Traditional Roles of Finance

Analyst
Enhances management's decision-making and resource allocation through advanced analytics and planning tools

Analyst

Analytics

Planning & Control

Reporting

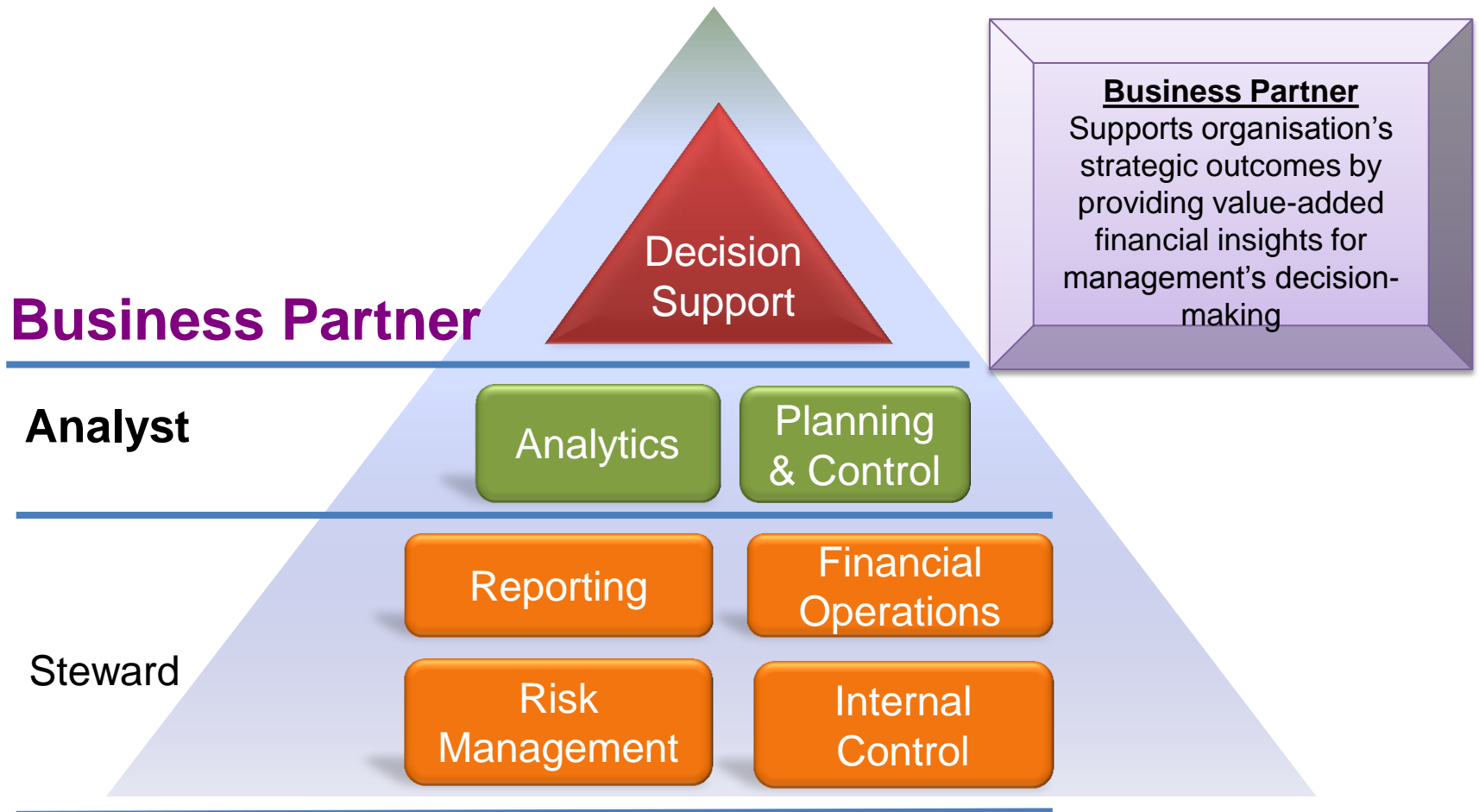
Financial Operations

Steward

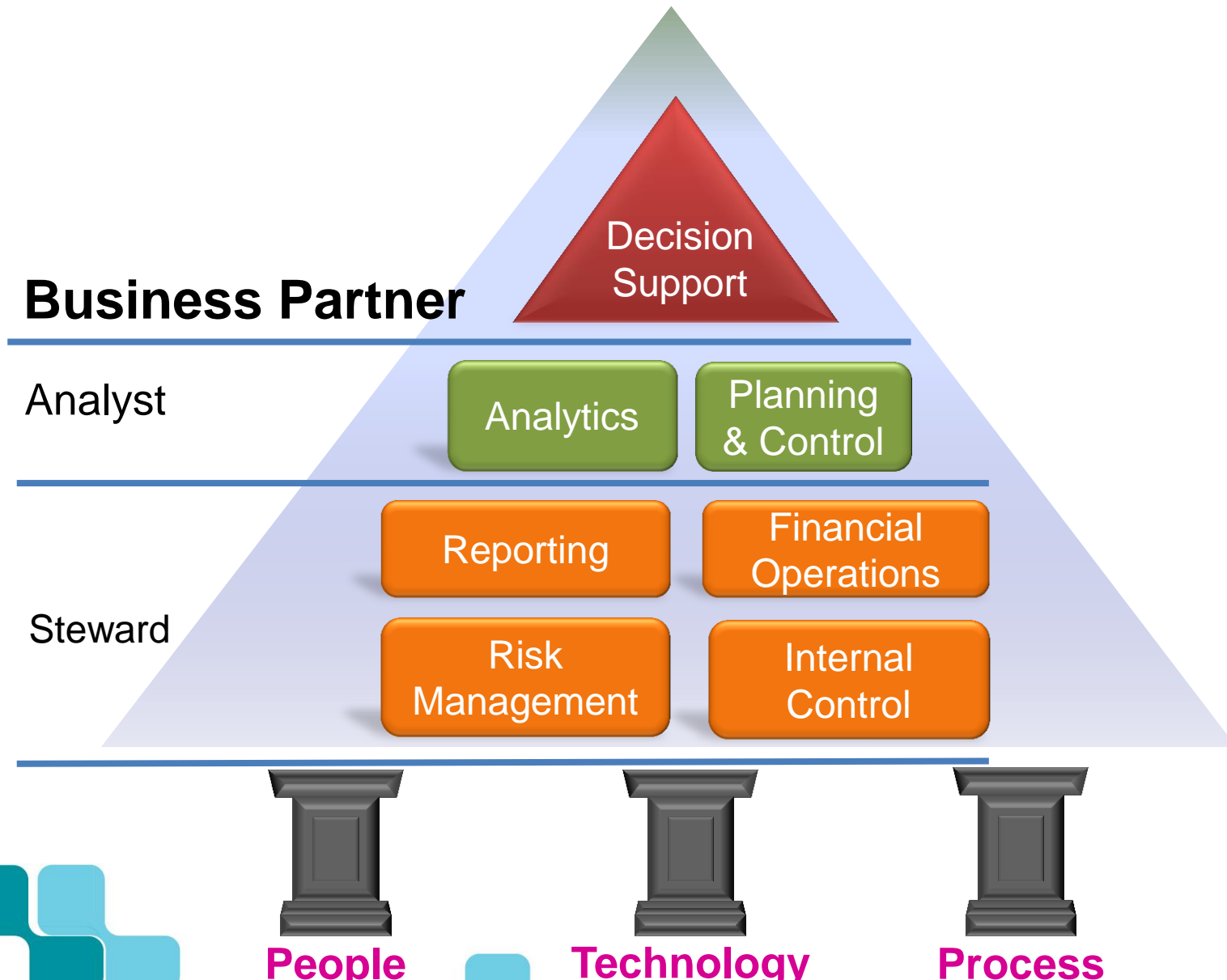
Risk Management

Internal Control

