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Print • Digital • Events • Services

VOLUME 2 • NO. 5 • SEPT 2014



The official magazine of Indian Machine Tool Manufacturers' Association

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**DR FRANK BRINKEN**

Vice Chairman, Starrag Group Holding AG and Chairman, Economic Committee, CECIMO (European Association of the Machine Tool Industries)

"India's recent revival seems to be sustainable and long-lasting paving the way for more manufacturing activity."



## New Perceptions for Metamorphic Transformation



Vogel Business Media

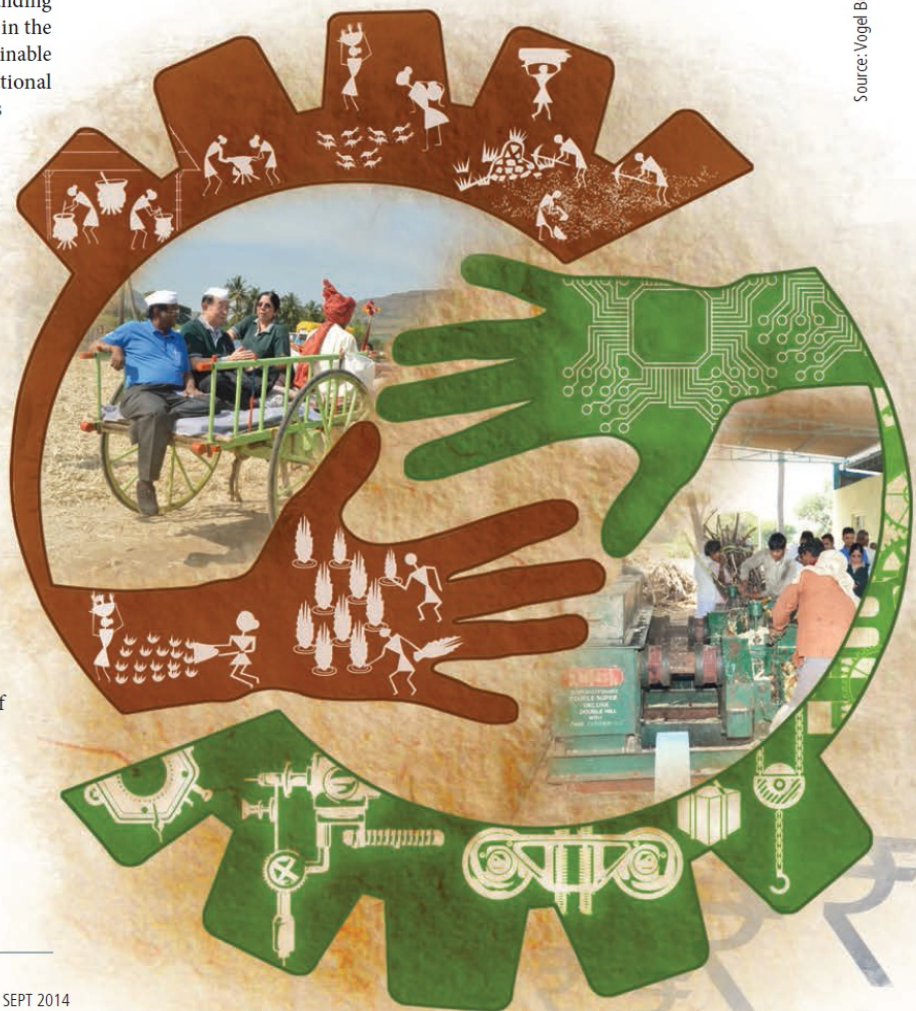
# New Perceptions for Metamorphic Transformation

Around 75 per cent of India's exports can be attributed to the manufacturing sector. However, this sector comprises only 17 per cent of India's GDP as compared to the higher contribution made by other East Asian economies. In order to enhance this sector further, Confederation of Indian Industry (CII) along with the National Manufacturing Competitiveness Council (NMCC) and Japanese International Cooperation Agency (JICA) brought about a program that would further develop visionary leaders capable of breakthrough thinking and envisioning future concepts, trends and business to thereby transform the Indian manufacturing industry. Take a look at the journey so far.

