

OPEX NEWSLETTER

The Monthly Operational Excellence Newsletter



ABOUT THE NEWSLETTER

This journal is intended to be experiences and knowledge sharing document. In every excellence initiative it is very important to understand the objectives, the road map being followed and at the same time learn from experiences of other like minded people so that mistakes are not repeated and hurdles can be visualized in advance helping in accelerating the excellence journey.

This journal, issued every month, will have a discussion on one or more topics relating to Operational Excellence subject and a case study on any one of the excellence initiative. These case studies are from companies moving ahead on OpEx journey for long time and these case studies are the real life examples from these companies and already implemented in these companies.

This journal will also keep readers informed about the latest in the field on achieving excellence in manufacturing and update readers both current events and other happening in Operational Excellence and continuous improvement world.

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by Mr. Rajesh Ubale

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Green Kaizen Contest

Green Kaizen Contest is an online event and will be held by OpExWorks with an objective to create a free knowledge-based platform to promote sustainable manufacturing practices.

This will result as open source for ready-to-use, cost-effective solutions implemented by industry experts for green manufacturing in the form of Kaizen Bank.

The best efforts will be judged by a panel of distinguished experts in the domain and will be rewarded in CASH and Other benefits.

Find participation forms, rewards and more information on <http://leankaizen.net/gkc/>

MANUFACTURING EXCELLENCE AND GLOBAL COMPETITIVENESS

Mr. Rajesh Ubale - Bajaj Auto Limited

In the changed globalize business environment, it is no more feasible to compete only on the basis of costs without paying attention to the real customer preferences represented by other product dimensions.

Consequently, many new manufacturing approaches have emerged over the recent time mostly as the reaction to dynamically changing situation on the market place, where increased competition and market globalization greatly affected the distribution of the market share and the profit margins. These new approaches to manufacturing are based on a pragmatic philosophy distilled from worldwide experience in manufacturing.

Sustained competitiveness by Manufacturing Excellence could be attained by a combination of several approaches to manufacturing such as the following besides robust quality and competitive pricing.

1. Value-added manufacturing measures to avoid doing things which not adding any value in product or to the customer expectations.
2. Continuous Improvement manufacturing, this suggests that every aspect of manufacturing is

dedicated to making it better in ways great and small.

3. Just-in-time (Procurement, Manufacturing and Distribution)

4. Work-Force Management

Flexibility in meeting customer requirements, ability to quickly, efficiently and effectively respond to change

Global competitors operating in global markets almost always tend to have world class status as defined above. Therefore, to be globally competitive, Domestic manufacturers necessarily need to achieve world class performance. Oddly enough, as stated before, developing countries such as India, China and Brazil, they constitute a huge market which attracts many world class companies from other countries to sell their products in these countries. The domestic companies in these countries are also constrained to compete with these world class companies by virtue of their entry into the domestic market.

Though to some extent the domestic manufacturers have realized this and trying to rise to the challenge, will depend on their readiness to move themselves from a protected domestic to world-class global manufacturing status quickly and confidently.



RIYO

App for manufacturing companies



RIYO is developed by OpExWorks Solutions Private Limited to facilitate the managers with real-time factual information on the plant activities. This has resulted in faster decision making, proactive working culture over the reactive approach.

Key aspects like production for the day, equipment wise production, production losses, OEE - week / day / monthly basis, part wise production are available on RIYO app readily.

RIYO is a world-class super specialty solution. It is available without any investment and does not need any server, software and related skilled manpower.

RIYO software deployment enables your organizations' digital transformation with real-time information & integration, cloud computing, data analytics, data security & visibility.

Download app from Google Play Store and write to info@opexworks.com for demo log in credentials

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GOVT SCHEMES FOR MSME

National Manufacturing Competitiveness Programme

(1) Credit Linked Capital Subsidy for Technology Upgradation (CLCSS)

Description: CLCSS provides 15% subsidy for additional investment up to ₹1cr for technology upgradation by MSEs. Technology upgradation would ordinarily mean induction of state-of-the-art or near state-of-the-art technology. In the varying mosaic of technology covering more than 7,500 products in the Indian small scale sector, Units looking to replace existing equipment/technology with the same equipment/technology will not qualify for subsidy under this scheme. Similarly, units upgrading with used machinery would not be eligible under this scheme.

Nature of Assistance: The revised scheme aims at facilitating technology upgradation by providing 15% upfront capital subsidy to MSEs, including tiny, khadi, village and coir industrial units, on institutional finance availed by them for induction of well established and improved technologies in specified sub-sectors/products approved under the scheme.

(2) ISO 9000/ISO 14001

Certification Reimbursement.

Description: In order to enhance the competitive strength of SMEs, the scheme provides incentives to those SMEs/ancillary undertakings that have acquired ISO 9000/ISO 14001/HACCP certification. The scheme is enlarged so as to include reimbursement of expenses.

Nature of Assistance: The scheme envisages reimbursement of charges incurred for acquisition of ISO-9000/ISO-14001/HACCP

certification to the extent of 75% of expenditure, subject to a maximum of ₹75,000 in each case.

(3) Marketing Support/Assistance to MSMEs (Bar Code)

Description: Under this scheme the Ministry conducts seminars and reimburses registration fees for bar coding in order to encourage MSEs to use bar-codes.

