



## MANAGING QUALITY THE INDIAN WAY

SURINDER KAPUR IN THE STRATEGIST



## THE QUALITY CONUNDRUM

How Indian Industry is managing quality

By SURINDER KAPUR

# One step at a time

In the early 1990s, apart from the problems as a result of the foreign exchange crisis, India was also battling image issues: the "Made in India" tag wasn't exactly sought-after. Today, 14 years later, India boasts of 16 companies that have won the Deming Award from the Japanese Union of Scientists and Engineers, 92 companies that have been awarded TPM (total productivity management) certificates from the Japan Institute of Plant Maintenance, and 21,313 ISO-certified companies.

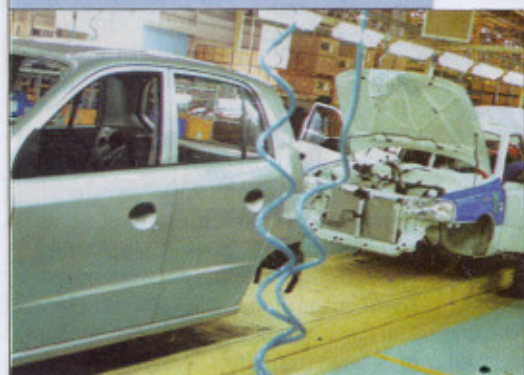
In the auto components industry, amongst China, India and

Thailand, India is No. 1 on the quality of products supplied and multinational companies have begun to see the benefits of sourcing from India. General Motors (GM) and Caterpillar source radiator caps from Sundram Fasteners — the company has won GM's best-supplier award for three years. GM sources light equipment from Lumax. Mitsubishi of Japan sources front-axle beams from Bharat Forge and Federal Mogul of the US sources components through a tie-up with the Anand group.

This is a reflection of the increasing quality consciousness of India Inc. Today, our aim is to quadruple the number of such award-winning companies over the next two to three years. But what led to such a transformation in Indian industry? Through this column, I hope to share the Kaizens (incremental changes) that Indian manufacturing firms, both big and small, are doing on a continuous basis to achieve global excellence. In January 2006, I met the Prime

Minister and presented to him 1,000 Kaizens that have been implemented in India. At the Confederation of Indian Industry (CII), we are committed to submitting 100,000 Kaizens to the Prime Minister over the next one year, thus building a knowledge base in the nation and contributing to India's journey to becoming the global factory.

These achievements are a result of a Total Quality Movement (TQM) launched by CII in 1988 that gained momentum as many small and medium enterprises too bought into the concept. TQM and TPM are



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now extremely popular models among Indian companies. CII has also invited quality gurus such as Yoshikazu Tsuda and Shoji Shiba to train the industry in the implementation of quality initiatives.

To take India to the next leap of manufacturing revolution, individual organisations need to build abilities to acquire and develop new technologies, reduce production costs, cut down delivery time, practice TQM and customer service.

Achieving high levels of competitiveness and quality standards isn't rocket science. What is required fundamentally is management's decision to adopt good manufacturing practices. The first step really in doing so is to follow the PDCA (Plan, Do, Check, Act) cycle propagated by the proponents of quality. PDCA helps in improvement every time a Gap Analysis — the analysis between planned and actual results — is done, by helping devise counter-

measures that, by eliminating the root cause of the problem, prevent its recurrence. The analysis of the gap and determining its root cause is the most important step in the PDCA cycle, since it helps in defining the appropriate counter measures for the root cause.

Standard Radiators, a Bhopal-based radiators manufacturing company, was able to reap the benefits of following the PDCA cycle. The company was facing a problem of constant inventory pile up because of the non-availability of parts for various types of radiators it manufactured. Standard Radiators manufactures 30 different types of radiators, each with 10 components. What was required was complete coordination between the purchase, production and sales functions. But there was a clear communication gap: production wasn't meeting sales requirements and was able to manufacture just 24-35 radiators in a day. The company was taking 20 days to complete one container load (approximately 600) of radiators. Standard had to hire space to stock the manufactured radiators and, at times, the container had to be shipped to the US at less than full capacity.

The company then decided to follow the Daily Work Management process, which enabled it to plan the day's activities and deliver according to those, conduct a regular check on the schedules and take care of any breakdowns in machine, non-availability of material and so on. As a result, it was able to increase production to 70 radiators a day, reducing the container load production cycle to just eight days and freeing up the stockyard. Standard Radiators was able to save costs, make 100 per cent on-time delivery to its customers and, just as important, increase employee morale.

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