The list is endless for reasons as to why India's manufacturing sector needs to be strengthened. One of the ways improvement can be brought about is changing the way leaders think. Expanding and changing the mindset of leaders in the field will result in a stronger and sustainable manufacturing sector. The National Manufacturing Competitiveness Council (NMCC) in association with Japanese International Cooperation Agency (JICA) and Confederation of Indian Industry (CII) came up with a very unique program called 'Visionary Leaders for Manufacturing Programme' (VLFM). "Manufacturing is very important for India. Prime Minister Narendra Modi has enunciated the vision of 'Make in India' and 'Made in India'. This is the key to a breakthrough in speedy elimination of poverty and for creating employment for the increasing numbers entering the work-force. The VLFM Programme was conceived with this in mind," voiced Member Secretary, National Manufacturing Competitiveness Council, Govt of India, Ajay Shankar.

A win-win approach will help enhance and create sustainable business opportunities and encourage the all-round development of India

Source: Vogel Business Media India



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Source: CII



Graduation ceremony of students passing out from the VLFM course



"One's mindset changes when one experiences and addresses a situation with added skills and gets an opportunity to practise these skills in their own work."

Chief Adviser, Champions for Societal Manufacturing (CSM), (earlier known as VLFM), CII & JICA Project, Prof Shoji Shiba

Continuing on the same note Chairman VLFM Initiative and Past President, Confederation of Indian Industry (CII) and Chairman and Managing Director, TVS Motor Company Ltd, Venu Srinivasan explained, "The objective of the VLFM programme created by Chief Adviser, Champions for Societal Manufacturing (CSM), (earlier known as VLFM), CII & JICA Project, Prof Shoji Shiba is to strengthen the Indian Manufacturing Industry."

He elaborated on how earlier Indian manufacturing companies focused on only production improvement—the small 'm' concept. However, to be able to compete on a global front, it was essential that Indian manufacturing companies needed to shift their focus on the Big 'M' concept—enlarging their perspective and developing an integrated thinking capability dovetailed with a strategic mindset.

"Prof Shiba introduced the concept of Big M for adoption by the government, academia and industry together and set a goal to create 1000 visionary leaders who not only understand this concept, but are empowered with implementation skills as well," exclaimed Srinivasan.

Four courses have been developed so far under this program—for CEOs and senior managers (future leaders with 15–20 years' experience), middle level managers (4–5 years' experience—a course offered by IITK, IITM, IIMC), and Visionary SME course for developing a win-win relationship between big, medium and small companies and for strengthening the SMEs.

"This could happen with the collaboration of India and Japan under the Indo-Japan Technical Cooperation Agreement, which

has worked very well since 2007. Today, more than 1,300 visionary leaders from more than 300 manufacturing companies in India have graduated through the four courses developed so far," stated Srinivasan.

#### How it all began

The idea of VLFM grew from CII's association with Prof Shiba. Principle Adviser, Confederation of Indian Industry (CII), Dr Sarita Nagpal reminisced, "My association with Prof Shiba dates back to 1994, when he first conducted workshops with CII on Total Quality Management. 'The new American TQM' had already been spearheaded by the professor in the USA, and we were very keen on bringing it in India. While in India, we were already familiar with the tools of control (Standards) and the tools of incremental management (Plan-Do-Check-Act), what India needed were tools of breakthrough management."

Having been involved in CII's Quality movement since 1988, the development of VLFM was a natural progression. "It was the next benchmark, and I was confident that many of the Indian companies who had been introduced to Quality improvement initiatives would need this someday. It is this belief that drove CII to pursue Professor Shiba," said Dr Nagpal.

#### Development of the program

Speaking on how the program transpired, Dr Nagpal continued, "The idea of VLFM grew out of our association with Prof Shiba; where we first began experimenting with the idea of breakthrough management, engaging a small community of companies. Along with Dr Surinder Kapur of Sona Koyo

Steering Systems, we got together the first four companies in July 2004. The learning communities formed over two batches brought together change leaders who were open to new ideas and methods that Prof Shiba brought with him."

Acting on a mandate from then President Abdul Kalam, Prof Shiba envisioned the scaling up of the learning communities, pitching breakthrough transformation in the manufacturing sector at the national level. The opportunity arrived when Dr Krishnamurthy, whose company was a part of the first learning community and also the Chairman of the National Manufacturing Competitiveness Council, saw the benefits and felt the need for larger Indo-Japanese collaboration in the direction of breakthrough management. With Professor Shiba's efforts, JICA agreed to support the collaboration by providing experts, the faculty and an annual visit to Japan by participants. NMCC's collaboration further helped bring IIT Madras, IIM Calcutta and IIT Kanpur on board. Four



Helping the community with technology for sustainable development

Source: CII



“For economic growth in India to be holistic, it is imperative that villages and cities meet the growth index criteria in equal measure.”

