



# SME MIRROR

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## Chairman's Message

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Cluster for Competitiveness is an abiding mantra of CII AVANTHA Centre to help SMEs stay competitive in the domestic and global market. Business competitiveness not only ensures a rich return of investment in financial terms, but also offers intangible benefits like space savings, improving employee morale to cite a few. As you read this fourth issue of SME Mirror newsletter, we are busy gearing up for our annual flagship event – the National Cluster Summit. The 5<sup>th</sup> CII National Cluster Summit is slated to be held at Hotel Leela Kempinski in Gurgaon from October 18 - 20, 2012.

Alongside its broader objectives, the Cluster Summit aims to share and promote the benefits of cluster approach for Small and Medium Enterprises and present success stories of cluster members. CII Cluster Championship Awards based on case studies and Kaizen Awards for best ideas for business improvement are prominent features of the Summit. Both the awards are much coveted and awaited by the industry.

As always, we look forward to your valuable feedback, comments and suggestions.

Gautam Thapar  
Chairman & CEO,  
Avantha Group & Chairman,  
CII - AVANTHA Centre for Competitiveness for SMEs



## CII-ANANTHA Centre Webinar Initiative

CII - AVANTHA Centre for Competitiveness for SMEs has taken the initiative of conducting a series of webinars to leverage the power of the internet and technology to reach out to companies across the nation with its expertise and guidance in areas such as Manufacturing Excellence, Cost Management, Energy Efficiency, Human Resources, E-Learning, Corrosion Management etc. Through these webinars the company is trying to address the concern of all its member companies who want to get answers to their queries from expert faculties.

“Training programmes of CII - AVANTHA across the various verticals are very popular. As a next step, through the webinars, we seek to remove the geographical constraints for attending these programmes,” said R. Narayanan, Head, CII - AVANTHA Centre for Competitiveness. “All our webinar topics have been designed with the requirements of the SMEs in mind. Further, they aid in saving both time and money,” said Narayanan

➤ On June 26, 2012 CII - AVANTHA Centre organised a webinar on 'Energy Efficiency in Centrifugal Pumps'. While webinar participants joined from all over India by posing their questions and comments through chat, the Chandigarh headquarter of CII - AVANTHA Centre hosted the event, from where the guest faculty of the programme, deliberated on the topic and answered the questions from the participants. The faculty was B.M. Gulati, Chief Executive Officer, Jay Dee Enterprises. Centrifugal pumps are widely used in industry & account for 30 – 50% power consumption in some of the energy intensive process plants. There is possibility of around 10 – 40% Energy Savings in centrifugal pumps. One of the objective of the webinar was in tune with the effort to develop practicing managers to act as internal facilitators for promoting Energy Efficiency Practices.

➤ A Webinar on 5S was held on July, 13, 2012. 5S is a reference to a list of five Japanese words which 'start' with S. 5S is a philosophy and a way of organizing and managing the workspace and work flow with the intent to improve efficiency by eliminating waste. The key targets of 5S are workplace morale and efficiency.

## Concluding Session of KHS Supplier Cluster, Ahmedabad

The concluding session of the KHS Supplier Cluster was held at Ahmedabad on June 26, 2012. The Cluster had commenced in February, 2010. There were 14 companies in this cluster comprising Lancer Laser Tech, Mani Lal & Sons, J U Mistry & Sons, Jaynesh Engineering, Alpha Nippon Innovatives, Harsiddh Industries, Shree Plast Moulds, Gayatri Fabricators, Hindustan Engg. Works, Make-Well Engineers, Perfect Boring, Ashapuri Engineering, Shree Ma Engineers and Precision Technoplast.

In terms of benefit outcomes, the Cluster was successful in garnering a total of Rs 34.68 lakhs in savings for the cluster companies. In terms of space, the Cluster Programme could save as much as 6170 Sq ft. Inventory Turnover Ratio of the companies increased by 42%. Further, as an outcome of the Cluster programme, Customer return reduced by 65 % and Customer complaint reduced by 42 %. In-house rejections also reported a reduction by 76 %. Post Cluster Participation, delivery schedule adherence of cluster companies improved by 11 %. The Cluster reported an impressive 435 Kaizens or improvements at the shop floor for cluster companies. Sales

of the companies improved by 45%.

