

# **Quality Delivery Service as a Strategy: Profile and Perspectives for Excellence achievement within OPRAG**

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## **Abstract**

The use of human experiments in operations management is still fairly novel despite a small stream of publications (Bendoly, Donohue and Schultz, 2005). Hence, this study was conducted with the ultimate interest of advancing research and knowledge in OM with an empirical contribution and, therefore, to foster the quick attainment of the goals set to OPRAG as a Port Authority in Gabon with a major challenge of modernisation of port facilities. The author attempts to share findings of this experience, particularly on how to elaborate, formulate and implement a winning strategy which will serve the pivot for and lead the OPRAG's management of operations to the excellence.

## **Keywords**

Talent Management, Operations Management, Quality, Balanced Score Card

### **1. Introduction**

Yuan and Chaochang (2009) speak about a management decision instrument running as a corporate performance measurement tool with an important role in transforming an organisation's mission and strategy into a balanced set of integrated performance measures. Tjader et al. (2014) think also of a tool which emphasises linking and aligning multiple measures to strategic objectives, and conceptualising the strategic alignment between business goals and specific tactics. This is going along with Larsen (2016) who evokes Business Strategy as a critical tool for analysing the competitive context in which a firm operates and for making informed recommendations for what actions it should take to gain competitive advantage. By the way, it appears clearly that updated business strategy is the tool that OPRAG need in order to successfully achieve the mission entrusted to this company.

### **2. Background**

Every strategy concerns how organisations or individuals can achieve certain goals by allocating appropriate resources to that aim (Larsen, 2016). Then emerges questions such as "where to compete?" (industry, country,

market, products) and answers to this question, according to Larsen (2016) entails how attractive the environment to compete in is. Another major question asked at this stage is “How to compete?” (position, resources, competitive advantage) and answers to this question entails how to make an optimal utilization of the resources and capabilities that a firm has. (Larsen, 2016). Larsen asserts furthermore that strategy is the mediation between the firm with its resources and capabilities (strengths and weaknesses) and industry environment with its challenges and opportunities (opportunities and threats).

This concept approach of Larsen should inspire the management of OPRAG to come up with an update and up running strategy focusing on quality delivery. A profile of OPRAG can easily be depicted from the ordinance/Law 022/2011 stating its creation as follows:

### 3. Profile of OPRAG

#### 3.1 Mission of OPRAG

- To assure the country of port’s facilities development, maintenance and modernisation;
- To look after the optimization of harbour utilisation by improving the port’s competitiveness
- To stay up for the free play of competition in the running of port’s activities ;
- To draw the list of activities to run along with the number of licenses and concessions to distribute;
- To prepare and implement procedures for licenses and conventions allocation;
- To watch over for the respect of their related terms and requirements;
- To control the application of safety, operation and port management rules as provided for by national and international law in force;
- To assure the port management;
- To organise and regulate the operation activities;
- To set the maximum price lists applicable within its harbor ward, after consulting the Minister in charge of Economy;
- Furthermore, to carry out all port operation activity not entrusted to any concessionaire.

#### 3.2 SWOT (Strength, Weakness, Opportunities, Threats) Analysis of OPRAG

Table 1. SWOT (Strength, Weakness, Opportunities, Threats) Analysis ofOPRAG

<b>Strength</b> <ul style="list-style-type: none"> <li>• The region enjoys good accessibility</li> <li>• Clearly defined boundaries due to geographical circumstances are considered as a strong point</li> <li>• Good accessibility of the area from the sea</li> <li>• Accommodates well developed nodes</li> <li>• Has access to private sector investment and exploitation</li> <li>• Climate relatively mild and pleasant</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>• Poor linkages to the inner of the country</li> <li>• Poorly developed public transport facilities, with insufficient rail services</li> <li>• Lack of residential dwellings and public services</li> <li>• Poor internal linkage and traffic congestion with limited access to quays</li> <li>• Absence of public safety</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>• The emerging open African market</li> <li>• The expansion of the china market entering all the countries in Africa</li> <li>• Awarded 2nd best African port in data management 2012-2014</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>• Insufficient number of local drivers</li> <li>• Traffic congestion could lead to “choking” of the ports and roads. This is causing the rising of prices due to quays stay charges and fees imposed to the importations.</li> </ul>