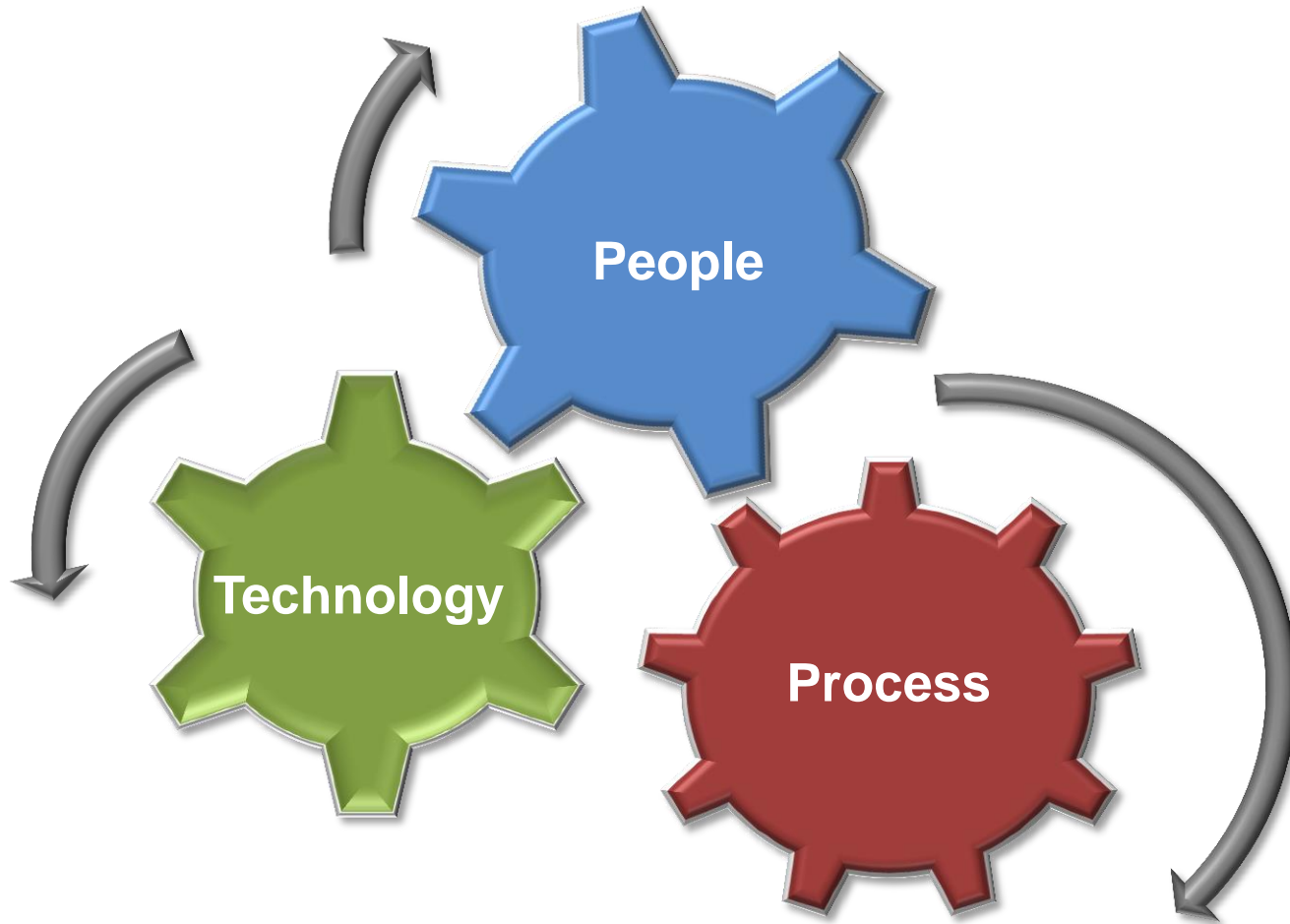
Evolving to Add Value to **Business Decision-making**



The 3 Pillars of Transformation



The 3 Enablers



A decorative graphic on the left side of the page, composed of numerous overlapping squares in various shades of teal, dark green, white, and grey, arranged in a pattern that tapers to the right.

