

Insights



ALIGNING LOSS-PREVENTION WITH RISK-BASED BUSINESS PROCESSES

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Organizations have an obligation to provide stakeholders with a safe and secure working environment. This obligation can be achieved by a security strategy which consists of comprehensive policies and procedures, a competent loss-prevention team, a risk-based monitoring and surveillance system.

However, a lack of a loss-prevention strategy is evident in risk assessments recently conducted at a number of sites. Some organizations have global policies mandated by headquarters that are not adequately localized to address local issues and temperament. It is exactly the absence of strategy both on the client and service provider sides that presents a huge challenge to bring loss-prevention services to a higher plane and to address basic security issues and identified risks. The facility manager's awareness and understanding of these assessments are crucial to driving innovation to add value to services and meet business objectives.

Now the question is bringing the loss-prevention services to the next level in line with the established security business processes and maintaining them according to industrial best practices.

Give priority to loss-prevention

Occupational Health and Safety (OHS) is always a key concern in most organizations. However, security, particularly the loss-prevention aspect of it, can be lower on their priority list although millions from the operating budget is spent on electronic security technology and security guards.

The measurements and metrics in the delivery of security services and the analysis of its impact on loss-prevention could highlight the value of security on business continuity and justify the expenditures. If security and safety risks are not identified, analyzed and rated, it is difficult to objectively address them. That is why some managers try to compensate for the unknown by overspending to cover the entire facility with technologies and devices.

The absence of the same measurements and metrics presents challenges for managers to establish or sustain a loss-prevention strategy. They often rely heavily on vendors who are intended to sell many features of their products. Others may see the process beyond their capability and simply ignore the issue and put it at the lowest priority.

Don't give any opportunity to risk

A major incident such as a fire or a chemical spill at one site could seriously impact the lives or the businesses of those connected to the organization such as employees, contractors, suppliers and clients. Oftentimes, such incidents are immediately dismissed as accidents and a potential security issue is often ignored.

Take for example the incident in a factory somewhere in China where an unhappy employee protested for not receiving the desired compensation after the termination of his employment. The employee did not get what he wanted, so he later managed to re-enter the factory and set fire; completely destroying it and killing some of the trapped employees. It appeared the risk was not identified and assessed, the access to the site was not adequately controlled, and safety policies were not in place or not adequately implemented to prevent the fire from spreading quickly and to safely evacuate employees. Lives could have been saved and the business did not need to be closed down.

A simple loss-prevention strategy would have made a difference. Once priorities are set right, one does not have to wait for such an incident to happen.

Conduct risk assessment as a starting point

Security risk-assessment as part of a loss-prevention management strategy is the starting point. It eliminates most of the guesswork. An assessment of general and particular security/safety risks conducted according to an established standard, shall allow for identification of risks in their proper context, analyze, rate and treat them adequately in the most cost-effective manner.

Risk assessment is an important step and central to risk management. It is important to note that there are two steps before one can analyze the risks. The first step is establishing or knowing what is at risk and the context in which the risk assessment is being conducted. The second step is to identify the risks, focused on covering quantitative and qualitative measurements, on calculating the possibility of a risk to upscale an incident. Risk analysis is followed by a risk rating step where decisions are made on the level of response to those risks. The risks are treated by identifying different counter measures and selecting the best and cost effective response that would either remove the risk or mitigate it. **S**



News Flash

NEWS FLASH

Sodexo News

- ◆ Sodexo ranks top in 2013 Dow Jones Sustainability Indexes for 9th consecutive year
- ◆ Sodexo named one of China's Best Outsourcing MNCs, ranking 4th among all 20 multinational outsourcing companies in China and 1st in its area – food and facilities management services
- ◆ Sodexo was recognized by DiversityInc as the No.1 company on its 2013 top 50 companies for diversity list for the second time in four years
- ◆ Sodexo reduced the lost time injury severity rate by more than 50% over the past 12 months (September 2012 to August 2013)

Key Indicators

- ◆ **Human Resources**
The amendment to Labor Contract Law becomes effective on July 1, 2013. The employment of dispatching was clarified and will be under a strict controlling
- ◆ **Consumer Price Index**
+3.2% year-on-year growth in October
- ◆ **Food Cost**
+6.5% year-on-year growth in October (vegetable +31.5%, poultry and egg +5.8%, aquatic product +6.4%, grain +3.8%)



SODEXO WELLNESS: PIONEERING CORPORATE WELLNESS IN CHINA

The stress of modern living, rising healthcare costs, and the growing trend towards more corporate responsibility are three factors that explain the development in wellness programs around the world. In addition, in China, the on-going talent war and the recent wage inflation are making corporate wellness programs look increasingly attractive to Chinese employers eager to retain and satisfy staff.

