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President's Page

Supply Chain Management

B. Banerjee

In management guru Peter Drucker's paradigm, the concept of business relationships extends beyond traditional enterprise boundaries and seeks to encompass entire business processes throughout a value chain of multiple companies.

In recent decades, globalization, outsourcing and information technology have enabled many organizations such as Dell to successfully operate collaborative supply networks in which each specialized business partner focuses only on a few strategic activities. This inter-organisational supply network can be acknowledged as a new form of organisation. They complement the earlier JIT, Lean and Agile manufacturing practices.

Six major movements can be observed in the evolution of supply chain strides. They are creation, integration, globalization, specialization phases one & two and SCM version 2.0.

Rationale of SCM is "adding value in everything we do". As such competition is no longer between companies, it is between supply chains.

Leanness plus agility is Leagility. This is evidenced in Dell's approach.

Dell's direct business model of virtual integration comprises

- *Only three manufacturing centres at Austin, Ireland and Malaysia.*
- *Inventory levels and replenishment needs sometimes conveyed to suppliers on hourly basis.*
- *Substitute information for inventory and ship only when they have real demand from real end customers, thus moving completely to 'pull system' from 'push system'.*
- *Clever segmentation: focus on institutional markets and large customers.*
- *Increased knowledge base of sales executives to reduce errors in demand forecasting.*

Quantifiable key performance indicators (KPIs) help increased effectiveness of a SCM process. Normal KPIs on SCM tracked by progressive organizations are

- *Perfect order fulfillment comprising*

  a)delivery of full quantity on time (as per customer's definition)

  b)quality as per customer's requirement without transit damage or short /wrong supply and

  c)complete & accurate documentation
- *Supply chain response time which is the average time in days of the supply chain. Generally the shortest supply chains are the most responsive ones.*
- *Percentage change in customer price compared to inflation. This measure is similar to consumer price index.*
- *Supply chain management costs as a percent of sales at standard price. This comprises costs of MIS planning, inventory carrying, material acquisition and order management costs.*
- *Inventory turns which is the total sales at acquisition price divided by the value of inventory at acquisition price. This also indicates asset utilisation efficiency. One point an organisation has to keep a tab is its supply chain vulnerability. Supply chain risk is recognized in today's economy as a major threat to business continuity. A break in the supply chain can reduce a company's revenue, decrease its market share, inflate costs and significantly affect production and distribution.*

Finally sustainability and social responsibility in supply chain is judged by SECH (social, ethical, cultural and health) rating.

Supply chain may account for over 75% of a company's carbon foot print. Hence many organizations, are exploring ways to reduce this and thus improve SECH rating which eventually help them to enhance their triple bottom line eg. people planet and profit.

B. Banerjee

Supply Chain Management : Contents

Improvements in Supply Chain Management sector my experiences

by Mr. S.V.Viswanathan, Expert Panel Member - NCQM

1. Introduction:

Supply Chain management involves inbound as well as outbound Logistics. I had very good all round experiences with the best of world class companies of the world and in major segments viz: Auto, IT, Media, cutting tools, Non ferrous rolling products & Electrical and Electronics industry. In all these cases listed below we had teams working on savings. Some of the breakthrough results we achieved saving major costs were as follows:

2. Breakthrough result areas:

2.1 Purchase:

2.1.1 Change of materials and vendors process to boost savings

Over the years plastic raw materials had undergone silent revolution with introduction of new and better materials. Similarly corrugated paper has replaced wood for packing. Copper had been replaced by mild steel in electrical industry. Traditional safety factor in design not necessary for products and hence change in dimensions to reduce material content. Vendors also need help to make efficient process where they eliminate the 7 wastes.

But all these will have to be justified by a DOE process and if necessary testing by external laboratories.

2.1.2 Change of vendors/ alternate vendors to reduce costs

Mature organization can never depend upon one dedicated vendor. One needs to have alternates to maintain competition, cost consciousness and risk of dependency. And at that time any alternate supplier mainly means cost reductions

2.1.3 Improvements in vendors side to help systematically reduce costs.

Like we would like to improve our processing cots it is important that suppliers too have targets of improvement in processing costs.

