

# Ready, Set... NTUC SEs Strike Out Against Slump



By Nicolette Yeo

Last year, NTUC Social Enterprises' "Did Good" in the battle against a tough economic adversary - high inflation costs. This year, they face the mother of all monetary monsters - the world global crisis.

But far from putting up the white flag, the SEs have teamed together to fight back harder and smarter with strategies inspired by NTUC Secretary-General Lim Swee Say's football approach to surviving the crisis: Mid-field - strive for zero retrenchment; Offence - grow social enterprises' capabilities; Defence - avoid record unemployment; and Medic - care for workers and their families.

Here is a summary of the efforts to upturn the downturn:

## Strive For Zero Retrenchment

Maintaining jobs is key in these times. And despite the challenging climate, all 12 SEs will be working towards a goal of 100 per cent job retention.

One way to avoid retrenchment is to make the business profitable to maintain the workforce, and NTUC FairPrice has done a good job in this respect. Their strategy to sharpen prices, sell what the customers want and make the shopping experience a pleasant one for customers has netted them an impressive 20 per cent increase in sales, making them the industry leader with more than 50 per cent market share.

## Growing Social Enterprises' Capabilities

An important part of growing capabilities is creating jobs, and SEs like NTUC First Campus, NTUC FairPrice, NTUC Healthcare and NTUC Foodfare are paving the way by mounting their operations and hire more people.

As of today, NTUC FairPrice has hired 300 new staff to man two new outlets, with an estimated 200 more to be employed by the end of this year to cope with four more outlet openings; 660 staff will be added to the payroll by NTUC First Campus this year to accommodate the increase of 30 childcare centres by 2010; and NTUC Healthcare and NTUC Foodfare's additions of 13 outlets will fill even more positions by the end of the year.

The SEs will also be heeding SG Lim's suggestions to upgrade workers' skills, productivity and service quality to better position workers when the economy upturns.

NTUC LearningHub's plan to double Skills Programme for Upgrading and Resilience training places from 90,000 to 180,000 will help workers acquire skills to do their existing jobs better and allow jobseekers to gain enhanced employment, while NTUC FairPrice's decision to invest \$40 million to upgrade stores and systems will not only serve to enhance staff



Smiles All Round... If you love teaching children, NTUC First Campus is the place to be.

productivity, but also boost the shopping experience for customers. In total, a whopping 8,150 or 68 per cent of SE employees will benefit from a variety of training programmes, including the Customer-Centric Initiative training which raises service standards overall.

Expanding businesses will also mean a good opportunity for fresh graduates, retrenched Professionals, Managers, Executives and Technicians (PMETs) considering a career change to move into growth industries. For example, Income's aim to achieve the number one position in life, health and general insurance within the next three years should make the insurance industry more attractive. Likewise, NTUC First Campus' plan to offer competitive remunerations, career and professional development for an early childhood profession will help draw people keen to make a difference.

## Avoid Record Unemployment

In expanding their operations, the SEs, who collectively employ 11,500 people will make a



Doubling Up... NTUC LearningHub will train twice as many workers.

big impact on the employment front. In truth, they will create over 1,100 opportunities for Singaporeans or a significant increase of 10 per cent of their workforce, with positions for rank and file workers, PMETs, fresh graduates, older workers and back-to-work women.

The recent NTUC SEs Job Fair held at NTUC's e2i (Employment and Employability Institute) last month marks the start of their year-long plan to recruit more people into their fold.

## Caring for Workers And Their Families

On a social level, the SEs are showing their caring and sharing side with a slew of new initiatives to help needy workers and their families maintain their standard of life.

By far, the biggest "helper" is Income, who is offering free health insurance upgrade from Medishield to an enhanced one-year Higher Incomeshield Plan for children of union members aged 16 and below. This covers costs resulting from quarantine in hospitals or government designated centres - a good move considering the current Influenza A (H1N1) outbreak. Additionally, it has also started a \$6 million Incomeshield Assistance Scheme to pay out insurance premiums for lower income and elderly policyholders, so they will not lose out on any benefits in the future.

An additional \$4.05 million, part of the \$10.66 million contributed to the Labour Movement U

Care Fund, will also be channeled into (a) making childcare and family recreation affordable with NTUC First Campus' Bright Horizon Trust Fund and NTUC Club's Family Recreational Fund and (b) offering subsidies to the elderly with NTUC Eldercare Trust.