Nature of Assistance:

Reimbursement of registration fee (one time and recurring for 3 years) or bar coding. Financial assistance for reimbursement of 75% of one-time registration fee (Under MSE-MDA) and 75% of annual recurring fee for first three years (Under NMCP) paid by MSEs to GS1 India or the use of bar coding.

(4) Lean Manufacturing Competitiveness for MSMEs

Description: The objective of the scheme is to enhance the manufacturing competitiveness of MSMEs through the application of various Lean Manufacturing (LM) techniques.

Nature of Assistance : Financial assistance is provided for implementation of lean manufacturing techniques, primarily the cost of lean manufacturing consultant (80% by GoI and 20% by beneficiaries). Lean manufacturing consultants (LMCs) will raise bills or services provided to Special Purpose Vehicle (SPV). SPV will, in turn, pay the first installment of 20% to the LMC and will obtain reimbursement from the NMIU. Thereafter, Ministry of MSME will transfer funds to the NMIU. SPV payments to LMC will be on a milestone basis in 5 tranches, each of 20% of the amount fixed.

<http://www.opexworks.com>

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GOVT SCHEMES FOR MSME

National Manufacturing Competitiveness Programme

(5) Design Clinic for Design Expertise to MSMEs

Description: The scheme is for increasing competitiveness of MSMEs through adoption of design and its learning.

Nature of Assistance: Funding support of (1) ₹60,000 per seminar and 75% subject to a maximum of ₹3.75 lakhs per workshop, (2) To facilitate MSMEs to develop new Design strategies and or design related products and services through project interventions and consultancy.

(6) Technology and Quality Upgradation Support to MSMEs

Description: The scheme advocates the use of energy efficient technologies (EETs) in manufacturing units so as to reduce the cost of production and adopt clean development mechanism.

Nature of Assistance: Capacity building of MSME clusters for energy efficiency/clean development and related technologies. Funding support of up to 75% for awareness programmes, subject to maximum of Rs 75,000 per programme; Implementation of energy efficient technologies in MSME units 75% of actual expenditure for cluster level energy audit and preparation of model DPR; Setting up of Carbon Credit Aggregation Centres. 50% of actual expenditure subject to maximum Rs 1.5 lakh per DPR towards preparation of subsequent detailed project reports for individual MSMEs on EET projects; Encouraging MSMEs to acquire product certification/licenses from National/International bodies. 75% of the actual expenditure, subject to a maximum Rs 15; 25% of the project cost as subsidy by Government of India, balance amount to be funded through loan from SIDBI/banks/ financial Institutions.

MSMEs are required to make the minimum contribution as required by the funding agency; 75% subsidy towards licensing of products to national/ international standards; ceiling Rs 1.5 lakh for obtaining product licensing / marking to National standards and Rs 2 lakhs for international standards.

(7) Entrepreneurial and Managerial Development of SMEs through Incubators

Description: The objective of the scheme is to provide early stage funding to nurture innovative business ideas (new indigenous technology, processes, products, procedures, etc.) that could be commercialised in a year. The scheme provides financial assistance for setting up business incubators.

Nature of Assistance: Funding support for setting up of 'Business Incubators (BI)': The cost may vary from Rs 4 to 8 lakh for each incubatee/idea, subject to overall ceiling of Rs 62.5 lakh for each BI. (a) Upgradation of infrastructure Rs 2.50 lakh (b) Orientation/training Rs 1.28 lakh (c) Administrative expenses Rs 0.22 lakh. Total assistance per BI Rs 66.50 lakh.

(8) Enabling Manufacturing Sector to be Competitive through QMS & QTT

Description: The scheme endeavors to sensitize and encourage MSEs to understand and adopt latest Quality Management Standards (QMS) and Quality Technology Tools (QTT).

Nature of Assistance: Funding support for introduction of appropriate course modules in technical institutions through expert organisations. Funding support up to Rs 79,000/- per programme for conducting QMS/QTT awareness

campaign for MSEs through expert organisations. Funding support up to Rs 2.5 lakh per unit for implementation of QMS and QTT in selected MSMEs through expert organisations. Funding support for conducting C-watch study for product having threat from foreign goods.

(9) Building Awareness on Intellectual Property Rights (IPR)

Description: The purpose of the scheme is to enhance awareness among the MSMEs about Intellectual Property Rights, to take measures for protecting their ideas and business strategies. Effective utilisation of IPR tools by MSMEs would also assist them in technology upgradation and enhancement of their competitiveness.

Nature of Assistance: Conducting awareness/sensitization programmes on IPR (Applicants in this case are MSME organisations and expert agencies) GoI assistance of Rs 1 lakh per awareness programme.

Conducting pilot studies for selected clusters/groups of industries (Applicants in this case are MSME organisations, competent agencies and expert agencies). GoI assistance of Rs 2.5 lakh per pilot study. Funding support for conducting interactive seminars / workshops (Applicants in this case are MSME organisations and expert agencies) Funding support for conducting specialised training on IPR (Applicants – Expert agencies) Funding support in the form of Grant on Patent/GI Registration (Applicants in this case are MSME units and MSME organisations) Funding support for setting up IP Facilitation.

List of technologies is available at <http://www.dcmsme.gov.in>

Source: <https://msme.gov.in/all-schemes>