In addition to several plants in Germany, KHS GmbH maintains production facilities abroad in U.S.A., Mexico, Brazil and India. KHS GmbH, Dortmund is an international manufacturer of filling and packaging systems for the beverage, food, and non-food industries.





## Training Program on Autonomous Maintenance, Delhi

CII-AVANTHA Centre for Competitiveness organized a one day training programme on **Autonomous Maintenance - How to Achieve Zero Breakdown** on June 22, 2012 in New Delhi. It was very well received by industries with participation from companies like Britannia Industries Ltd, Daimler India Commercial Vehicles P Ltd, Glenmark Pharmaceuticals Ltd, Groz-beckert Asia Pvt. Ltd, Cadbury India Ltd, etc.



Participants were apprised of the fact that Zero breakdowns can be achieved only if production operators are involved in finding any abnormalities. At the core of world-class maintenance performance is something

called 'Autonomous maintenance.' In this context, term autonomous doesn't mean performing maintenance in a vacuum or solely by traditional maintenance department. Rather, it means operators perform certain equipment maintenance activities and that maintenance crafts get closely involved in daily operation of equipment. Focus of operating team is on cleaning, inspecting, lubricating, monitoring and other essential daily tasks traditionally within the domain of the maintenance department.

## Energy Audit of ITL, Hoshiarpur

From June 4 to June 8, the Energy Team of CII AVANTHA Centre conducted a detailed energy audit at International Tractors Limited (ITL) at Hoshiarpur in Punjab. The company manufactures farm equipment and tractors under 'Sonalika' brand Apart from tractors, other products of the company include Press Components, Engines and DG Sets.

In its exhaustive assessment, the Energy Team has identified 16 Energy saving proposals for the company. If these Energy Saving proposals are implemented the company would stand to gain close to 15 percentage of savings on its energy bill. The pay back period for the investments required for the proposals would be 12 to 18 months.

Energy Management is the judicious and effective use of energy to maximize profits, minimize costs thereby enhancing competitiveness. Under Energy Management, the centre offers the most accurate estimate of savings and cost. It considers the interactive efforts of all the projects, accounts for the energy use of all major equipment and includes detailed energy cost saving calculations and project cost.



## Visit of International Delegation

A 33 member International delegation visited CII AVANTHA Centre in Chandigarh on July 23, 2012 to understand its various activities. It comprised of delegates from countries of Afghanistan, Serbia, Armenia, Oman, Mauritius, Tanzania, Ghana, Uzbekistan, Lithuania, Slovak, Mongolia, Ethiopia, Syria, Sudan, Sierra Leone, Bhutan, Fiji and Zimbabwe. After the Morning session at CII Chandigarh, the delegation went to a plant visit to Vardhman Mills at Baddi in Himachal Pradesh. The delegation included 17 women participants.

The delegation was part of International Programmes on Cluster Development - Emerging Strategy/MSME Entrepreneurship (CDES-MSME) and International Marketing & Global Competitiveness (IMGC) from 3rd July - 3rd August

2012. The visit of the delegation was facilitated by NIESBUD (National Institute for Entrepreneurship and Small Business Development). NIESBUD is an apex body established by Ministry of Micro, Small and Medium Enterprises.



## Plant Visit to Vardhman Mills at Baddi for International Delegates

Seeing is believing, they say. At CII AVANTHA Centre for Competitiveness too we believe in this adage. So, for the International Delegation, comprising 33 members from the world over, we thought it would be best to facilitate a Plant Visit for them. With this in mind, our team got in touch with Vardhman Mills at Baddi in Himachal Pradesh. Within a short notice, a trip to their facility was planned and executed, much to the satisfaction of the delegate members.

On July, 23, 2012, immediately after the Morning Session with the International Mission wrapped up at CII headquarters in the Northern Region, all the delegate members left for Vardhman Mills at Baddi, accompanied by a co-ordinator from CII AVANTHA Centre.



Upon their arrival at the Vardhman Mills plant, the Human Resources team of Vardhman Mills welcomed the delegates and the CII representative, with warm hospitality and enthusiasm. Further there were detailed Presentations by Vardhman Mills explaining its organization and the particular Plant at Baddi. The Company also detailed about its market Presence etc.

The best part was the conducted plant tour, wherein specialists from Vardhman Mills explained in great detail, the processes in the plant. It was an enriching experience for the delegate members as they learnt and saw the entire process of threads being made from Cotton, through the intrinsic interventions of man and machine.