A JTC Perspective

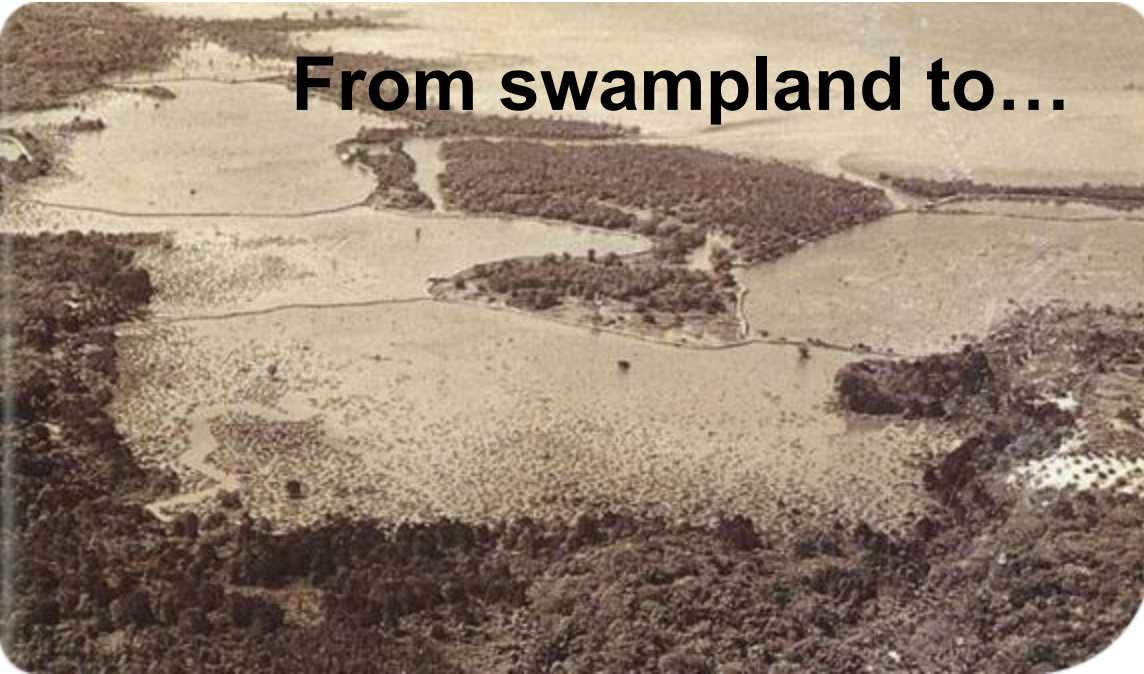
Our role: Developer of innovative and specialised industrial infrastructure solutions in support of Singapore's economic advancement

- Incorporated in 1968
- 5th schedule statutory board
- Annual revenue of S\$1.6B
- Total assets of S\$20B
- 5,100 customers



Our Early Beginnings...