Chairman VLFM Initiative and Past President, Confederation of Indian Industry (CII) and Chairman and Managing Director, TVS Motor Company Ltd, Venu Srinivasan

different programs were structured to separately focus on leadership development amongst CEO’s, senior managers, middle level managers and SMEs.

“For Indian manufacturing industries to achieve the expected growth rates, we first need to create a pool of visionary leaders who are equipped with the skills and capacity to think ahead of times. At VLFM we set out to expand that pool of change makers who can lead by example,” averred Dr Nagpal while stressing on why the initiation of the program was necessary.

**A different train of thought**

Chief Adviser, Champions for Societal Manufacturing (CSM), (earlier known as VLFM), CII & JICA Project, Prof Shoji Shiba believes that to find different solutions, it is necessary to have a good first hand view of the situation. He uses the methodology of ‘Jumping into the fishbowl’ as a way to help understand how thinking patterns need to be changed.

“Jumping into the fishbowl was a ‘research methodology’ developed when I spent more

than 15 years working with US academia and Industry at MIT,” explicated Prof Shiba.

Explaining the methodology further, said that there were three parts to it—jumping in, swimming with the fish and jumping out.

“This entire process helps a manager to become a leader. My belief is that when a human being puts himself through this process, it builds a human ability for seeing the future and helps in creating a future dream and vision that can be implemented in a very practical way,” asserted Shiba.

In brief, he elucidates: firstly, to ‘jump in’ one needs to have a positive mindset to challenges and has to have the courage to tread toward something invisible; in addition to this, curiosity for unknown. Only those people who have a positive mindset, are courageous and curious can jump in. Therefore, the ‘jump in’ process is a screening one wherein identification of visionary leaders is possible.

Secondly, to ‘swim with fish’ is the process wherein the mindset is expanded horizontally and vertically. In addition, it is the process used to create a meaningful outcome together with the fishes. A leader needs to create meaningful results toward future instead of just yakking on. ‘Swim with fish’ is the process for creating visible results.

Thirdly, ‘jump out’ from fish bowl is the process to cope with changes. One cannot stay within the same fishbowl forever. Because society, customers, technology, all business environments are constantly changing and in drastic manner. Moreover, 10X change is a characteristic of the current business environment. A visionary leader needs to perceive societal change by ‘jumping out’ and coming up with solutions that fit the need.

**Success achieved**

So far, more than 1,300 people from over 300 manufacturing companies across India have taken advantage of this program. Prof



“With per capita incomes almost doubling, the new Indian consumer (from villages) is buying everything from tractors to shampoo sachets. One should devise products for him right here in India.”

Chairman and Managing Director, Godrej & Boyce Manufacturing Company Ltd, Jamshyd N Godrej

Shiba affirms that one’s mindset changes when one experiences and addresses the situation with added skills such as observation, the Five Step Discovery Process and 5 Kawakita principles, and gets an opportunity to try them out in their own work.

Agreeing with this sentiment Dr Nagpal advised, “Our past success stories have shown that VLFM holds huge potential for companies who want to enhance their competitiveness in current times. The Five step discovery process, for instance, has helped companies in recording improvement on critical parameters, by identifying the problem that impeded their performance.”

The program has had more than 300 success stories and counting.

“The aim of the VLFM programme has been to strengthen Indian manufacturing industry. As one of the top ten global industrial economies, India is on a steep growth trajectory based on strong capital investments. With a huge surge in new projects of almost \$100 billion, the demand for every kind of manufacturing is on the rise, including basic goods, intermediates and capital equipment,” claimed Chairman and Managing Director, Godrej & Boyce Manufacturing Company Ltd, Jamshyd N Godrej.

“Out there in the villages is where you can find the new Indian consumer. With per capita incomes almost doubling in the last ten years, he is buying everything from tractors to shampoo sachets. It just makes more sense to learn about the rural Indian and devise products for him right here in India,” he further continued.