## Training Program on Cost Management, Rudrapur

A one day training programme on Best Practices in Cost Management was held on July 27, 2012 at Hotel Rudra Continental, Rudrapur in the state of Uttarakhand. The faculty for the programme was also from CII-AVANTHA Centre.

In the training programme it was explained in detail how it is essential that cost management becomes an integral part of an organisation's strategy to address not just individual activities or cost centres but the entire value chain.

The programme focused on development of techniques for effective cost management and increased profitability. It explained how to create in-house costing models with Activity Based Costing (ABC) and Activity Based Management (ABM). It provided a holistic framework to control, reduce and minimize costs.

The faculty conveyed with case studies and examples how effective cost management is one of the most vital devices to help the Indian Industry get acclimatized to fast-paced changes. It was emphasized that Indian Industry has grown from a simplistic cost-plus pricing structure to a competitive market determined pricing scenario and today a low-cost, high-quality product has become an object of desire, to gain a competitive edge.

The training programme concluded with an interactive session with the delegates present. The participants showed keen interest in using the management practices taught in their respective companies.

## First MRM of JCB Supplier Basic Cluster II

A Monthly Review Meeting (MRM) of an on-going Cluster is like an indicator which shows whether the Cluster is on the right track in tune with its objectives. Taking in stock the progress achieved at these meetings, the Cluster companies are able to incorporate course corrections, if there is any need for the same. On the other hand, by studying the achievements of each member of the Cluster, companies are able to learn about best practices and are easily able to spot deficiencies through a comparative approach. The first MRM of the JCB Supplier Basic Cluster II was held on July 17, 2012 at Imperial Auto Industries (Hose Unit), Faridabad, which is one of the Cluster Company. The Kick off for this cluster was done on 25 May 2012.

The name of all the Cluster Companies are as follows:

1. Milestone Gears Pvt. Ltd - Chandigarh
2. Banco Products Pvt. Ltd. - Vadodara
3. Parker Hannifin India Pvt. Ltd. - Mumbai
4. Micron Precision Screws
5. Imperial Auto Industries – Unit 1 - Faridabad
6. Imperial Auto Industries – Unit 2 - Faridabad
7. Manish Auto Industries
8. Majestic Seats - Faridabad
9. JREW Engg. – Mohali
10. OK Play India

**Outcome of the cluster, as observed in the first MRM**

**Tangible Benefits -**

1. Money Recovered from Red Tag activity Rs. 1024566.
2. Space Saved 4887 Square ft

**Intangible Benefits**

1. Increase in operator participation and reduction in searching of routine items.
2. Change is visible in shop floor environment and in the morale of employees.

Quote from a Cluster Company on experience of participating in the cluster.

“Through this CII cluster, MPS will be able to reduce process cost. MPS' employee satisfaction as well as motivation level will be increased. MPS will be able to improve delivery performance to its customer, which will result in more business”.

Karan Vig, Director Marketing  
Micron Precision Screws (MPS),  
Rohtak



# 15<sup>th</sup> Year of Cluster Formation

Driving MSME Excellence - Fuelling Growth



5<sup>th</sup> Anniversary National Cluster Summit  
18-20 Oct., 2012, The Leela Kempinski, Gurgaon



The word 'Kaizen' comes from the Japanese word 'Kai' meaning change and 'Zen' meaning Good. It initiates a system of continuous improvement and encourages everyone on shopfloor (Gemba) to come up with small improvements on a regular basis. The real power of Kaizen is in the on-going process of continually making small improvements that improve process and reduces waste. Benefits of Kaizens include improvement in productivity, quality, on-time delivery and reduction in cost.

An ode to the spirit of Kaizen are the Kaizen Awards given at the annual National Cluster Summit which is organised by CII AVANTHA Centre for Competitiveness. Like every year, this year too, nominations have been invited for awarding the top three Kaizens for the 5<sup>th</sup> CII National Cluster Summit to be held on October 18-20 at Hotel Leela Kempinski in Gurgaon.

More than an activity, Kaizen is like a culture which invokes the mind and the spirit to constantly be on the look-out for a better way of doing things. A culture like that can take a SME far and help it in remaining at the cutting edge of Competitiveness.