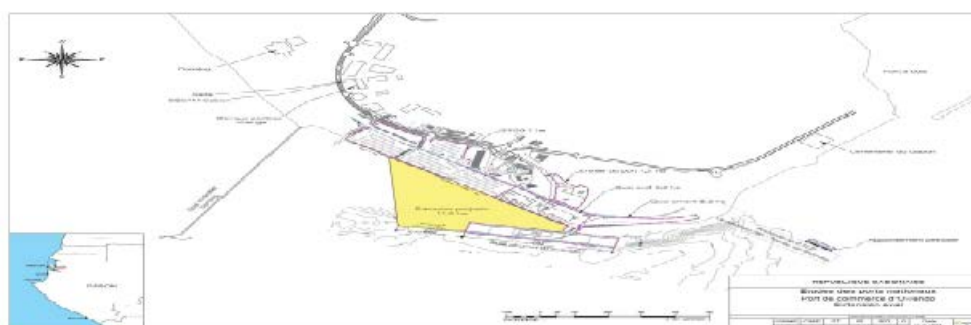


Figure 1: A map of Trading Port of Owendo (www.ports-gabon.com)

### 3.2.1 Services

- Amodiations Tax
- Stay in Roads and Quays Tax
- Security Charges
- Merchandises fees
- Port maintenance fees

### 3.2.2 Strategic Vision

- To reinforce the state's role as far as port management is concerned;
- To stow to the international maritime trade's requirements;
- To avail modern and competitive ports with total compliance with environment requirements for the use by economic operators;
- To maintain as well as to develop port infrastructures in order to offer to users a nicer environment and able to foster business development.
- To develop a real team spirit based on competence, excellence, performance, creativity and accountability.

### 3.2.3 Stated First scope of actions

- Reform of port legislation
- Facilities modernisation
- Implementation of port's single counter
- Reform of port's land territories management