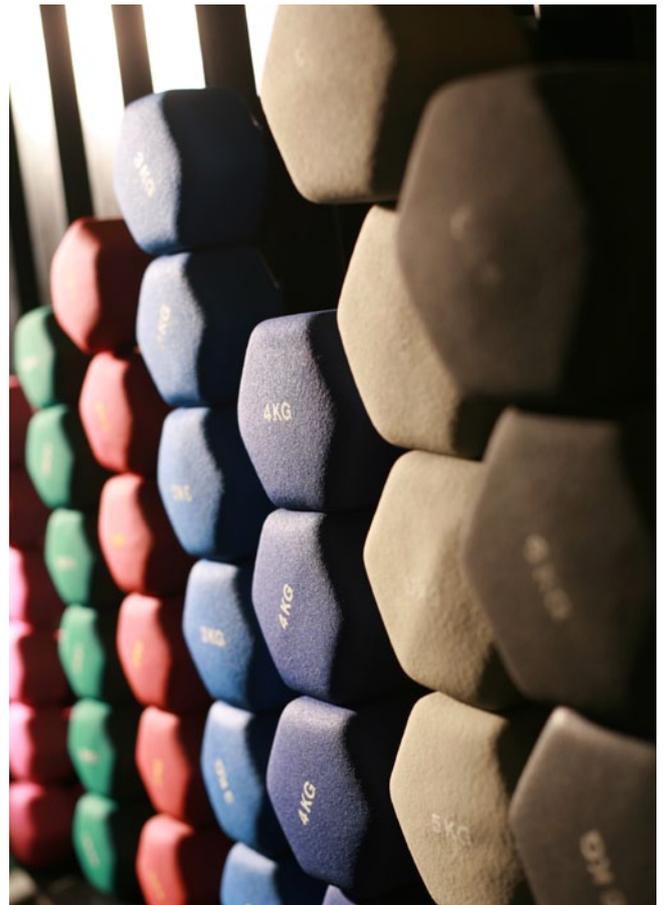
Pioneering the concept of corporate wellness in the country, Sodexo has developed a wellness offer that includes consulting, designing, marketing and managing programs and services, all of which are aligned with Sodexo's core values as established in the Better Tomorrow Plan. Sodexo established the China wellness business team in June 2010, although the story really begins in 2008 with Sodexo's Wellness program for Nokia, the first of its kind.

Raising employee satisfaction at NOKIA

In December 2007, when NOKIA opened its China's new headquarter in Beijing's BDA district, there were a few gyms in existence at other companies. But nothing like the holistic, fully-integrated wellness program that Sodexo designed specially for NOKIA. "Wellness" aims to empower NOKIA employees to adopt a healthy lifestyle through innovative programming, services and facilities. The holistic approach is as effective as it is innovative: after the launch of "Wellness", overall NOKIA staff satisfaction grew from 84% to 98%!

Welcome to Nokia Beijing

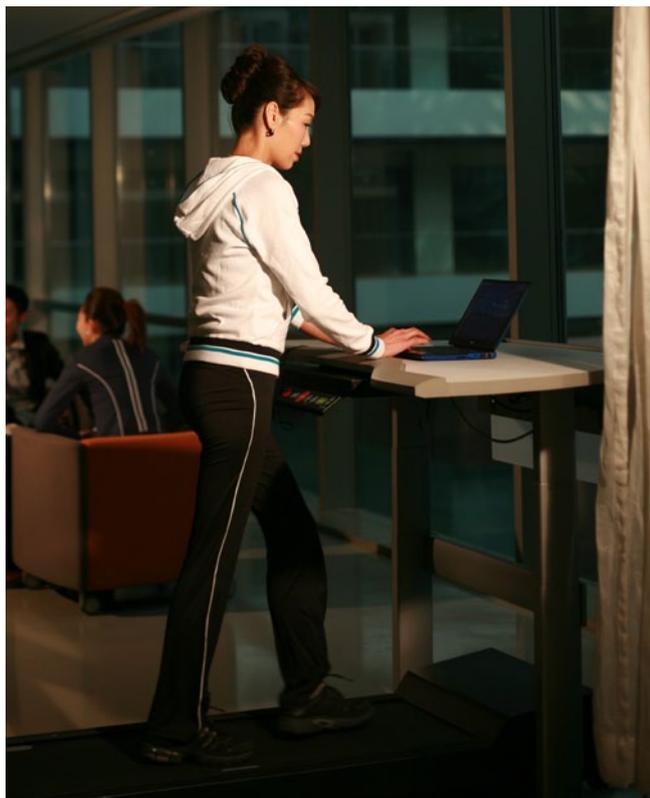
The Hub: NOKIA's wellness center offers massage, Chinese holistic therapies, beauty and hair treatments and meditation/jet lag rooms for short rest breaks. Employee favorites at the Hub are easily the Massage and Chinese therapy services (60%), followed by the Meditation Lounge (28%) and Salon services (12%).