It would be apt to say that Kaizen is the building block of all the lean production methodologies in the sense that it is a foundation upon which all of these methods have been built.

We at CII AVANTHA Centre for Competitiveness for SMEs encourage all SME companies to come up with small improvement suggestions on a regular basis. The important thing to note is that Kaizen is not a once a month or once a year activity, it is continuous!

## Members' Articles / Issues of Concern

To share your thoughts, knowledge, issues of concern or any information, please do send in your write ups / articles (500 - 700 words) along with passport size photograph (soft copy) and your complete contact details. We'll be happy to share the same through our subsequent issues of monthly e-newsletter - SME Mirror

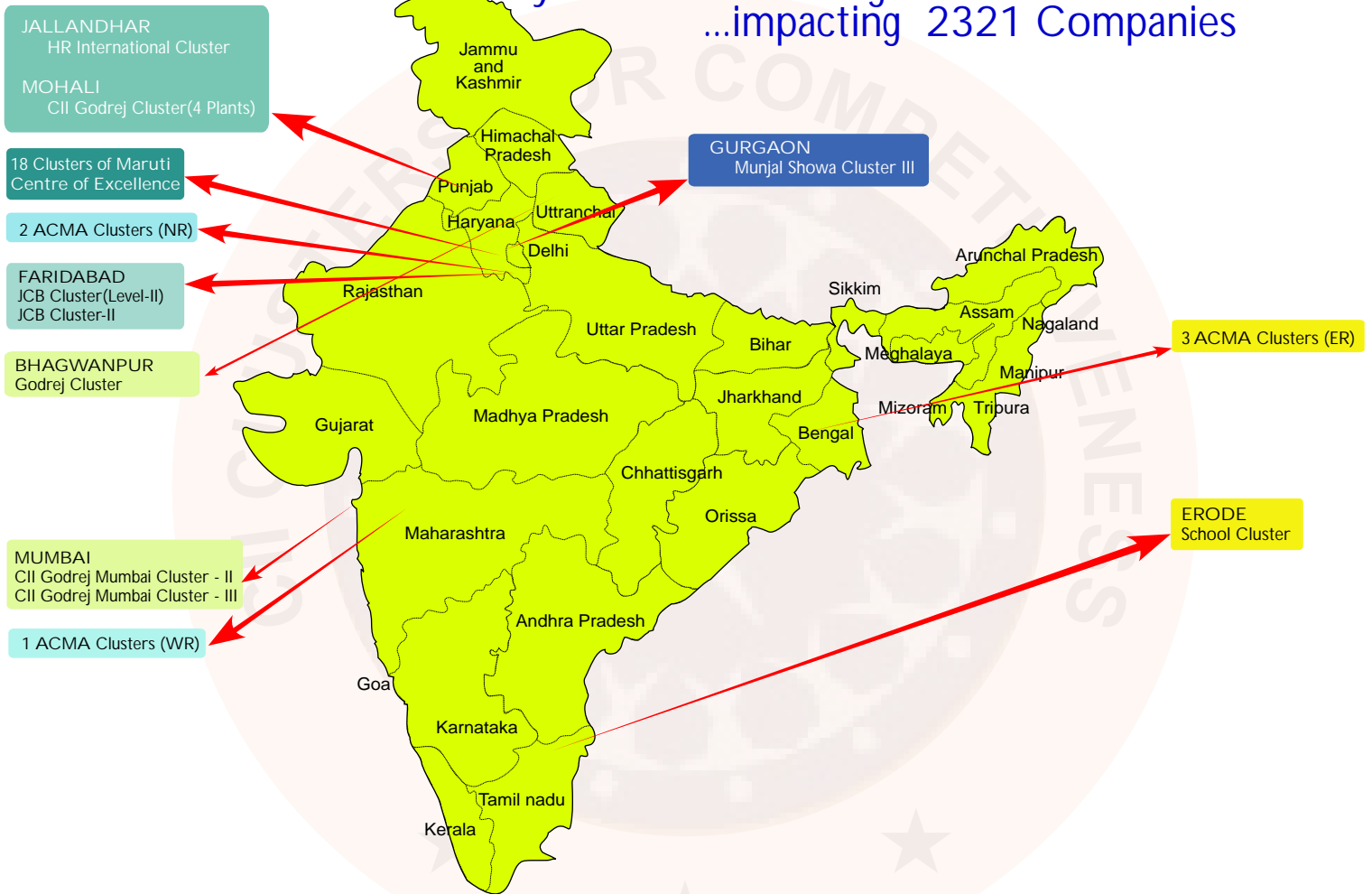
For details, please contact Raja Ghoshal  
Mobile: +91-8146315123 or Email: [raja.ghoshal@cii.in](mailto:raja.ghoshal@cii.in)

Interested companies can advertise in the subsequent issues of monthly e-newsletter - SME Mirror which will reach to CII Member companies, Select Non-Members companies, Government officials, Embassies, Indian Missions overseas and others.



