

Counting on every drop to plug the leaks in profits



Other than being FMCGs, what is common to industries that manufacture soft drinks, lubricants, hair-care products?

Bottling operations – the backbone of their supply chain.

It is not uncommon that management attention and efforts are predominantly occupied by marketing issues, and understandably so! However, in their quest for earning the extra rupee, are they leaving out the money that is already on the table? The fact is, when competition is aggressive, *every rupee counts*.

In a competitive environment, protecting value is as important as creating value

Saving costs (waste, in reality) is a sure way to protect value. Unfortunately, several evolved practices and strong mindsets come in the way...

- Automation is a sure way to get higher output
- Minor stoppages in the lines are quite natural
- Leakages & filling losses are bound to happen

Fortunately, a few players are ready to break these mindsets and want to exploit new avenues to create value!

ECS helps a lubricant major realise its true potential

A lubricant company retained ECS to enhance its operational performance and inculcate a culture of continuous improvement amongst its employees.

Savings accrued: Rs 90 lac

Uncorking the bottled value

The company was facing several challenges and was struggling to come up with suitable responses:

1. Maintaining flexibility of supply without unduly compromising productivity
2. Minimising response time to frequent sudden demands from the market
3. Preventing even a single poor quality pack from reaching the customer
4. Minimising cost/litre, while meeting demands related to quality, volume & variety

There were several issues in the plants that had to be ironed out so as to effectively meet the above challenges.

Plant layouts and the various filling lines had evolved over time and there were mismatches between the rated and available capacity. The time required for the changeover from one to the other was high and the quantity of line flush generated was more than was acceptable.

Other tangible losses, included filling losses, line rejections, leakages, damaged packs, etc. There were high incidences of leaky packs and other packaging defects, which had an adverse impact on the brand image in the marketplace.

ECS worked with this client and helped it realise significant benefits – both tangible as well as intangible!

A structured and rigorous approach was critical in order to exploit the entire value potential.

A comprehensive assessment indicated value potential in the following broad areas:

1. Filling losses reduction
2. Line flush / scrap reduction
3. Productivity improvement
4. Packaging quality improvement

A detailed blueprint was drawn up to achieve the potential benefits. In order to quickly communicate the need for improvement to all the employees and get their commitment, workshops were held where they heard the expectations directly from customers as well as the top management and also drew action plans to meet the same. This was followed by specific improvement projects, and the concept of a model plant was introduced to create a healthy competition in the four areas assessed. The "people factor" was sensitively managed, which ensured that the change was not just top-down but was also reciprocated bottom-up. A snapshot of the benefits achieved:

1. 76% reduction in filling losses
2. 66% reduction in generation of line flush
3. 25% reduction in blending cycle
4. 70% reduction in generation of waste oil
5. 10% improvement in productivity through down time & set-up time reduction
6. 90% reduction in leaky containers
7. 95% reduction in labelling defects

Other benefits accrued:

1. Significant improvement in housekeeping
2. High level of enthusiasm and drive among employees to sustain the continuous improvement, for eg. through Kaizens
3. Increased structured problem-solving abilities

The release of this bottled potential led to both financial and people benefits that will continue to accrue for a long time to come.

Contact for details

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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 using the latest concepts in **Business Process Re-engineering, strategic cost reduction, policy deployment, new product development** etc. ECS has been pioneering the effort of transformation management in India and is well known in **process transformation, TQM, TPM & Six Sigma** consulting.

We always partner with our clients till implementation of solutions. We have a proven record of over a decade of successful implementation in large Indian Organization and Multinational organizations.

The 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 client-list includes well-known companies in India, such as Marico, Mother Dairy, Castrol, Godrej, Larsen & Toubro, Crompton Greaves, Electrolux, Rallis India Ltd., Torrent Cables, Deepak Fertilisers, Reckitt Benckiser, Electrosteel Castings, Goodlass Nerolac, Rallis, ITC, Grindwell Norton, Trident, Crompton Greaves and TAFE etc.

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