

CATEGORIES OF RECOGNITION

No	Categories of Recognition	Description of the categories
1	INNOVATION RECOGNITION AWARD	Creation of an innovative technology, product or service which has led to improvements in services or products.
2	TRANSFORMATION RECOGNITION AWARD	A practice that has resulted in improvement in the overall effectiveness, efficiency, and success of the organization.
3	CUSTOMER SERVICE RECOGNITION AWARD	Organizations that have implemented successful customer service strategies which are able to meet customers' expectations in terms of delivery and quality of service.
4	STRATEGIC COMMUNICATION RECOGNITION AWARD	Organizations that have pushed the boundaries when it comes to their communications strategy in order to ensure they truly engage with their members using various communication channels.
5	INFORMATION TECHNOLOGY RECOGNITION AWARD	Organizations that run their business using effective and reliable technologies that are essential to drive efficiency and productivity, and improve organizational outcomes and performance.
6	INSURANCE COVERAGE RECOGNITION AWARD	Insurance and social security schemes that have developed their proposition with a clear focus on retirement, health and meeting members' needs.
7	FINANCIAL LITERACY RECOGNITION AWARD	Organizations that have introduced and provide advisory services on financial literacy and retirement planning to address issues on adequacy of members' savings for retirement.

WRITE UP TEMPLATE

CATEGORY	:	INNOVATION RECOGNITION AWARD
ORGANIZATION	:	SOCOSO ORGANISATION (SOCOSO), MALAYSIA
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NAME OF PROJECT	:	SOCOSO PROCUREMENT MANUAL (SPM) (MANUAL PEROLEHAN PERKESO - MPP)
OBJECTIVE AND NATURE OF PROJECT	:	<p>1. Since its inception, SOCOSO was compelled to refer to the Ministry of Finance (MoF) on all procurement processes. This is because SOCOSO does not have its own guideline on the procurement procedure.</p> <p>2. Effective from 13 January 2016, SOCOSO's procurement procedure has been transformed following its transformation initiatives. SOCOSO has obtained approval from the MoF to empower SOCOSO to fully manage and monitor its own procurement procedure which led to the birth of SOCOSO Procurement Manual. The SOCOSO Procurement Manual has transformed SOCOSO's productivity by virtue of the increment in procurements volume and as such, services to internal customers and insured persons are more efficient, speedier and effective. These initiatives are in line with SOCOSO Strategic Plan 2016 – 2020 which support the 3rd Core of SOCOSO's Action Plan under the 8th initiative, which is to transform SOCOSO's procurement.</p> <p>3. To ensure the efficiency and effectiveness of service delivery to its customers, SOCOSO has established its Procurement Division in March 2016.</p> <p>4. The objective of the Procurement Division are as follows:</p> <ul style="list-style-type: none"> i. to manage the procurement process and supply base efficiently, effectively and speedier; ii. to provide efficient and effective services to external customers (insured persons) and internal customers; iii. to develop integrated purchasing strategies that support the organizational strategies, vision and mission; iv. to promote alternative and multiple sourcing through supplier/vendor development in accordance to the aspirations and vision of SOCOSO. v. to stimulate and encourage the growth and development of local industries through the optimal usage of local resources and materials;
WHY IT SHOULD BE RECOGNISED	:	1. This project, which involves the establishment of SOCOSO Procurement Manual along with the Procurement Division, has made the organization more efficient and effective in term of average number of days taken to process all the procurement applications regardless of the number of applications received in any particular year.

QUOTATION AND TENDER

2. Before the year 2016, which was before SOCSO has its own SPM, the number of applications received for quotation procurement and tender procurement and the average number of days to process them are as follows:

	2014	2015	2016
QUOTATION			
Number of application	69	75	83
Average number of days to process	60 days	61 days	50 days
Percentage improved		8.7%	18.0%
TENDER			
Number of application	15	12	19
Average number of days to process	109 days	143 days	78 days
Percentage improved		1.7%	9.8%

3. Annually, the Procurement Division received a variety of quotation and tender applications which includes to fulfil the needs of our external customers mainly the insured persons.

4. From the Table above, we can see a significant improvement in number of days taken for the quotation and tender processes.

5. As for the **quotation process**, despite the increase in the volume of application received from the year 2014 to 2016, there is an improvement in the average number of days taken to complete the procurement applications by 8.7% and 18.0% in 2015 and 2016, respectively.

6. As for **tender process**, despite the increase in the volume of application received from the year 2014 to 2016, there is a significant improvement in the average number of days taken to complete the procurement applications, by 1.7% and 9.8% in 2015 and 2016, respectively.

7. The improvement in the average number of days taken to process the procurement shows that SOCSO has increased its productivity effectively, efficiently and speedier in delivering the services to its customers. It also means that SOCSO efficiency has improved tremendously and obviously to the delight of its stakeholders.

DIRECT NEGOTIATION

8. The table below shows the number of applications received for direct negotiation procurement and the average number of days taken to complete the process:

	2014	2015	2016
DIRECT NEGOTIATION			
Number of application	10	17	44
Average number of days to process	81 days	135 days	80 days
Percentage improved		66.7%	40.7%

9. The Table above indicates that despite the increase in the volume of application received from the year 2014 to 2016, there is improvement in average number of days taken to complete the direct negotiation procurement applications by 66.7% and 40.7% in 2015 and 2016, respectively.
10. The direct negotiation process has also helped SOCSO to reduce the procurement cost. This is because in direct negotiation procurement, there is a Direct Negotiation Committee which will negotiate with the appointed vendor. Among the negotiation terms of reference is to negotiate the price offered, scope of works and deliveries, warranty and so forth.

DIRECT PURCHASE

11. The table below shows the number of applications received for direct purchase procurement and the average number of days taken to process it:

	2014	2015	2016
DIRECT PURCHASE			
Number of application	2,352	2,383	2,588
Average number of days to process	10 days	9 days	3 days
Percentage improved		10%	66.7%

12. As for direct purchase procurement, despite the increase in the volume of application received from the year 2014 to 2016, there is a significant improvement in the average number of days taken to process the procurement applications, by 10% and 66.7% in 2015 and 2016, respectively.
13. Annually, the Procurement Division received thousands of direct purchase applications which involved the need to purchase implant for the insured persons. This procurement represents about 30.9% of total direct purchase applications. Procurement Division has shown tremendous improvement in processing the direct purchase application especially the procurement of implants for the insured persons due to fast decision and efficiency.
14. The faster process of direct purchase will ensure speedy delivery of implant to the insured person need to go for operations.

SUMMARY OF THE PROJECT

: The establishment of SOCSO Procurement Manual is indeed making the procurement process in SOCSO more focus, efficient, effective and speedier. This was supported by the establishment of Procurement Division which specialized in processing all procurement applications for SOCSO. There are currently four (4) main sections in the Division, which are Tender Section, Quotation Section, Direct Purchase Section, and Direct Negotiation Section with a total of 21 staff. This transformation has shown tremendous improvement on our service delivery to our stakeholders.