

## Executive Summary

This field study project is focused on a key issue identified Octal SAOC FZC which is a large scale manufacturing company located in Sultanate of Oman. The company comes under packaging material industry according to its final products. The company is into the production of PolyEthylene Terephthalate (PET) Resin and Sheet that are mainly used as the raw material in the packaging industry. The company records \$ 655Mn average revenue per annum (2016-2018) in contrast it recorded sales rejections amounting 1.67Mn per annum (2016-2018). This project is to recognize the root causes of the sales rejection issue in Octal and provide viable solutions to reduce the sales rejections by 50% from the existing level. The problem is evaluated in terms of value, volume and number of customers complain and found that the problem has a significant impact on the company's revenue, performance and customer reliability.

After the initial review with the concerned managers in Octal, an in-depth analysis was carried out by using historical data pertains to customer rejections under the current situation analysis. And, it was followed by the SWOT analysis that revealed strengths, weaknesses, opportunities, and Threats.

Subsequently, the literature review was done covering the areas that were highlighted in cause-and-effect analysis in such a way that resolves the problem. It mainly defined the study framework consists of quality management, performance management, and training and development. Thereby, adequate theoretical underpinning in relation to the problem was examined and illustrated in order to understand the problem better, build solutions and make strong recommendations towards resolving the problem. Simultaneously, four key areas were recognized as project components.

The key objectives of the project were to carry out a current situation analysis to identify the main root causes of sales rejections, to reduce sales rejections by 50% from the existing level of annual rejections within six months (current level average \$1,6Mn per annum), to improve quality control approaches to bring down the sales rejections by 50% in six months, to ensure that all employees have technical and soft skills by conducting 6 training programs within 3 months to eliminate root causes identified in project component 1 depicted in figure 4.1 within six months leading to reduce sales rejections by 50%, and to define a performance management

system consists of Key Performance Indicators (KPIs), performance management cycle, performance review, performance-based incentive scheme, and skills gap analysis within six months.

Moreover, root causes revealed in the cause-and-effect analysis are discussed and solutions were developed to eliminate the causes under each project component. As such, root causes such as lack of silicone, film breaking, poor maintenance, irregular quality checking, black specks/marks, poor quality control processes and lack of visibility are contributing towards sales rejections under quality management perspective. Likewise, lack of performance review, lack of smart KPIs and lack of rewards are falling under performance management perspective that contributed to the problem. Similarly, root causes like wrong data entry, lack of training, poor provision for training and development and lack of knowledge come under training and development perspective.

Subsequently, solutions were developed under each project component in order to eliminate the root causes. Solutions under quality management include analyze the existing control process, analyze past sale rejection data, develop new quality control process, etc. Solutions such as set KPIs to measure the performance, develop performance review cycle, conduct performance evaluation, rate and classify employees based on employee performance and define incentive scheme are developed under a performance management component. Solutions were developed to address training and development issues include defining objectives, identifying skill deficiencies and assess training needs, developing training programs and conducting training programs

The project team was defined resources were allocated accordingly. All activities were budgeted and the total budget of the project was \$313,028 for six months. Reducing sales rejection and cost-saving from the project is projected at about \$ 644,000 for six months. Therefore, the financial benefit of the project is \$ 330,978.93 for six months. Moreover, the further recommendation in order to reduce sales rejections is given in Chapter 5. This project is to improve sales by reducing rejections which leads to improving customer reliability and overall performance of the company.