From swampland to...



industrial township



1960s - 1970s

Labour-Skills Intensive Economy



Prepared Industrial Land



Standard Factories



Flatted Factories

1980s - 1990s

Capital-Technology Intensive Economy



Ramp-Up Factory



Wafer Fab Park



International Business Park



Tuas Biomedical Park



Jurong Island

2000s

Knowledge-Innovation Intensive Economy



Fusionopolis @ one-north

Fusionopolis

CleanTech Park

Seletar Aerospace Park

Biopolis @ one-north

Jurong Rock Caverns

Mediapolis @ one-north

Effecting the JTC Transformation

1 People

Engaging and enabling

2 Technology

Pushing boundaries

3 Process

Balancing efficiency and control

1 People

Engaging and enabling

2 Technology

Pushing boundaries

3 Process

Balancing efficiency and control

Developing Our People



Developing competencies

- General
- Functional

Building business knowledge

- Stakeholder engagement
- Cross-divisional projects
- Sharing sessions

Building Foundational Skills

Formation of JTC Academy to:

- Equip new hires & HODs with relevant fundamental skills
- Promote engagement to facilitate integration



Developing Functional Competencies through a Finance Competency Framework



CORE VALUES

Teamwork

Integrity

Innovativeness

Customer Focus

LEADERSHIP COMPETENCIES

Envisioning the Future

Initiating & Managing Change

Energising & Inspiring

Results Orientation

Building Knowledge Culture

FUNCTIONAL COMPETENCIES

Common Functional Competencies

Engaging & Influencing Internal Customers, Partners & Stakeholders

Building Industry Knowledge

Financial Policy & Process Reviews

Financial Advisory

Functional Competencies

Financial Modelling

Managing Accounts Receivables & Payables

Managing Register of Fixed Assets

Enterprise Risk Management

Investment & Capital Management

Financial Reporting

Business Analytics

Fund & Budget Management

Engaging Our Stakeholders for Effective Business Partnering



- Established channel of support for each business group
- Proactive participation in various decision-making platforms

Cross-Divisional Projects & Sharing Sessions Provide Opportunities to Build Business Knowledge