**Taking the lesson one step further**

CII has also since launched another

Source: CII



Applying a scientific approach and bringing about skill development within a village

Source: CII



Chotukool: A product innovated to address the basic refrigeration needs of families in rural India.

unique program—Village Buddha—that aims to build a strong relationship between business and society to create a mutually beneficial platform. The mission is to help the Indian industry channelize its practices, processes, learning and experiences to connect with village India on a long-term sustainable basis using a scientific approach.

Speaking on the necessity of such a program, Dr Nagpal professed, “The concept of Village Buddha is based on a fundamental truth that business and society are, in reality, interdependent and interconnected. It is founded on certain beliefs, one being that an unsolved problem of the society is a future business opportunity and companies can tap new business opportunities from emerging markets in India by leveraging the relation between business and society.”

Godrej added, “Many of these unsolved problems are at a latent level; they are not often expressed properly. If the business attempts to solve these problems, it will be laying a foundation for creating growth business opportunities for the future. For example, to solve the water problem in rural India, there is literally a huge business opportunity for connecting a network for supplying water to meet such a basic need. Once the basic needs are met, they will go for value-added services and value-added support.”

Therefore, Village Buddha will provide a platform to inculcate companies with skills/methods and mindset to engage with the community for building a better and happier society. Furthermore, when business organizations work with society, it will enable capacity enhancement of



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“For Indian manufacturing industries to achieve the expected growth rates, we first need to create a pool of visionary leaders who are equipped with the skills and capacity to think ahead of times.”

Principle Adviser, Confederation of Indian Industry (CII), Dr Sarita Nagpal

business and manufacturing as well.

Agreeing with this sentiment, Shankar also commented, “This new initiative, which has been introduced this year, will take the creative and innovative strength of Indian manufacturing to the villages for evolving appropriate transformation products processes and services.”

The program aspires to develop villages through its scientific approach by evaluating problems at the village level and enabling companies to strategize effectively to address those unsolved problems.

Srinivasan stressed on another factor for incorporating the Village Buddha initiative: “For economic growth in India to be holistic, it is imperative that villages and cities meet the growth index criteria in equal measure. According to the 2011 census, out of a total population of 1.27 billion, approximately 72.2 per cent live in 638,000 villages and 27.8 per cent in 5,480 towns and urban agglomerations.” This means that if the development is only done in existing industrial environments, eventually the growth of the manufacturing sector will slacken. VLFM’s goal now is to diffuse the breakthrough principles to more and more companies so that the entire ecosystem of the manufacturing sector changes.

#### Bringing out solutions for sustainability

The key focus of VLFM and Village Buddha is the ‘transformation of relationships’ emphasizes Prof Shiba. The future of village development will decide the future growth of India. There are tremendous opportunities to utilize resources from businesses to help accelerate

development of villages. Money is not the only resource for hastening development; methods/tools that the manufacturing industry has developed for scientific problem solving can also help with this endeavor.

“This program will work along the lines of the fish bowl methodology; villages are visited, the life there is observed and then after getting insights, solutions are built in accordance. This initiative provides an insight to a rapidly changing society, especially where the markets are also changing rapidly,” highlighted Godrej.

Apart from skill building for the development of the villages, business opportunities also will be identified. One example of a product that was innovated to address the basic refrigeration needs of rural families in India is the Chotukool.

On another level, Godrej feels that this initiative allows for people to become aware of the living conditions in rural parts of the country; thereby wanting to make a bigger difference in societal development through a new mindset. He also confirmed that in doing so companies also will build a more powerful sense of corporate social responsibility.

#### Future forward

Companies such as TVS and Godrej along with CII and JICA have already begun their journey in helping villages through the Village Buddha initiative. This win-win approach will help enhance and create sustainable business opportunities and encourage the all-round development of India. Perhaps it is time now for other companies to also jump on the bandwagon and take India to the next level. **MMI**

#### Six Key Messages

- ▶ Transformation starts from ‘mindset change’ and ends with ‘mindset change’.
- ▶ Tangible results appear within one year if you apply a scientific approach.
- ▶ Age of operational excellence is passing—creating new businesses is imperative to manufacturing growth.
- ▶ Invest in the Indian manager to become more global.
- ▶ Linking villages and industry with a win-win approach will make Indian leaders more inclusive.
- ▶ Sustaining results needs an Indian approach.