

# INDIA'S QUALITY REVOLUTION

In the last decade, Indian manufacturing companies have imbibed world-class practices in manufacturing management. They are today being rated among the best

Guest column • Surinder Kapur



ILLUSTRATION: AJAY MOHANTY

At the end of the first decade of the 21st century, Indian manufacturing companies are at par with the best in the world from a quality perspective. The next step will be to gain scale.

India has the largest number of companies, outside of Japan, that have been recognised for excellence in quality. Twenty-one companies have received the Deming Excellence award and 153 companies have bagged the TPM Excellence award for their total productivity management practices from Japan Institute of Plant Maintenance (JIPM). As many as 165 companies have been recognised for the Confederation of Indian Industry (CII)-Exim Bank award for business excellence (equivalent to European Foundation for Quality Management awards); about 80 per cent of these are manufacturing companies. Sundaram-Clayton, Sundaram Brakes Linings, TVS Motors, Brakes India, Sona Koyo and Indo-Gulf Fertilisers are among the few Indian companies that have won both the Deming and TPM awards.

This has happened because in the last decade Indian manufacturing companies have imbibed world-class practices in manufacturing management by educating their employees, both managers and shop-floor staff with the help of global teachers who have brought in the best manufacturing management techniques. These practices have

shown positive results in bringing down customer returns to below 50 parts per million (ppm), and have reduced manufacturing costs by 15-20 per cent over the decade.

Sundaram Clayton of the TVS group became the first company to get the Deming prize in 1998, after having put in 10 years of significant efforts to imbibe the total quality management (TQM) culture. The TVS group found a lot of commonalities between its culture and the one prescribed by TQM — and its companies became fully aligned to bring about “continuous improvement” into their fold. Many Deming Award winners are from the automotive and automobile component sectors, with Tata Steel being the most recent claimant in 2008. Tata Motors, among many others, is pursuing the Deming journey.

### The call for quality

India's interest in TQM came about from years of selfless contribution of one Japanese unsung hero, Professor Yoshikazu Tsuda who was invited by the CII to introduce TQM to the In-

dian manufacturing industry. He was the guide assigned by the

Union of Japanese Scientists and Engineers (JUSE) which is responsible for TQM promotion in Japan and the world over. After the success of TQM implementation in Sundaram Clayton in India, Tsuda set up two clusters of 20 of Maruti's top suppliers to take them through this journey. In 2001, K Mahesh of Sundram Brakes Linings got the first Deming Prize followed by others. Sona Koyo was among these companies!

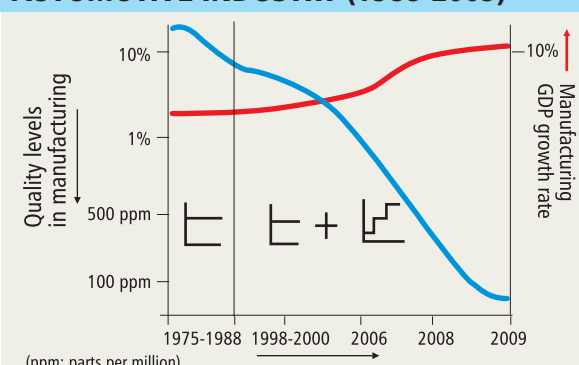
Today, Mahindra & Mahindra, Tata Motors and others are pursuing this roadmap as well, while others like Tata Steel are pursuing the Japan Quality Medal.

**A NEW PROGRAMME CALLED VISIONARY LEADER FOR MANUFACTURING WILL TRAIN CEOs AND MIDDLE MANAGERS IN 500 COMPANIES, SO THAT THESE 'VISIONARY LEADERS' TAKE INDIAN MANUFACTURING COMPANIES TO BE THE LEADING ONES IN THE WORLD**

Vikram Cements started the journey of TPM in 1992 and became the first company in India, in 1995, to get the TPM Excellence award from JIPM — it was a cement plant clean enough for one to eat off the floor! Sundram Fasteners became the next to follow in 1998. It was

Suresh Krishna who called CII to make the TPM Club India and spread the TPM movement in the Indian manufacturing industry. Today, we have 153 Indian companies that stand head and shoulders with the best in class in the world on manufacturing excellence, with the world's best to receive this award. CII also tied up with the Japan Management Association and has brought “lean manufacturing” experts to India. These experts work out of CII's office in Gurgaon. CII has its own TPM experts who organise the TPM National Conference each year and also organise training programmes around the year. The highest honour of Nakajima Award has been given to V Krishnamurthy, the chairman of the National Manufacturing Competitiveness Council, for his leadership and contribution. I, as the TPM Club chairman, have also been recognised by JIPM for promotion of TPM practices in India.

### EVOLUTION OF QUALITY IN THE INDIAN AUTOMOTIVE INDUSTRY (1988-2009)



### Achieving excellence

When Sundaram Brake Linings got the Deming prize in the first cluster with Tsuda, he approached the Automotive Component Manufacturers' Association of India (ACMA) and CII to form a cluster of second-tier suppliers to the automotive sector to bring about TQM in their working. The chief architect of this initiative was C Narasimhan (at that time the president of Sundaram Clayton) who integrated TQM, TPM and “lean manufactur-

ing” into creating roadmaps that would help Tier-2 and Tier-3 companies in the automobile sector in a cluster mode with Indian consultants from CII and ACMA. Today, more than 1,500 companies have become world class through this process, and others are signing up. These companies pay for the service, and are not under any government subsidy. Importantly, the Ministry of Micro, Small and Medium Enterprises has acknowledged that such mini-clusters can work together. Last year, the ministry launched the “lean manufacturing” scheme for small and medium businesses. CII would link this scheme to the SMEs to make them world class. When I say CII, I really mean a great synergy between ACMA, Maruti Centre of Excellence, National Insti-

tute of Quality and Reliability, and CII-LM Thapar Centre of Excellence in Chandigarh.

On November 13, 2003, I had the opportunity to meet Shoji Shiba in Japan after we got the Deming Prize, and he introduced us to the concept of “breakthrough management”. With this initiative, we developed a new programme called Visionary Leader for Manufacturing (VLFM) — an Indo-Japan education programme which was endorsed by the prime ministers of the two countries. The VLFM programme is structured to separately cater to CEOs, middle managers and SME owners. The target is to train 500 companies, so that these “visionary leaders” take our manufacturing companies forward to be the leading ones in the world, and thus act as engines of growth for all such companies in India.

These companies will use

techniques to create the next best global practices and develop an industrial culture that India will be proud of. Indian manufacturing has come of age and, for that reason, global companies are looking to set up facilities in India to capture market opportunities and to make use of the Indian manufacturing capabilities which are world class.

The Nano has revolutionised the global automotive thrust towards affordable cars and Godrej's Chotu Kool will do the same for the white goods industry as Sony's walkman and the Apple iPod and iPhone have done.

The DNA of Indian manufacturing, with regard to quality, has changed. The next decade will find Indian-manufactured goods being sought in the global marketplace.

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