Seletar Aerospace Park



Jurong Rock Caverns



Surface Engineering Hub

1 People

Engaging and enabling

2 Technology

Pushing boundaries

3 Process

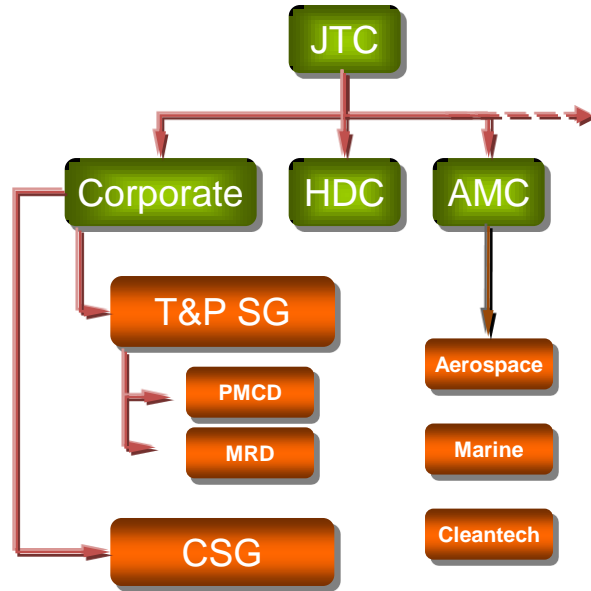
Balancing efficiency and control

Leveraging on Cutting-edge Technology

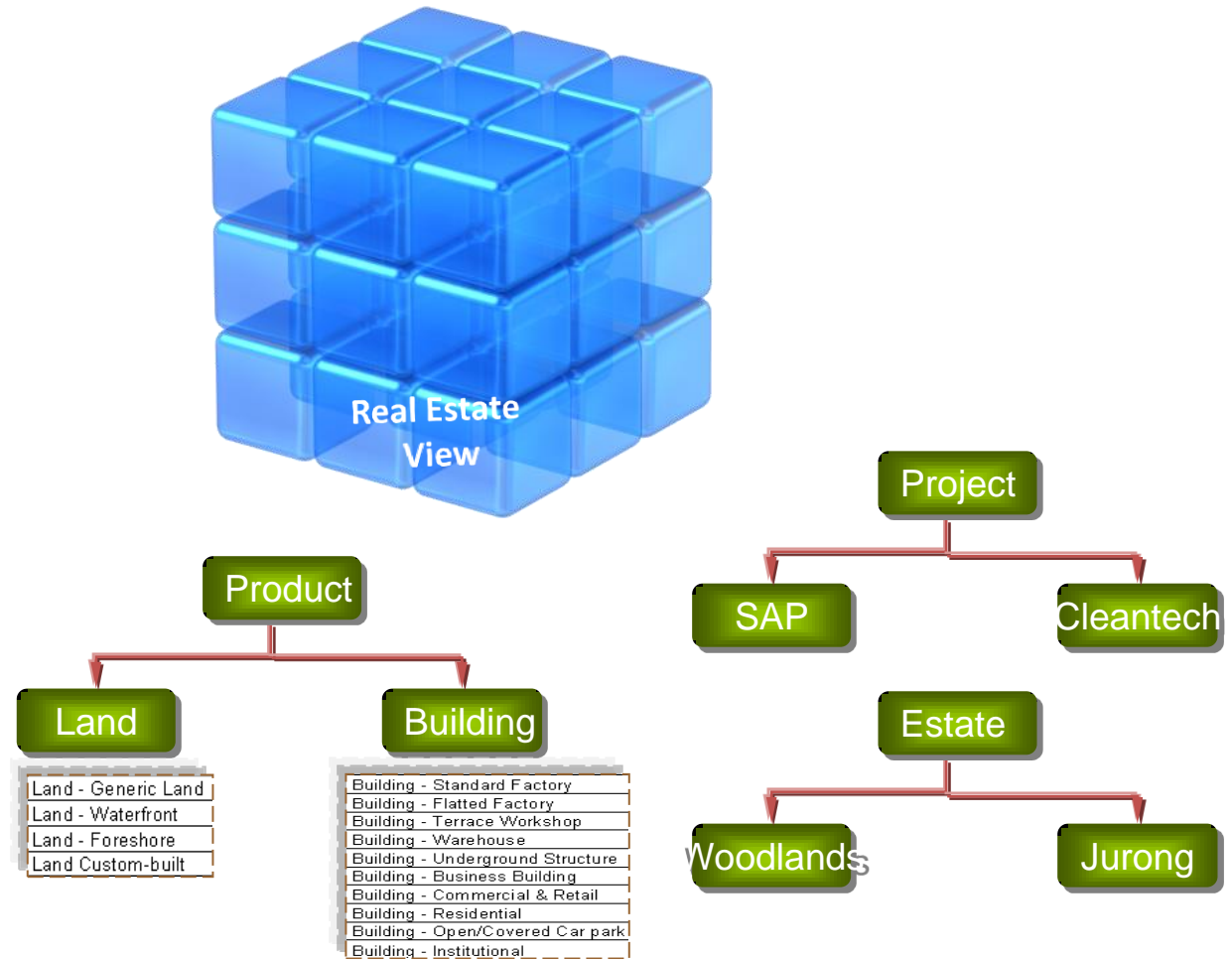
- Multi-dimensional enterprise resource planning on SAP platform
- Data analytics – business intelligence & forensic analytics
- Forecasting and budgeting system



Development of a Multi-dimensional Enterprise Resource Planning system on SAP platform



Development of a Multi-dimensional Enterprise Resource Planning system on SAP platform

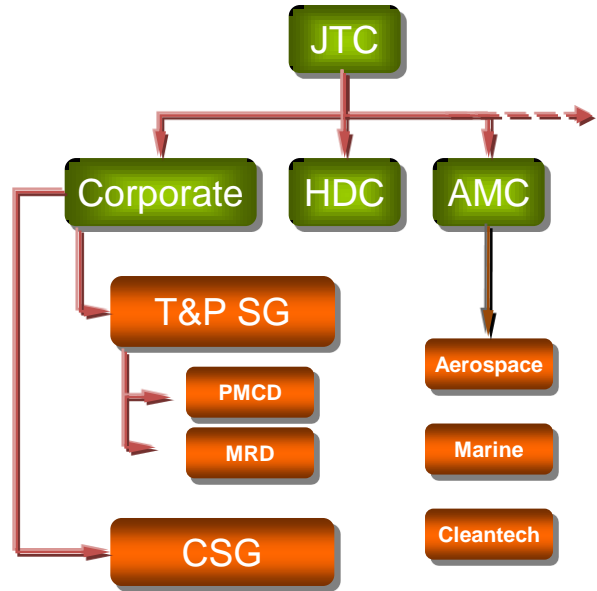


Development of a Multi-dimensional Enterprise Resource Planning system on SAP platform