# CLUSTERS FOR COMPETITIVENESS A Unique Opportunity for SMEs

**221 Clusters formed,**  
by CII and its Strategic Partners  
...impacting 2321 Companies



Ongoing 34 Clusters, covering 231 companies...

As on: 16<sup>th</sup> August, 2012





CII-AVANTHA  
Centre for Competitiveness  
for SMEs

# Photo Gallery & Media Coverage



## Pan India success for CII-AVANTHA

DP CORRESPONDENT  
Chandigarh

CII AVANTHA Centre for Competitiveness for SMEs, which is Chandigarh head-quartered Centre of Excellence of Confederation of Indian Industry (CII) has gained pan India success in the cluster and counseling programmes in the quarter of April-June this year. "In the present quarter, which is yet to close, we are happy to note success stories from across India. It only reinforces our commitment towards the small and medium enterprises (SMEs) across the length and breadth of this country, for which this Centre of Excellence is dedicated," said R Narayanan, Head, CII-AVANTHA Centre for Competitiveness for SMEs.

BOOST TO SMEs

The cluster recently facilitated a combined savings of Rs 10 crore in a hybrid cluster of eight different companies in the western region. Referred as Pune hybrid cluster, the programme first worked with large companies in the present phase and will eventually work with their vendors, which are SMEs. "The companies, in the present phase included Spirax Marshall, Cromption Greaves, Gurnim India, Thermax, Godrej and Boyce Appliances Division and Demag Cranes and Components. The cluster was held under the leadership of C Narasimhan, Chief Adviser, CII National Cluster Programme and Advisor, Auto Components Busi-

ness, Sundaram Clayton," he added. Narayanan said the Present quarter also saw centre launching the first cluster in Uttarakhand. In April, CII-Godrej Interio Cluster kick-off took place at Bhagwanpur in Haridwar district of Uttarakhand. "Apple Industries, BK Camie Works, Star Seating System, Soviton Living Concept, Securifax Packaging and Godrej and Boyce Interio Division of Bhagwanpur plant are six small companies supplying various components to Godrej Interio's Bhagwanpur plant, which manufactures only chairs but now intends to introduce office desks from the next year," he added. "We want to increase our business by three-to-four times and the cluster development is a very good opportunity for our company to increase our business and improve our quality," said Anil S Mathur, Chief Operating Officer, Godrej Interio.

Sandeep Jain, Vice Chairman, CII Uttarakhand and Director, Akarnix Drugs and Pharmaceuticals said, "CII has been continuously working to enhance competitiveness of its members through various channels. The launch of the first CII cluster in Uttarakhand is a milestone achievement for all of us. It will help participating companies improve their performance and inspire other companies to replicate this model in the state." Down south, the quarter has seen the completion of Erode cluster.

## स्मार्ट इलेक्ट्रॉनिक्स

अभियंताओं के सहयोग से विद्युत् संचालित, स्मार्टफोन, इलेक्ट्रॉनिक्स युक्त घरों में उपयोग के लिए निर्माण प्रदर्शन में सफलता के साथ-साथ नए निष्कर्ष के लिए प्रयास

## लघु उद्यमियों को स्मार्ट बनाएंगी आईटी कंपनियां

आज के समय में, स्मार्टफोन के साथ-साथ, स्मार्ट टैबलेट, स्मार्ट टीवी, स्मार्ट वॉशिंग मशीन, स्मार्ट रेफ्रिजरेटर, स्मार्ट अडवाइसरी सिस्टम आदि स्मार्ट इलेक्ट्रॉनिक्स की श्रृंखला में जोड़ने के लिए प्रयास किया जा रहा है।