To help workers make ends meet on a daily basis, many of the inflation-friendly discounts and offers unveiled last year by the SEs will also be extended. Examples include NTUC FairPrice's 5 per cent discount on housebrand items, lower or equally priced basket of 400 essential items and yellow dot scheme for 25 per cent cheaper items; and NTUC Foodfare's 5 + 5 per cent elderly discount and sale of \$1.40 breakfast sets (till March 2010). Going the extra mile is NTUC Healthcare, who has doubled its basket of essential items to 200 as well as its LinkPoints earned for union members on Thursdays.



Going All The Way... NTUC FairPrice will retain and recruit more staff.

## What Was Done In 2008

The \$76 million spent by SEs last year went to making goods and services more affordable for union members and Singaporeans. The majority (\$43.1 million) helped to stretch their dollar day-to-day via concessions from the various SEs, such as FairPrice's 5 per cent discount on housebrand items, U Stretch vouchers for groceries, transport and utilities, and rebates and discounts for union members and customers.

More savings for the public came in the form of \$15.3 million LinkPoints to union members and \$9.9 million GST absorption. Down-and-out Singaporeans also benefited from the \$7.7 million given to SE funds and charitable causes, including the Bright Horizon Trust Fund, Eldercare Trust Fund, Family Recreation Fund, Back-to-School, Community Chest and the Singapore Children's Society.



"NTUC LearningHub will be doubling our SPUR training capacity to cater to the anticipated surge in demand for SPUR training, fuelled largely by the Labour Movement's push to upgrade our workers' skills during this downturn. Our new location at Winstedt Road, Mountbatten and NTUC Trade Union House (due in September) will be bringing in more than 50 additional classrooms to support SPUR. Besides introducing these new centres by year's end, NTUC LearningHub will double the space at its present training centre in TradeHub 21 in Boon Lay Way. The extra space means it can train twice as many workers every month - 15,000 instead of 7,500."

NTUC LearningHub Chief Executive Officer Zee Yoong Kang



"As a Social Enterprise, NTUC Income remains committed to its social purpose to make essential insurance affordable, accessible and sustainable for all Singaporeans. As a member of the NTUC family, NTUC Income acknowledges the Labour Movement's key role in helping workers tide over this economic downturn. Through this offer to NTUC members, we hope to play our part in helping them cope with cost of living, particularly in relation to large hospital bills for their children."

NTUC Income Chief Executive Tan Suee Chieh



NTUC First Campus Chief Executive Officer Chan Tee Seng



"During this downturn, all 12 NTUC SEs made a firm commitment to strive for zero retrenchment. Furthermore, the NTUC SEs continue to invest to expand their operations and target to create over 1,100 employment opportunities for Singaporeans, including rank and file workers, PMETs, fresh graduates, older workers, and women back to the workforce. Recognising the need to grow their capabilities to prepare for the upturn, the NTUC SEs also seized the opportunity to upgrade their workers' skills and improve service quality. As part of their efforts to Upturn the Downturn, the 12 NTUC SEs also collectively contributed \$10.66 million to the U Care Fund, which is 80 per cent more than what was donated in 2008."

Adeline Sum, NTUC Director of Group Development and Singapore Labour Foundation Chief Executive Officer



"These are difficult economic times, both globally and in Singapore. As an NTUC Social Enterprise, we realise the importance of a job to each individual in our company, and we value the contribution of each employee. Hence, we continue to have a policy of zero retrenchment for this year. At the same time, we are committed to doing more to help the community at large. Thus far, our sales continue to be strong and we are on track with our expansion plans. For 2009, we have already opened two new stores and expect to open another four new stores in the course of the year. We will, accordingly, be employing a few hundred new staff. One of the stores will be at City Square Mall. This will be an eco-friendly supermarket with a slew of green features. We have also completed the rollout for a new CRM system, which helps track customer feedback more efficiently, and are in the process of upgrading our IT systems. We continue to invest in training and skills upgrading for our existing staff. As a retailer which aims to serve our customers with quality products, great value and excellent customer service, these expansion plans will solidify our position at the forefront of supermarket retailing in Singapore."

NTUC FairPrice Managing Director (Group Business) Seah Kian Peng