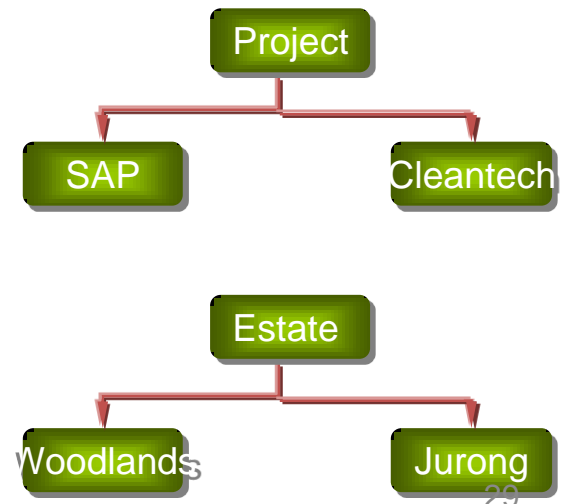
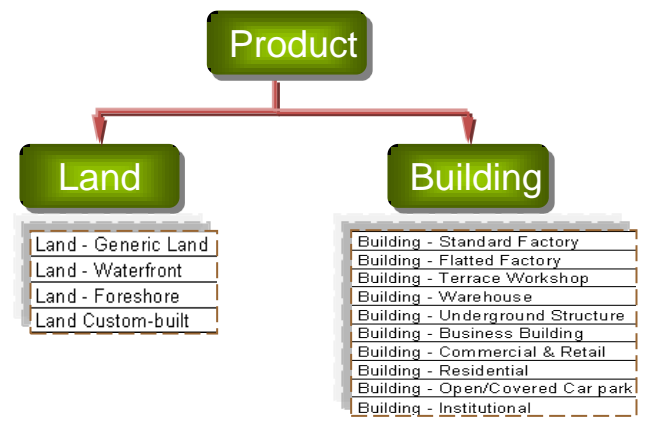


**Budget vs.
Actual**

Development of a Multi-dimensional Enterprise Resource Planning system on SAP platform



Budget vs. Actual



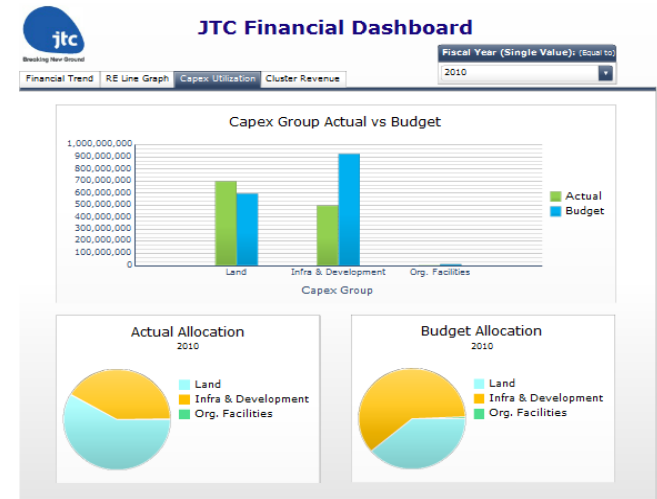
Data Analytics as a Management Tool

(1) Business analytics

- Creation of data warehouse to leverage on business intelligence

(2) Forensics analytics

- To scan voluminous data and identify anomalies & trends that might be indicative of:
 - ✗ Fraud / corruption
 - ✗ Errors
 - ✗ Process or control failure
 - ✗ Non-compliance with policies & procedures



Financial Forecasting to Enhance Decision-making

Financial planning and performance management system on SAP platform enables:

- (1) Financial simulation
- (2) Financial modelling



1 People

Engaging and enabling

2 Technology

Pushing boundaries

3 Process

Balancing efficiency and control

Business Process Re-engineering..

To simplify, streamline, and increase productivity

- ✓ Challenge current thinking to **identify user pain points**
- ✓ Identify opportunities to **reduce turnaround time & resources**
 - leverage on automation & system controls

Achievement of

- ✓ Substantial **savings in man-days**
- ✓ More **consistent** and **standardized** practices
- ✓ Improved **efficiency**