2.1.4 Reduce transport costs of supplies

While the supplier may incur extra cost for supply of partial vehicle load, we may combine supplies from different suppliers to reduce total transport costs

2.1.5 Reduce packing costs of supplies

One can use reusable containers to avoid packing. Use cheaper newspaper for separating painted parts instead of special paper.

2.1.6 Make use of tax laws to help in savings costs such as supply of materials for conversion.

It could be advantage to send our scrap for conversion to basic sheet metal for our components. This may give you a 4% differential which if weighed on high loads will mean major saving in money.

2.1.7 Take advantage of location tax

Certain areas have zero tax or minimum tax to give incentives for backward zone development. 2 to 4% savings has been achieved.

2.2 Stores:

We know that all inventories are wastes, however organization do stock as strategy, so the question will be then how to reduce logistics costs

2.2.1 What to stock?

One needs to understand what to stock, why stock, how much to stock? These need to be continuously monitored and strategized. If these are left to individuals at lower levels suddenly you will find the inventory is very high. Similarly critical and bottleneck components need to be carefully monitored

2.2.2 Elimination of dead stocks

As and when products die decision on components and tooling's are seldom taken; management postpone their decision for subsequent years resulting in unnecessary piling of inventory. These are dead stocks blocking capital and needs to be disposed off from time to time taking the law of the land into account.

2.2.3 Elimination of aged stocks

Inventory is created after amendment of drawings without bothering to amend the old components in the pipeline. Further stocks pileup due to wrong ordering or planning, in which decision also need to be taken to consume these components at the first opportune moment.

2.2.4 Proper methodology of storage and handling

Use of pallets, high reach racks are advantageous.

Automation also helps. Use of hand held computers with bar code scans help in speeding up the administrative process. By going for high reach huge floor area has been released. However by properly planning the stocks one of my earlier company had been able to release 80% of its storage area over two years. There are times when plastic or paper containers are preferred over metallic or wooden containers.

2.2.5 Protection from mishandling and damage

Parts and products need to be protected from dust, handling and mishandling. Most of Indian and Middle East abound in dust, parts like glass, painted doors etc

2.2.6 Standardizing the container

Use of standardised containers of different sizes will ensure proper stacking.

2.2.7 Regular inventory and corrections

Perpetual inventory and periodic inventory for high value items ensure control and monitoring of inventory. Corrections need to be made of items not available, staff taken to task for missing items and damaged or obsolete items taken out of the system.

2.2.8 Elimination of stocking points

Traditional methods of stocking at every major city eliminated by losing loss making centres.

2.2.9 Introduction of central warehousing

In one case we eliminated 17 branch warehouses across the country by introducing central warehousing. This ensured cost savings on 17 warehouses and their staff @ 65 persons.

Despatch happened from parent plant where SAP was introduced along with centralized despatch

2.2.10 Improving the administration by introducing ERP

A proper ERP introduction ensures reduction of administrative costs, speed up the throughput time, elimination of clerical mistakes and addressing readiness for growth. If carefully used good MIS can be generated and timely intervention for strategy can be done.

2.3 Despatch:

2.3.1 Reduce costs

Despatch department is not a revenue generation department and hence every costs incurred here has to be justified. Project teams are generally formed to reduce overall costs.

2.3.2 Combine destination loads

It is always found that if you send a full truck load of goods pertaining to a route say Pune, Bangalore, Chennai and back to Mumbai, the costs are somewhere rationalized and instead of waiting for individual truck loads I had combined three city load which also helps me in speedier transport.

In Oman we used to have 10 routes or so and trucks travelling at end of the day to at least two or three destinations and ensuring any auto part ordered was serviced within 24 hrs anywhere in the country say @ 1500 km long country. The stores incharge or their assistant used to wait at the designated time between night and early morning to receive the goods, confirm receipt for quantity and take into the stocks for release to service centres for servicing a customer's vehicle immediately.

