

Building Blocks: Creating a high performing organization at a cement plant



Survival of the fittest

The cement industry is teeming with competitors, the pie is getting smaller, big fish are eating the smaller ones, and there is no place for players who aren't ready to innovate, change and look at the current economic downturn as an opportunity. The future looks good – it is the present that needs attention. The only way an organization can survive this turmoil is by adopting the right approach.

This is the challenge most CEOs of well-run cement companies in India are facing today. As the third largest producers of cement in the world after US and China, cement producers in India, both national and international, are adopting strategic options to consolidate their positions. While this is likely to help them to stay ahead of many in inevitable shakedown of the industry, there remains a doubt as to whether enough is being done operationally.

When companies go through testing times due to a market slowdown, the morale and energy levels of employees go down more than proportionally. Whereas, this also happens to be the time when these are needed the most to exploit improvement and cost-reduction opportunities.

Fortunately, there are leaders who convert this threat into an opportunity and drive the organization to the next level of operational excellence. For such leaders, there is never a dearth of approaches.

ECS helps a cement major realise its true potential

A large cement industry retained ECS to turn around its operational performance and include a habit of continuous improvement amongst its workmen.

Cost Saving achieved

Rs. 1.4 Cr saving accrued within six months. Potential savings of further Rs. 4.57 Cr was identified

Cementing a new culture

The organization was facing a severe crisis, and one of its plants had been losing Rs. 3 crore per year for two years running.

The run factor was well below industry standards. Unplanned down time of process and equipment was very high.

There were unresolved issues concerning workmen's skills, attitudes, teamwork and ownership.

Strained societal relationship with the surrounding communities was generating pressure.

On assessment, ECS found that the run factor could be improved by reducing the high number of stoppages, unduly long-winded shutdowns, and repetitive tip-casting. Further opportunities were seen to improve utilisation of mining equipment, reduce ship turnaround time at the jetty, reduce unplanned failures in the mills and cut costs of power, fuel and inventory.

It was obvious that the key to changing the attitudes and mindsets of the workforce lay in involving them in a holistic initiative that would improve the quality of their lives.

Amazing results

ECS's intervention not only brought about major changes in the mindset and vastly improved employee and village relationships, but also showed some outstanding results:

Mine area

Excavator productivity increased by 15%.
Dumper productivity increased by 13%.
Dumper availability increased from 70% to 84%.
Crusher productivity increased by 17%.

Kiln area

Kiln stoppages were reduced by 30% on an average.
Cleaning manpower in the kiln area was reduced by 20 man-months year on year.

Cement mills

Power saving of Rs 11.8 lac.
The need for cleaning was reduced dramatically.

Captive berth

Captive berth saved Rs. 5 lac, by avoiding calling a foreign expert for new bulk chute erection.

Captive berth maintenance refurbishment has been completed one week ahead of schedule.

Captive berth was saved Rs 4 lac by reusing 20 tonnes of steel.

The potential seen by ECS, in what had seemed to be a lost cause, has resulted in a success story, which can be replicated in the cement industry with great effect.

Contact for details

Debu Bandyopadhyay – Executive Director
Ravi Kumar Achanta - Chief Consultant

Debu_Badyopadhyay@ecs-limited.com

Achanta_Ravi@ecs-limited.com

ECS is a premier business management-consulting firm in India. Its consulting practice covers **Services, Strategy, Operations, Human Resources & Change Management, Supply Chain Management and Full Value Spend.**

In its Operations practice, ECS is active in helping clients to align their operations with their strategic goals, by using the latest concepts in **Business Process Reengineering, Strategic cost reduction, Quality Improvement, Supply Chain Management, new product development, Six Sigma & Total Productive Maintenance (TPM)** etc. ECS has been pioneering the effort of transformation management in India and is well known in **Process Transformation, TQM, TPM and Six Sigma**

ECS's interventions have helped its clients in significantly reducing cycle time, cost and defects and increasing throughput, productivity and reliability. ECS follows a method of collaborative consulting with a strong emphasis on people involvement in the change process.

Our clients include well-known companies in India such as Marico, Mother Dairy, Castrol, Torrent Cables, rej, Goodlass Nerolac Paints Ltd, Grindwell Norton, ITC, Larsen & Toubro, Electrosteel Castings, Trident, Deepak fertilizers, Crompton Greaves, Rallis India, Larsen & Toubro etc.

Offices:

Mumbai office

2 A, Wing A, 8th Floor, Prism Towers, Mindspace,
Goregaon (West), Mumbai – 400 062
Tel : 022- 40074600 / 40033400 - 1 Fax : 022- 40074700

Gurgaon office

804, Signature Towers
Tower A, South City
Gurgaon, Haryana – 122001
Tel: 0124-2383301/02, 2383297 Fax: 0124-2383295

Bangalore office

Tel: 080 – 40794128

Chennai Office

1st Floor, Mootha Centre
23 Kodambakkam High Road
Nungambakkam, Chennai – 600 034
Tel: 044 -42123471/81 Fax: 044-42122190

Web site: www.ecs-limited.com