

## The Right Mix: Designing business processes and structure for the ready mix concrete (RMC) business



### Contributing to building dreams

This is the age of quick fixes, short cuts and labour-saving devices. To be successful in this scenario, it is necessary to come up with products that are not only convenient but also bring a certain degree of simplicity to the life of the user. Ready Mix Concrete (RMC) is one such product. What began as an effort by the cement industry to boost sagging bottom lines is now one of the best and most futuristic options for expansion and growth.

This, in reality, is not as easy as it sounds. The RMC business is a totally different ball game. It demands a **responsive** as against the **efficient** supply chain required by the traditional cement business. Both these supply chains call for different types of business processes, structure, orientation, service levels and efficiency.

The transition from the traditional business of cement manufacturing to providing RMC at the right time, rate, quantity and quality at the point of use will not only entail a change in how the business is run, but also in mindsets and attitudes. The success will be determined by how well the effort is thought through and whether it is scientifically designed to succeed – first time right. Fortunately, there is a methodology that can be used to achieve this goal and for those who dare, the rewards are there for the picking.

### ECS helps a cement major in structuring their RMC business

Recently, a pioneer in the cement industry sought ECS's intervention to help in designing their RMC business structure and processes.

#### Benefits achieved

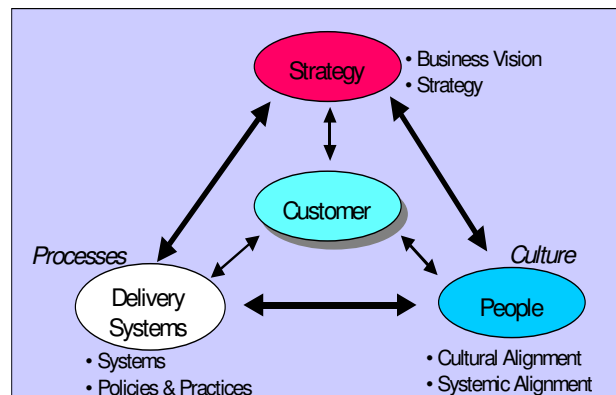
- Plant set-up time reduced by 30%
- Inventory reduced by 40%
- Achieved on-time delivery of more than 90%

### Concrete efforts

The organization's RMC business was managed in a similar way as its traditional business, which led to crisis followed by crisis, leaving the managers in a state of constant alertness. The plant setup time was high, inventory was high and on time delivery was low. The business processes needed immediate streamlining with its requirements and a specific metrics to enable measurement of performance. A new organizational structure, wherein each role, responsibility and accountability was clearly defined, had to be put in place. Lastly, the organization needed a drastic shift in its orientation – from manufacturing to service.

### Service excellence model

To achieve these results, ECS uses a unique model of service excellence, which ensures alignment and synergy between the customers, strategy, delivery systems and processes of the organization.



Source : Ron Zenke's service triangle

ECS developed the new processes and structure using its step-by-step methodology to

- Set the strategic agenda
- Define the gaps in the current process performance
- Reengineer the current processes
- Evaluate the impact on the current organization structure
- Develop alternate organization structures
- Develop an implementation plan

### Results of “The Right Mix”

As a direct consequence of the intervention, the RMC business of the organization was propelled towards high performance, equipped with a shared vision, redefined processes and a new organization structure.

The intervention helped the client in

- Reducing plant set-up time by 30%
- Reducing inventory by 40%
- Achieving on-time delivery of more than 90%

These landmark results were made possible by first creating a distinct need and ownership for the changes. Each business process, after being re-engineered, accepted and documented, has now set measures of performance. The required standards, policies and formats developed during the intervention are being used to sustain the business processes in their new avatar. The entire effort would have teetered were it not for the detailed implementation plan and the restructuring of the organization such that it could support the new business processes. ECS's collaborative approach has ensured that the organization now has an eager and cohesive team to implement the new processes and structure.

**The RMC business of this organization has zoomed since the ECS intervention setting it firmly on the path towards achieving its concrete vision of the future.**

### 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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