2.3.3 Full truck loads

In one of the IT distribution organization we initially did all transport by Air, however as business improved, more quantities were being ordered and hence it made sense to send partial load also as truck loads to destinations for reduction in transport costs. These decisions were always momentary on the spot decision so the integrity of the warehouse in-charge becomes important.

2.3.4 Usage of rail transport

We found strategically and economically it made sense to despatch to places like Delhi on a year end goods through train so as to reach destination on time and dealer too could make his turnover.

2.3.5 Strategy of despatch by air to ensure goods availability anywhere in the country within 24 hrs.

This company of IT box movers where I headed operations as a strategy we air freight to reach destination within 24 hours of despatch. By bar coding, scanning despatch detail into the system including the freight number the customer could see the despatch status and had clarity when he will be getting the goods. He in turn would assure delivery to his customer based on this. This ensured competitiveness of the organization and they became number one in the country in that segment.

2.4 General:

2.4.1 Negotiating for best insurance costs

Insurance is another area of drain to the company without one realizing it. Ofcourse it is true that one need to have insurance for building, operations and goods, it is also important how best to rationalize. A careful study & planning will give you discounts from insurers you would have otherwise not bargained for.

2.4.2 Introduction of bar-coding & scanning
Bar-coding of goods with item number, despatch details and scanning helps in speedier update into the system.

2.4.3 Use of RF techno logy for direct updates into the system
Use of RF technology and hand held computers help in speeding up the receipt, inventory and despatch process further. For high volume high stock transactions this will help the organization to better the control process.

2.4.4 Semi automation in packing
Packing process such as box making, strapping can be semi automated to improve costs, time and efforts.

2.4.5 Benchmarking against previous costs for improvements
One need to do PDCA to constantly improve its own packaging costs.

2.4.6 Continuous improvement in packing
Packaging costs has always been area for potential saving in all my earlier organization.

2.4.7 Reduction in overall Logistics costs as a percentage of turnover
One need to budget Logistics costs and strive for many projects for cost improvements. At the end of the year the SCM departments will have to justify savings with help of these projects. The competitiveness between two distribution companies is the logistics costs and hence the ability of one over the other in streamlining its spending will decide who is the better of the two

2.4.8 Location of warehouses to take advantage of local laws
When we developed set top boxes many years back, we decided to place orders on one of the vendor having its plant in a SAARC country. This helped us in saving a major tax on supplies being from a SAARC country.

Landed cost are important that should take into account the shipping, clearing and storage charges against the local supplies where you would have added only the transport costs to the suppliers costs.

Thus you will find saving that can be done in a Logistics company is quite substantial and will define whether the organization is sustainable, profitable and has a culture of savings.

NCQM NEWS

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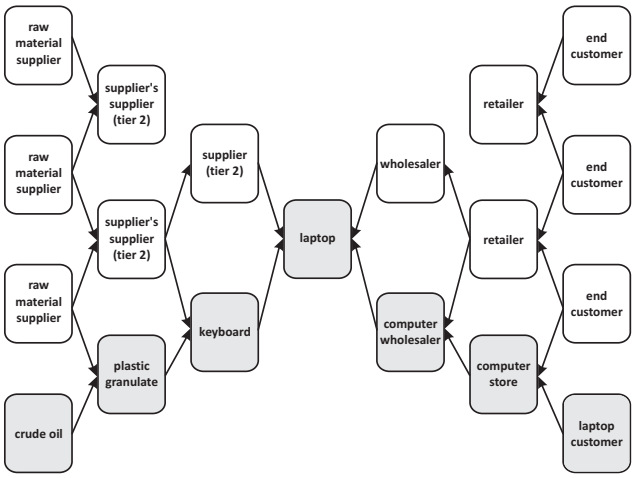
- Achieving Manufacturing Excellence through Total Productive Maintenance (TPM) May 2015

Basics of Supply Chain Management

by Dr Purshottam Poddar, Sr. Faculty Member of NCQM

1. What is Supply chain management (SCM):
Is "the systemic, strategic coordination of the traditional business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long term performance of the individual companies and the supply chain as a whole". It is also defined as the "design, planning, execution, control, and monitoring of supply chain activities with the objective of creating net value for all interested parties, building a competitive infrastructure, leveraging worldwide logistics, synchronizing supply with demand and measuring performance globally.



