



MAGA Engineering

Standards as a means to capture and transfer know-how

MAGA started as a construction company in 1984, working with several international contractors executing projects in Sri Lanka. Since then, the company has made significant inroads into the local and international construction industry, and has won the most prestigious quality awards issued by the Institute for Construction Training and Development (ICTAD) of Sri Lanka.

Company name: MAGA Engineering (Pvt) Ltd.

Country: Sri Lanka

Industry: Construction and construction materials

No. of employees: 9 161
(of which 6 691 are direct employees)

Revenues/profits:

LKR 11.6 billion (USD 101.9 million)
Revenues from building construction:
LKR 3.17 billion (USD 27.8 million)
(in 2011)*

Main products/services:

- Wide portfolio of large-scale residential and office buildings, hospitals, etc.
- Infrastructure constructions (e.g. bridges, highways)

The study focused on the building construction sector and excluded infrastructure projects (such as bridges or highways).

Main use of standards:

- Procurement, including testing of supplies
- Production



Most important standards used:

- ISO 9001:2008, *Quality management systems*
- ISO 14001:2004, *Environmental management systems*
- OHSAS 18001:2007, *Occupational health and safety management systems*
- Many Sri Lankan national standards, mainly on construction materials

Economic benefits generated by standards: LKR 17 145 720 (USD 150 367), corresponding to 0.54 % of the average annual revenue.

Key qualitative benefits: The purchasing process, supplier evaluation and storage management have become more efficient with the ISO 9001 system in place.

What were the major benefits for MAGA of using standards?

Using standards allowed MAGA to:

- Increase its efficiency in purchasing from suppliers
- Test whether supplies meet requirements and thereby ensure quality
- Improve consistency in supplier evaluation and selection
- Increase construction quality and reduce need for re-work

How did standards lead to these benefits?

The ISO 9001-based quality management system enabled MAGA to develop an integrated approach to managing its key processes, and transfer experiences and good practices systematically from one project to another. This helped increase efficiency, create a wealth of experience and promote continuous learning and improvement within the company.