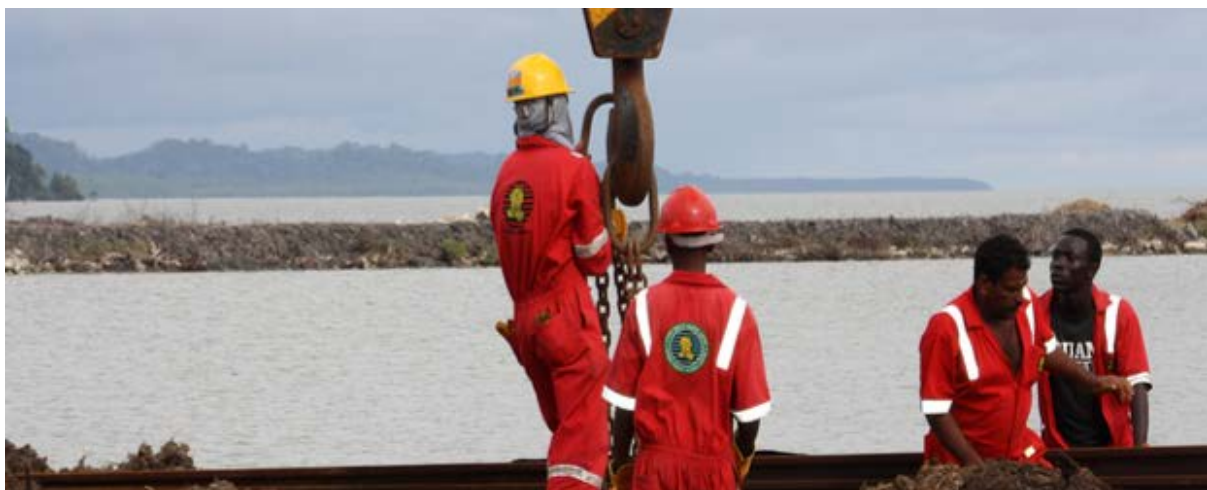


Figure 2. Workers in the OPRAG

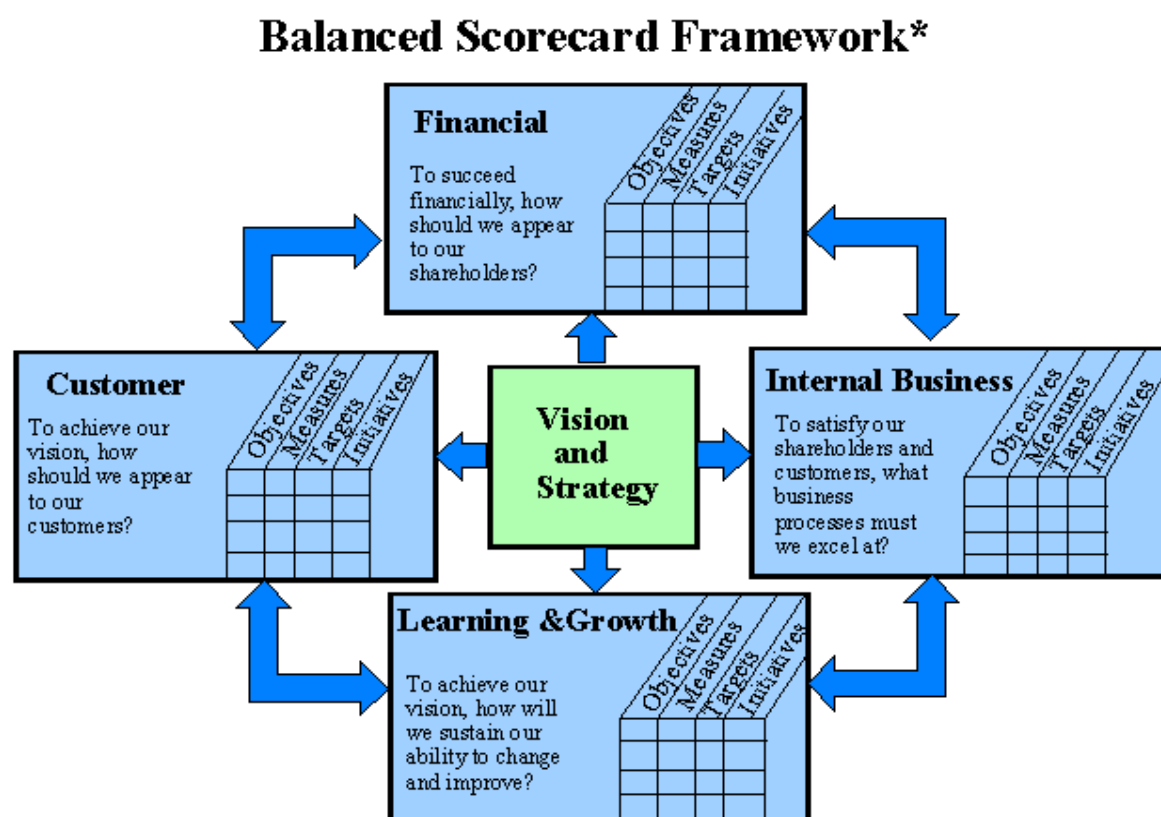
### *3.3 Balanced Score Card to ensure quality*

Taken from Kaplan & Norton, “the BSC is a performance measurement framework which allows managers to look at their business performance perspectives such as financial, customer, internal business and innovation and learning” (Kaplan & Norton, 1992). Furthermore, Sharma asserts that “the BSC is unique in two ways compared to the traditional performance measurement tools. First of all, it considers the financial indices as well as the non-financial ones in determining the corporate performance level; and finally, it is not just a performance measurement tool, but also a performance management system” (Sharma, 2009).

When it comes to describe the Balance Scorecard, Hoque & Adams (2011) contend that it is a management tool which emphasise enhanced performance, whereas Yuan & Chaochang consider it “as a management decision instrument running as a corporate performance measurement tool with an important role in transforming an organisation's mission and strategy into a balanced set of integrated performance measures”(Yuan & Chaochang, 2009).Furthermore, Wenisch describes the BSC as a distinguishing tool with four different measurement areas having strong cause-and-effect relationship between them. He points out further that the four measurement perspectives, as for the logic of BSC, are “connected with each other in a way that non-financial areas can be used to predict future financial performance” (Wenisch, 2004).

“The framework of the balanced scorecard identifies and links different perspectives and indicator measures, providing a comprehensive view of the organisation for strategic analysis” (Tjader, May, Shang, Vargas and Gao, 2014). Likewise, Huang contends that “the BSC provides an integrated view of overall organisational performance and strategic objectives. It has been shown to be a powerful tool for setting objectives and appropriate measures to facilitate objective achievement” (Huang, 2009). Fanerti and Guthrie also point out that the structure of the instrument is able to fill the gap of traditional accounting measures (Fanerti and Guthrie, 2008).