## 'क्लस्टर' उपक्रमाला मोठा प्रतिसाद

अभियंताओं के सहयोग से विद्युत् संचालित, स्मार्टफोन, इलेक्ट्रॉनिक्स युक्त घरों में उपयोग के लिए निर्माण प्रदर्शन में सफलता के साथ-साथ नए निष्कर्ष के लिए प्रयास

## गुणवत्ता जागरूकता फैलाने की मुहिम

देश में गुणवत्ता जागरूकता फैलाने की मुहिम शुरू की जा रही है। गुणवत्ता जागरूकता कार्यक्रम का शुभारंभ देश के अलग-अलग हिस्सों में किया जा रहा है।

## अभियंताओं के सहयोग से विद्युत् संचालित, स्मार्टफोन, इलेक्ट्रॉनिक्स युक्त घरों में उपयोग के लिए निर्माण प्रदर्शन में सफलता के साथ-साथ नए निष्कर्ष के लिए प्रयास

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## cityscape » 2

Naushad Forbes says companies can stay away from land acquisition rows

New Logo... (Text about company logos and branding)

## Firms should better utilise existing space

Naushad Forbes says companies can stay away from land acquisition rows





**Confederation of Indian Industry**

The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the growth of industry in India, partnering industry and government alike through advisory and consultative processes. CII is a non-government, not-for-profit, industry led and industry managed organisation, playing a proactive role in India's development process. Founded over 117 years ago, it is India's premier business association, with a direct membership of over 7100 organisations from the private as well as public sectors, including SMEs and MNCs, and an indirect membership of over 90,000 companies from around 250 national and regional sectoral associations. CII catalyses change by working closely with government on policy issues, enhancing efficiency, competitiveness and expanding business opportunities for industry through a range of specialised services and global linkages. It also provides a platform for sectoral consensus building and networking. Major emphasis is laid on projecting a positive image of business, assisting industry to identify and execute corporate citizenship programmes. Partnerships with over 120 NGOs across the country carry forward our initiatives in integrated and inclusive development, which include health, education, livelihood, diversity management, skill development and water, to name a few.

The CII Theme for 2012-13, 'Reviving Economic Growth: Reforms and Governance,' accords top priority to restoring the growth trajectory of the nation, while building Global Competitiveness, Inclusivity and Sustainability. Towards this, CII advocacy will focus on structural reforms, both at the Centre and in the States, and effective governance, while taking efforts and initiatives in Affirmative Action, Skill Development, and International Engagement to the next level. With 63 offices including 10 Centres of Excellence in India, and 7 overseas offices in Australia, China, France, Singapore, South Africa, UK, and USA, as well as institutional partnerships with 223 counterpart organisations in 90 countries, CII serves as a reference point for Indian industry and the international business community.



**CII-AVANTHA**  
Centre for Competitiveness  
for SMEs

Business enterprises worldwide are increasingly focusing on enhancing production and improving quality, while reducing costs. In such a scenario, it is important for small and medium enterprises (SMEs) to remain competitive.

The CII- AVANTHA Centre for Competitiveness for SMEs was established in 2004, with a view to providing SMEs in India with a one-stop consultancy service. There are more than 11.86 million SMEs in India, which contribute nearly 40 per cent of the country's total industrial output. If the country's economy is to be strengthened, it is imperative that these SMEs receive tactical support to remain competitive.

The Chandigarh-based CII - AVANTHA Centre for Competitiveness for SMEs aims to build competitive and visionary SMEs. The Centre offers consultancy services on a wide range of critical issues such as manufacturing excellence, energy management, cost management, human resource development, etc. Although the Centre does provide services to individual companies, it encourages the formation of groups or clusters of SMEs. A number of companies, which share the same location, sector or even OEM vendor, are allocated to these clusters. This approach encourages SMEs to form, share and draw from a common knowledge pool.

The CII - AVANTHA Centre for Competitiveness for SMEs has successfully established such clusters at Mohali, Gurgaon and Jalandhar and is running parallel clusters across the country at Jaipur, Faridabad, Lucknow, Pune, Kolkata, Chennai and various other locations. Apart from offering consultancy services, the Centre is also committed to helping SMEs remain abreast of contemporary issues through seminars, conferences and training programmes.

The Centre offers the following services

- Clusters for Competitiveness
- Energy Audit and Management
- Manufacturing Excellence
- Total Cost Management
- Human Resource Management
- Corrosion Management
- e-Learning

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