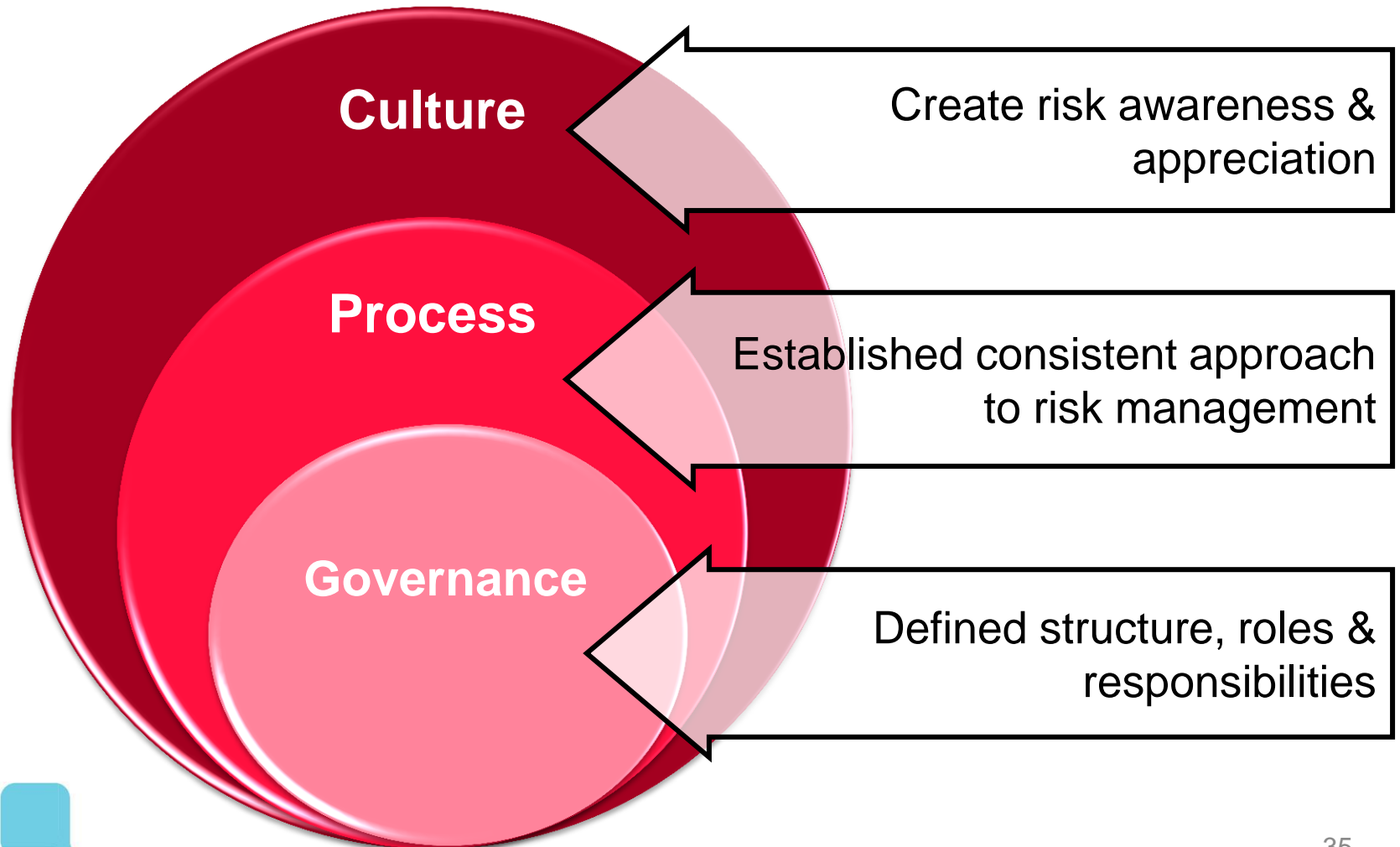


...While Ensuring Controls Remain Uncompromised

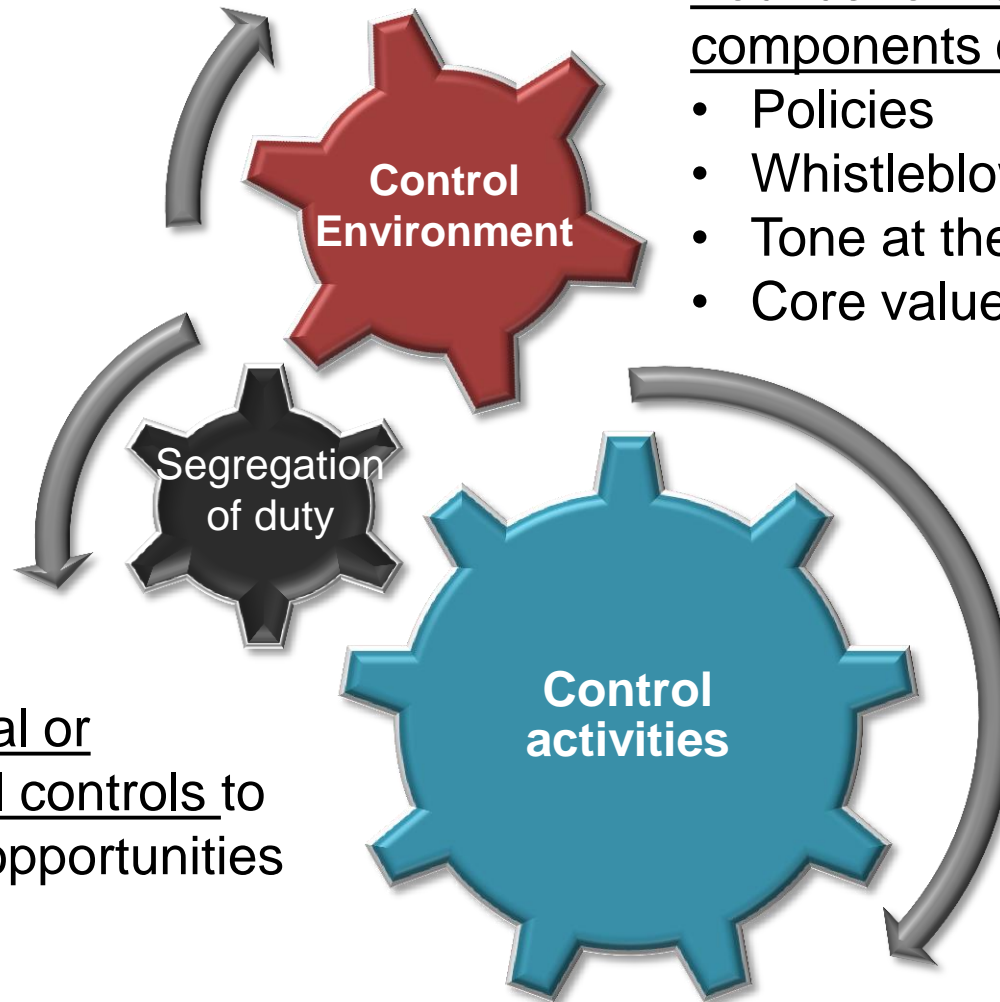
- **Assessing risks and controls** in tandem with process reviews
- **Oversight** by process OICs and owners of the changes
- **Closer scrutiny of the key non-systemised fraud controls**
- Identifying and assessing potential impact to **upstream & downstream stakeholders** in the event of process change



Maintaining Oversight of Risks & Controls Through Enterprise Risk Management



Tackling Fraud Through Internal Controls



Foundation for all other components of internal control

- Policies
- Whistleblower policy
- Tone at the top
- Core values

Operational or procedural controls to minimise opportunities for Fraud

Overcoming Our Challenges...

✓ Changing mind sets

- Leverage on MOF's initiatives to set the tone from the top
- Building competencies

✓ Attracting and retaining talent

- Enhanced & accelerated career progression path
- Competitive remuneration



And Reaping the Benefits...

Finance transformation leads to:

- Better quality decision making
- Long term financial sustainability
- Higher productivity
- Greater oversight and governance



Continuing Our Journey...

Developing our people, leveraging technology & re-engineering processes will continue to help JTC achieve its mission





