

“Go Lean...!”



...says **Sanjeev Baitmangalkar**, Principal Consultant (Strategy & Lean Manufacturing), Stratmann Consulting. He is an empanelled lean consultant on the Prime Minister's Global Manufacturing Competitiveness Program, an accredited lean consultant with the Quality Council of India and the Ministry of Small & Medium Enterprises under the Industry Ministry, Government of India. He has also worked as MD of Roots Multiclean Ltd; Director & CEO of the Texmaco Group in South-East Asia, and as VP & SBU Head with the Kirloskar Group.

■ **Which are the breakthrough technologies and management concepts that are shaping manufacturing operations and thereby businesses in the present times?**

Although lean manufacturing is not a concept of the last decade, yet there is no better known philosophy, thinking, or end-to-end solution delivering ever improving quality, reliability, cost reduction, customer satisfaction and in

the process also handsome returns. Attempted variations do not match the results. Lean manufacturing as a manufacturing concept is the best form of business excellence, systems and quality certification yet.

The way information shapes will develop allied product manufacturing industries. Disruptive technologies have been visible in many industries. Communication and internet have seen many breakthroughs;

Google has become a way of life; information is greatly democratised; social networks have changed the way people connect, communicate and share. In fact, the request for my earlier article in EM, 'Lean: intrigue or intriguing?' came on my Facebook wall.

The global outsourcing has made the world a more equal space. The advent of iPhone has disrupted the PC industry. Composites will change the way aerospace looks at materials

and find applications elsewhere like the auto industry. The high-speed data transfer capability developed will catapult the data storage and management device industry, and handheld devices for mobility convenience. And we have not talked about cloud computing!

■ **Please suggest top five change drivers for the global manufacturing industry evolving into its future.**

The challenges, the need,

and the threat of disruption drive innovation and ideas for change. With the growth markets in the auto industry shifting to emerging markets, the demand for small, comfortable, low cost, fuel efficient cars will drive product development. Power source alternate to abiotic fuels will propel industries such as solar and electric. Defence industry will see enhanced digital capability in the tools of warfare. The machine tool industry may have nothing more than a modification or a variable to what exists. Looking at the internet of things, many businesses of the future will use analytics to mass customise and differentiate themselves. The growing number of embedded sensors collecting information about the world, and the rise of social networks that store the data people share, will generate immense quantities of information. Business intelligence, which enables organisations to gather quantifiable data on each area of the organisation and analyse it in a way that yields information they can act on — helping them enhance decision making, improve performance, mitigate risk and sometimes even create new business models — is growing in importance.

■ **With constant pervasive changes in technology & market requirements, how can organisations design/plan the change management process and product development strategies?**

Product development results from customer requirements, innovative ideas, disruptive technologies and disruptive ideas or inventions. The strategies behind it will be creation of blue oceans, share

acquisition by innovation or disruption, or simply lateral growth by becoming a player in a category absent earlier. Competition can quickly catch up where differentiation is for competitive advantage. The rate of change demanded today is much faster than in the years before. The customer's expectation of frequent new products, with better technology, faster and better performance, better consistent quality, more fuel efficiency and cheaper price will also govern the product life cycle. That is why we will see more platform offerings from sectors such as automotive, hand-held communication devices, retail, etc. The machine tool sector

using digital sources in making their purchase decisions. In the shifting industry landscape suppliers will have to add more value and companies that focus more on organising better upstream activities will be more competitive and remain advantaged.

■ **How are the transforming/emerging economies and changing trade relations likely to influence the manufacturing sector growth globally?**

While there has been noise over the economy, slow growth, interest rates, inflation, etc, Toyota reported its highest ever profits and Maruti increased their market

industries have grown at higher than 20-25% post the crash.

■ **What in your opinion can be defined as the key to (process-) success in modern manufacturing companies?**

If there was a superlative to the 'best' practice today in manufacturing or using a philosophy to run an enterprise, it is 'Lean Manufacturing'. These recent years after the crash were great opportunity for non-lean companies to have used the time and become leaner. Personally, I measure the effectiveness in terms of the benefits transferred to customers. Both Toyota and MKL became leaner during their difficult times. Difficult times, market slowdown, low economic growth, etc are actually an opportunity to innovate and grow. MKL innovated product offerings, created blue oceans, addressed customers at the bottom of the pyramid, became many times more productive with reduced wastages to save over 60% of costs and passed on a 30% downward price change permanently to its customers and created a benchmark that may never be surpassed! What can be more relevant to success than a philosophy that addresses everyone, beginning with the customer and going up the value stream to the last vendor all inclusive in a seamless value chain? Waiting for the government to change and policies to be made more favourable is like the old farmer praying to the rain Gods. Instead, good leadership should take charge and make it to rain. It is never too late to embrace the complete practice of lean manufacturing and discover ways to minimise or overcome the impact of economic changes. ■



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may lag behind and we may see more of the same products with peripheral changes. Owing to the complexity and cost pressure, there will be more platform sharing and more modular systems. Regulatory pressures are likely to tighten, and prices in established markets may remain flat. In the diverging markets, OEMs need to adapt to changing regional and segment patterns of supply and demand with respect to their production and supply base footprints, supply chains, and product portfolios. Digital demands will remain high, consumers want more connectivity and are focused on speed, active safety and ease of use, and are increasingly

share while reducing 40% of manufacturing costs since the crash! Something that both Mysore Kirloskar and Bridgeport SEA had demonstrated that significant growth in topline, bottomline, share markets, customers and satisfaction can be made to happen irrespective of the economic environment, atleast to a great extent; and that it depends more on the leaderships vision, strategies, creative thing, people involvement and execution. Trade barriers could encumber costs; otherwise trade relations have to evolve more between buyer and seller. Emerging markets especially India has had a high growth rate YoY for more part of last decade. Some