The Gym: a state-of-the-art fitness center which offers complimentary physical assessments and basic fitness programs. For more specialized fitness needs, professional coaches are available for personal training sessions.

The gym boasts equipment like treadmills, cross-trainers and strength machines, plus a group exercise program that includes yoga, dance, kickboxing and Pilates - even hot yoga is available.

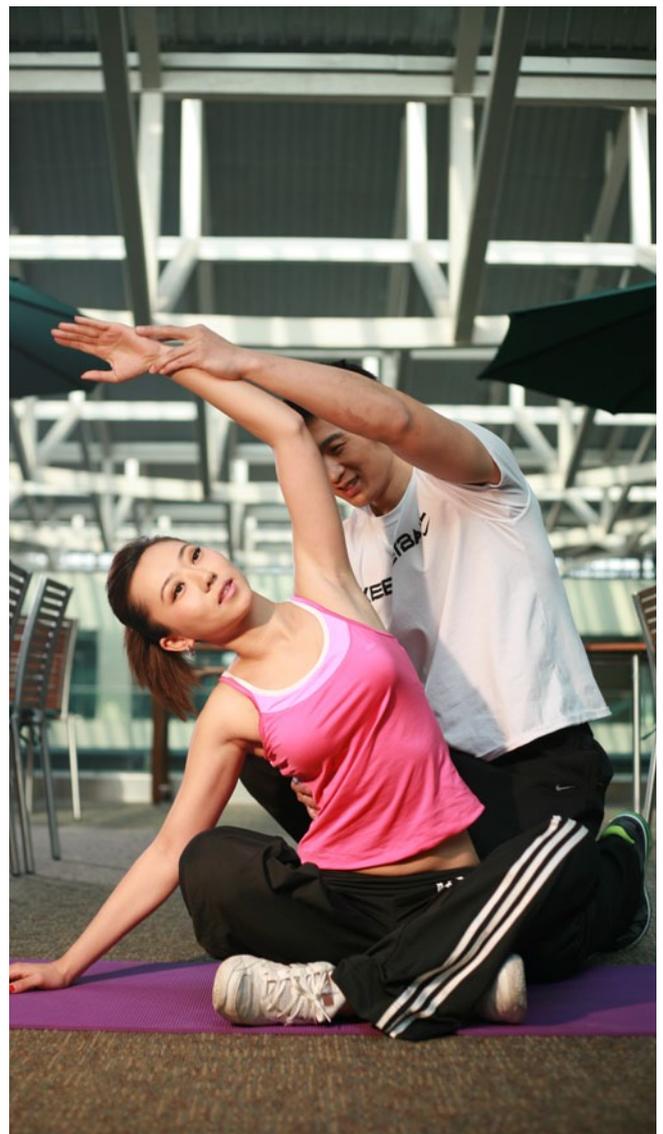
Two years after opening, 78% of employees have used the gym and its services. And the wellness team is so convinced of the benefits of regular exercise, that if employees forget their gear, the company will happily equip them.



Floor Recreation: On most floors, there are creative ways to take a break and add some activity into the work day. Games like billiards and table tennis encourage employees to brainstorm differently, or just step away from their computers now and then. If they need to stay connected, the innovative “Walkstation” - a desk treadmill, allows you to walk while you work - enables the workers, and the company, to maintain healthy practices.

Wellness Activity Program: This program is a diverse mix of interesting and entertaining workshops, seminars and events that educate, excite and engage NOKIA employees to adopt healthy work and lifestyle practices. One example is “Wellness Mommy”, a series of baby care and pre and post-natal care programs that offer support to working mothers.

Lifestyle Coaching: a first in China, and created especially for NOKIA, lifestyle coaches encourage NOKIA employees to embrace healthy work and lifestyle practices. It starts with a simple questionnaire and physical assessment followed by recommendations to improve quality of life both in and outside of the workplace. 