According to Maltz, Shenhar & Reilly, “the Balanced Scorecard is a multi-dimensional framework that translates an organisation’s strategy into specific measurable objectives. It provides constructs for multiple measures and overcomes the limitations of single measures, but without any clear provision for very long-term measures. Moreover, the distinction between means and ends is not well defined, and the model probably needs additional empirical validation” (Maltz, Shenhar & Reilly, 2003). However, the tool emphasises “linking and aligning multiple measures to strategic objectives, and conceptualising the strategic alignment between business goals and specific tactics” (Tjader et al., 2014). The Balanced Score Card is shown below.



\* Adapted from Kaplan & Norton. 1996. *The Balanced Scorecard*. Harvard Business School Press: 9. Original from HBR Jan/Feb 1996, p. 76.

Figure 2. Balanced Score Card

Since “the management of intangible or qualitative assets such as customer satisfaction, processes quality, infrastructures, know-how” was difficult due to the lack of proper or sophisticated tools as contended by Kaplan & Norton, the frame of the balance scorecards has to fill that gap by taking into account four perspectives (Kaplan & Norton in Isoraite 2008). In this respect, Huang contends that “the BSC model designed by Kaplan & Norton in 1992 identifies four related perspectives on activities that are likely to be critical to most organisations and to all levels within organisations. He further points out that these perspectives encompassing investing in learning and growth capability, improving internal process efficiencies, providing customer value and increasing financial success, put together, reflect the organisation’s value creation activities” (Huang, 2009).

Why four perspectives? It is a recommendation, according to Bible et al., “that companies basically use these four common perspectives in their scorecard: financial, customer, internal, and innovation and learning. Those basic

four perspectives may be supplemented with a number of customised perspectives as needed” (Bible et al., 2006). Moreover, “each perspective helps answer a basic performance question such as” (Kaplan & Norton, 1992):

- What is our look to shareholders?
- How do we look like from the view of customers?
- “What must we excel at?”
- “Can we improve and create value?”

Summarily, the tool is a combination of the traditional measures as well as three other additional non-financial measures. And organizations would ultimately be evaluated from these “four perspectives: financial measures, customer satisfaction, internal operations, and company learning and growth”(Tjader et al., 2014).

Table 2. An example of the Balance Scorecard based on an electronics company  
Source: Kaplan & Norton (1992).

ECI 's Balanced Scorecard			
Perspectives	Questions	Goals	Measurements
<b>Customer</b>	How do customers see us?	New products.	Percent of sales from new products.
		Responsive supply.	On-time delivery as defined by the customer.
		Preferred supplier.	Share of key account's purchases.
		Customer partnership.	Number of cooperative engineering efforts.
<b>Internal business</b>	What must we excel at?	Technology capability.	Manufacturing geometry versus the competition.
		Manufacturing excellence.	Cycle time, Unit cost and Yield.
		Design productivity.	Silicon efficiency and Engineering efficiency.
		New product introduction.	Actual introduction schedule versus planned introduction.
<b>Innovation &amp; learning</b>	Can we continue to improve & create value?	Technology leadership.	Time to develop the next generation.
		Manufacturing learning.	Process time to maturity.
		Product focus.	Percent of products that equal 80% of sales.
		Time to market.	New product introduction versus the competition.
<b>Financial</b>	How do we look to shareholders?	Survive.	Cash flow.
		Succeed.	Quarterly sales growth and operating income by division.
		Prosper.	Increased market share and Return on Equity.

#### 4 Perspectives for Excellence achievement within OPRAG

The study of the authors of this paper titled “improving the management of operations at the “office des ports et rades du gabon” (OPRAG)” consisted of a heuristic concerning the scientific contribution to improve the job of operations managers within OPRAG. This lead to the findings which, at this stage, are being compiled and scrutinized in respect of some relevant literature in order to propose a real winning strategy based to the real resources and capabilities of the company as well as the challenge and opportunities of the environment.

Hence, from this International Conference on Industrial Engineering and Operations Management, in Detroit, Michigan, USA, September 23-25, 2016, all contribution, collaboration is welcome in this project of making OPRAG a leader in port management modernisation with all its possible implications.

## **5. Quality Management**

The results overall reflected 34.8% agreed that Quality Management system is in place at OPRAG and company-partners and 37.7% agreed that they make sure that the quality of service meets the customer needs and expectations. Ultimately, 37.8% from the results overall agreed that they control to assess if the service provided are satisfactory.

Even though 31.1% agreed that they work with preventing quality issues, since 36.5% agreed that they have a clear approach to quality control and failure prevention, 43.7% from the results overall agreed that they sometimes discover quality issues in the services they render. By the way, 27.8% of OPRAG managers agreed that they have been previously involved in a quality management improvement project within the company.

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