Thank you



Resource

Savings from Process Reviews & Streamlining

- Approx 174 man-months saved – estimated as of Feb'14
- 800 headcount



[Extract from Process Comm's presentation to PPD on 21 Feb'14]

Overview of Process Improvements in JTC

Cluster	Processes	Review Completed	Eliminated	Status Quo	Improved	Savings (tangible)	Ongoing	Target Completion
SPD	19	19	4	13	2	7.5 man-days	0	-
LFLC	0	-	-	-	-	na	-	-
PECC	0	-	-	-	-	na	-	-
AMC	1	1	1 (transferred to CPPD)	-	-	na	0	-
BCC	2	-	0	-	-	-	2	TBA
EIM	0	-	-	-	-	na	-	-
NHC	9	5	3	0	2	9 man-mths	4	31 Mar 14
FED	17	17	0	11	6	75 man-mths (with FEMS)	0	-
Total	48	42	8	24	10	84 man-mths	6	

[Extract from Process Comm's presentation to PPD on 21 Feb'14]

Overview of Process Improvements in JTC

Div	Process	Review Completed	Eliminated	Status Quo	Improved	Savings (tangible)	Ongoing Review	Target Completion
PMCD	75	74	40	-	34	62.6 man-mths	1	Mar 14
LPD	31	31	5	19	7	3.4 man-days	-	-
EPD	12	10	6	0	4	11.2 man-days	2	Mar 14
HRD	27	24	0	20	4	4.4 man-days	3	Jul 14
FND	65	46	15	3	28	19 man-mths	19	Aug 14
AAD	2	2	0	0	2	0	-	-
CMD	10	10	5	4	1	10 man-days	-	-
ITD	59	47	29	0	18	1.9 man-mths	12	Mar 14
CPPD	46	42	25	0	17	3.1 man-mths	4	Sep 14
MPD	23	22	17	0	5	9.9 man-mths	1	Mar 15
CIM	11	11	4	5	2	1 man-mths	-	-
LGL	5	1	1	0	0	0	4	Oct 14
Total	366	320	147	51	122	90 man-mths	46	44