ENSURING EXCELLENCE THROUGH STRICT COMPLIANCE WITH PROCESS MANAGEMENT

ISO9001:2008 Quality Management System Certification for
GlaxoSmithKline (China) Research Center Site

Background

GlaxoSmithKline (GSK) is a world-leading pharmaceutical company. It has always relied on its technical prowess to engage in research and development of new medicines for the betterment of mankind. As such, it possesses one of the largest R&D systems in the pharmaceutical industry. It produces 4 billion boxes of drugs yearly and sells them to all parts of the world.

Sodexo's collaboration with GSK has been a long-standing one, with the company providing facilities management services to the latter's 20-plus sites worldwide. At the end of 2011 Sodexo began applying for ISO9001:2008 quality management system certification for the 18 GSK's sites, culminating in their successful accreditation in February the following year. However, to maintain such a prestigious status, those sites would be required to adhere to the standards and continuously seek improvement. Thus in April 2013 GSK (China) Research Center site underwent – on behalf of the company's 18 sites globally – professional audits by the authoritative third-party authentication company Société Générale de Surveillance (SGS).

Challenge

It is never an easy thing for any global initiatives to be carried out at local level. Thus the primary task for Wang Lei, Sodexo China's Quality Director, is to figure out how Sodexo's global quality management framework can be applied to the Chinese sites and become implementable processes and systems that adapt to local needs and personnel qualities.

“ISO9001:2008 is a standardized international management system. Being able to obtain certification under such a framework is an endorsement of Sodexo's business management. We had little worries after we engaged Sodexo to manage our facilities. This has enabled us to improve our management efficiency and core business competitiveness.”

Harry Chen, Associate Director, Site Management GSK China

To Sodexo's management team for the GSK research center site, the greatest challenge was with respect to communication. The majority of front-line workers found the ISO quality management system to be an alien concept. It was therefore far from easy for them to recognize and accept the value of process management.

Similarly it was a remarkable task, to say the least, to ask each member of the site's management team and front-line workers to thoroughly implement the standardized processes. They were in fact asked to convert abstract understanding of the concept of quality management into specific and real operating steps.

Solution

Wang Lei is a holder of Six Sigma Black Belt qualification (there are currently less than 100 such experts in China). Using their professional knowledge and extraordinary efforts, he and his team of Sodexo experts took 3 months to compile management documents for 23 processes that met the requirements of ISO9001:2008 quality management system.

“The establishment of an ISO-compliant quality management system will significantly help the Sodexo team to control the results through process management.” During initial training, Wang Lei had repeatedly stressed to the core team of the site the importance of standardized process management. Intensive training helped the front-line to gain an understanding of the quality management system as well as recognition of the essential nature of process management.

Many of the front-line workers had limited educational level. As such they often relied on their own experience with respect to their operation. The managers and service supervisors at the site had to repeatedly emphasize the operation standards and correct the errors at work. They were also required to demand that the front-line employees repeat the processes in order to foster their memory. It was only by repeating the process innumerable times before that all Sodexo employees on site were able to completely comply with the ISO standard.

One of the first things to do with respect to continuous improvement is self-examination. Sodexo took the initiative to deal with problems relating to third-party management and control that were discovered during initial internal audit, by ensuring that third-party operating processes and reporting results were regularly monitored and recorded. This had the effect of helping third-party vendors to improve their work processes and habits. Take pest control for example. Sodexo's team required the vendor to provide annual and monthly action plans. It also convened bi-weekly meetings to ensure strict control of the volume and frequency of pesticides used and the delineation of key sections. The team also thoroughly examined each report submitted by vendors and provided feedback on their findings. As a result of Sodexo's initiatives, the vendors have improved their practice.



They began with work without reports, and when they did so their reports had to be improved. Eventually they themselves took the initiative to submit high-quality reports. Amazingly, the transformation in quality was achieved within 3 months – The client's employees no longer had any issue with respect to pest control.

Benefits & Results

- ◆ External audit for ISO9001:2008 certification by SGS was passed on April 12, 2013. The results indicated that there were no major, serious or even minor non-compliances;
- ◆ A complete set of ISO-compliant management documents including those for 23 processes, was established;
- ◆ Daily average number of staff taking meals improved by over 20% since March 2012;
- ◆ Average stock inventory management cost was reduced by 4% on a year-to-year basis since the first half of 2013;
- ◆ Monthly complaint rate for client's mail reception and distribution room was controlled to within 1%;
- ◆ Improvement of management process for third-party pest control, with 'zero' occasion of complaints after only 3 months. 

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