



Swavalamban

Self Reliance for Small & Medium Scale Enterprises [SMEs]

“If you don't
create Change,
change will
create You ...”

Self reliance for Small and Medium Scale Indian Industries (SMEs) is no more a far fetched dream, but an inevitability. Looking at the pace of growth of the Indian industry and the contribution of the SMEs to the national GDP, it is apparent that the SMEs have more than a significant role to play in the development of the Indian economy. (The GDP contribution of SMEs for the year 2000 was 40%, while the growth of the Small scale sector in 1999-2000 was 8.16% against the 6% growth of the entire Industrial Sector). The current pressures of Globalization and increased competition are felt by both the SMEs & Large scale sector alike. Catering to a discerning and enlightened Customer today requires organizations to incessantly challenge their business processes and practices, and adopt Quality as a business winning strategy. While the large scale industries are moving full spirit in embracing the Quality Revolution, SMEs in India are finding it difficult to adopt the best practices in business & Quality because of the high cost implications involved in the 'Quality' education & implementation.

Swavalamban: Self Reliance for Small & Medium Scale Enterprises (SMEs) is an endeavor by Six Sigma Alchemy (P) Ltd (SSA) to make the best practices in Quality and business management available to Indian SMEs at an affordable cost. SSA has been serving the Indian industry since its inception with a missionary zeal of making "Made in India" synonymous to Quality. In this endeavor SSA has consulted a vast spectrum of industries ranging from service to manufacturing, and also voluntary organizations.

The last 7 years have seen SSA build up a rich and varied Clientele base involving companies like L & T, ABN Amro, Bombay Dyeing, ICICI, Godrej, BPCL, Pfizer to name a few. SSA has also worked closely with many small to medium scale organizations to understand the unique requirements and typical ailments / drawbacks affecting the SMEs. Based on the years of association and learning from Consultation projects handled with Indian SMEs, SSA has designed a comprehensive organization development solution to enhance the financial results of SMEs. This training cum consultation solution is made to support the SMEs in India to strive for and achieve self reliance or 'Swavalamban'.

What is 'Swavalamban'?

Swavalamban, as the name implies, aims at creating self reliance for the SMEs in India. It refers to the ability of SMEs to rely on a sound internal professional management system with the least amount of dependency from external agencies.

The concept is based on consultation through handholding & knowledge transfer in the best quality practices, to be imparted to clusters or 'Parivar' of SMEs. In this initiative 5 to 8 SMEs form a 'Parivar'. Special handholding/ consultation is provided to SMEs individually as per their requirement. To facilitate cross fertilization of ideas, knowledge transfer through trainings are imparted to the Parivar members on a common platform.

Swavalamban is a 2 years association to support the SMEs to achieve world-class standard in their practices. This initiative follows the top-down approach where the requirements of the organization are assessed. The initiative involves improvement based hand-holding and training sessions.

Approach to Swavalamban

Swavalamban involves a 2 year association with a Parivar, to direct the member organizations build their processes and practices and achieve Customer satisfaction. The first year focuses on identifying & strengthening core competencies; bringing in a process culture within the organization; and enhancing people management skills through change leadership. Year two is devoted to obtaining breakthrough results in measurable business deliverables and process improvements. Current performance is measured in the beginning & improved performances are demonstrated. The entire approach to 'Swavalamban' is committed to generating bottomline and topline financial improvements for Parivar members.

Year 1 : Critical Improvement Consultation Plan

The Consulting package for year 1 in Swavalamban is to help the organization to build a baseline for improvement. This includes:

- Envisioning;
- Developing the business & strategic plan;
- Creating organizational structure
- Defining roles & responsibilities within the organization.

Following are the deliverables under Year 1 Consultation:

1. Coaching & mentoring of Directors for improving Personal Effectiveness.

2. Change Leadership development of the Directors through:
 - i. Training
 - ii. Envisioning & strategic planning
 - iii. Business Transformation through change management
3. Employee Trainings to bring in Quality focus in the operations.
4. Reviewing all critical business processes and, if necessary, reengineering to develop robust processes.
5. Improving the 'New Product Introduction System' cycle by improving Designers' productivity, wherever applicable.
6. Identifying computerization and providing support for implementation.
7. Studying manufacturing/ service operations & giving recommendations to implement Lean manufacturing/service system.
8. Implementing Total Productive Maintenance(TPM) systems to minimize machine down time.
9. Developing MIS & implementing better management controls.

Year 2 : Advanced Improvement Consultation Plan

Year 2 in Swavalamban aims at improving & sustaining the quality, profitability & growth of the organization. The Consultation package is based on mutual consent with individual 'Parivar' members. The entire consultation is devoted to sustain improvement within the organization through the following:

1. Implementing SMART (Specific, Measurable, Achievable, Real, Time-bound) objectives and improvement culture within the organization.
2. Identifying & recommending occupational safety improvements.
3. Implementing housekeeping -5S system.
4. Implementing Small Group Activity facilitating Cost saving.
5. Streamlining of HR policies to achieve better employee satisfaction.
6. Implementing Quality Systems through Statistical Techniques / Six Sigma / Lean Six Sigma.
7. Exploring the opportunity for Technology / Process Automation and supporting the implementation procedures.

Handholding and Training for Swavalamban

Based on the requirements a 2 level Training Plan is meted out through the two year association with the Parivar.

Level 1: Training and Support to Directors:

The Training to Directors includes the following technical as well as behavioral support:

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|---|----------------------------|
| 1. Business Planning & Strategic Management | 8. Personality development |
| 2. Lean Manufacturing System | 9. Change Leadership |
| 3. Quality Management System | 10. Emotional Intelligence |
| 4. Six Sigma Overview only | 11. Presentation skills |
| 5. TPM Total Productive Maintenance | 12. Stress Management |
| 6. Simultaneous Engineering | 13. Meditation & Yoga |
| 7. Value Based Management | |

Level 2: Training and Support to Employees:

To sustain and drive the growth onwards, the Employees in the organization are trained on following topics:

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| 1. Business Process Management System BPMS | 6. TPM |
| 2. Quality Management System | 7. Safety |
| 3. Statistical Techniques | 8. 5 S House Keeping |
| 4. Problem solving Techniques | 9. Personal Effectiveness |
| 5. Lean Manufacturing System | |

NOTE: Hand holding for these improvement initiatives is done as per the requirement of the organization.

Benefits from Swavalamban

Tangible

1. Improved sales
2. Reduced cost of manufacturing/operation
3. Higher ROIC (PAT ÷ COC)
4. Productivity Improvement
5. Reduced Scrap / rework
6. Inventory reduction
7. Reduction in Machine down time
8. Reduction in customer complaints
9. Delivery Performance improvements
10. Enhanced customer satisfaction Index

Intangible

1. Elimination of fire fighting at all levels
2. Enhanced quality time for the Directors
3. Improved morale of the team
4. Better image of the company
5. Better employee retention

SSA success stories of Small and Medium Enterprises

1. Doubling of Turnover in 2 years
2. 10 times reduction in inventories
3. Two times improvement in productivity
4. On-time delivery performance raised from 75% to 98%
5. 5-10% reduction in cost

passion for impossible

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