

What gets measured gets focussed



Rapidly changing edible oil industry

The edible oil industry is growing at a healthy pace along with the rest of the economy. The growth has been accompanied by significant changes in the industry structure. Traditional manufacturers are moving up the value chain and focussing on retailing branded edible oil.

Key Changes facing the industry

- Geographical expansion into new markets
- Establishment of retail sales channel
- Branding of edible oils
- Move from sale of loose oil to packed oil
- Manufacturing larger number of products and Stock Keeping Units (SKU)

Management team expanding beyond the family to include professionals from other industries

In a very cost sensitive business, these changes have meant that quick and effective decision making requires formal systems for data collection and reporting. It has also meant that traditional decision making led by the owner has to be supported by decision making at multiple levels backed up by appropriate data.

ECS helps an edible oil major establish a formal Management Information System

ECS has helped the client to generate a robust MIS reporting structure that would provide the management with a comprehensive view of the business performance and help in data based decision making.

Measuring the right things

While the client had an existing MIS, decision making based on this was very difficult and the client faced a number of challenges with the existing.

- All data required for decision making was not getting measured and reported
- Data reporting was neither timely nor accurate
- Too many and voluminous reports were reaching top management.
- No meaningful data analysis was being carried out before reporting to top management
- No standardization of data measurement existed
- Many functional areas were not reporting any performance measures
- Trends and variations in performance was not being tracked and analysed

ECS worked with the client in identifying the right measures, standardizing the measurement and reporting process and assigning roles and responsibilities.

The key indicators to capture were analyzed from various perspectives:

- Good mix of lead and lag indicators
- Combination of effectiveness and efficiency measures
- Measures spanning across all the departments

The templates used and the frequency of reporting were so designated to provide the right information at the right time and avoid information overloads.

A structured approach was used for developing the MIS

ECS worked with a cross-functional client team and the MIS development was conducted in 4 phases.

In the *mobilize phase*, expectations of all stakeholders were captured and detailed process mapping was carried out.

In the *identify phase*, all lead and lag indicators of both efficiency and effectiveness measures for every business process was identified. Critical KPI were finalized in a senior management workout.

In the *Design Phase*, templates for all the KPI reporting were developed and responsibilities for measuring and reporting finalized. Templates were designed to ensure data accuracy and ease of capturing.

In the *Deploy Phase*, key processes were identified and complete implementation was done.

The MIS system ensured that no duplication in data capturing occurred and was easy to use. Some of the key features include

1. Reports at various levels getting consolidated into one pager for top management
2. Reporting of trends of critical KPIs
3. Comparison against benchmarks and standards
4. Identification of causes of variations
5. Capture of unit cost of sales and manufacturing

Benefits accrued:

The MIS developed has helped the organization in terms of

1. Providing complete visibility of the major metrics important for the overall health of the organization.
2. Forming the basis of performance management and review
3. Ensuring analysis of data and corrective actions at appropriate levels
4. Concise and relevant reporting requiring very little intervention from top management.

Contact for details

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

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 Reengineering, 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, Lean, 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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