Supply chain management managing complex and dynamic supply and demand networks – example

2. Definition and scope:
Commonly accepted definitions of supply chain management include:

- The management of upstream and downstream value-added flows of materials, final goods, and related information among suppliers, company, resellers, and final consumers
- The systematic, strategic coordination of traditional business functions and tactics across all business functions within a particular company and across businesses within the supply chain, for the purposes of improving the long-term performance of the individual companies and the supply chain as a whole
- Supply chain strategies require a total systems view of the links in the chain that work together efficiently to create customer satisfaction at the end point of delivery to the consumer. As a consequence, costs must be lowered throughout the chain by driving out unnecessary expenses, movements, and handling. The main focus is turned to efficiency and added value, or the end-user's perception of value. Efficiency must be increased, and bottlenecks removed. The measurement of performance focuses on total system efficiency and the equitable monetary reward distribution to those within the supply chain. The supply chain system must be responsive to customer requirements.
- The integration of key business processes across the supply chain for the purpose of creating value for customers and stakeholders.
- According to the Council of Supply Chain Management, supply chain management encompasses the planning and management of all activities involved in sourcing, procurement, conversion, and logistics management. It also includes coordination and collaboration with channel partners, suppliers, intermediates, third-party service providers, or customers. Supply chain management integrates supply and demand management within and across companies.
- Supply Chain Management (SCM) is the management of the relationship between the supplier's supplier and the customer's customer through the supply chain participants (Distributor/Wholesaler and Retailer) between them, mainly using information flow and logistics activities to gain competitive advantage and customer satisfaction.

A supply chain, as opposed to supply chain management, is a set of organizations directly linked by one or more upstream and downstream flows of products, services, finances, or information from a source to a customer. Supply chain management is the management of such a chain.

Successful SCM requires a change from managing individual functions to integrating activities into key supply chain processes. In an example scenario, a purchasing department places orders as its requirements become known. The marketing department, responding to customer demand, communicates with several distributors and retailers as it attempts to determine ways to satisfy this demand. Information shared between supply chain partners can only be fully leveraged through process integration.

Supply chain business process integration involves collaborative work between buyers and suppliers, joint product development, common systems, and shared information. Operating an integrated supply chain requires a continuous information flow. However, in many companies, management has found out / concluded that optimizing product flows cannot be accomplished without implementing a Process approach.

3. Key supply chain processes:

According time, the key supply chain processes encompass the following eight areas:

3.1 Customer service management process

Customer relationship management concerns the relationship between an organization and its customers. Customer service is the source of customer information. It also provides the customer with real-time information on scheduling and product availability through interfaces with the company's production and distribution operations. Successful organizations use the following steps to build customer relationships:

- determine mutually satisfying goals for organization and customers
- establish and maintain customer rapport
- induce positive feelings in the organization and the customers

3.2 Procurement process

Strategic plans are drawn up with suppliers to support the manufacturing flow management process and the development of new products. In firms whose operations extend globally, sourcing may be managed on a global basis. The desired outcome is a relationship where both parties benefit and a reduction in the time required for the product's design and development. The purchasing function may also develop rapid communication systems, such as electronic data interchange (EDI) and Internet linkage, to convey possible requirements more rapidly. Activities related to obtaining products and materials from outside suppliers involve resource planning, supply sourcing, negotiation, order placement, inbound transportation, storage, handling, and quality assurance, many of which include the responsibility to coordinate with suppliers on matters of scheduling, supply continuity, hedging, and research into new sources or programs.

3.3 Product development and commercialization process

Here, customers and suppliers must be integrated into the product development process in order to reduce the time to market. As product life cycles shorten, the appropriate products must be developed and successfully launched with ever-shorter time schedules in order for firms to remain competitive. Managers of the product development and commercialization process must:

1. coordinate with customer relationship management to identify customer needs;
2. select materials and suppliers in conjunction with procurement; and
3. develop production technology in manufacturing flow to manufacture and integrate into the best supply chain flow for the given combination of product and markets.

3.4 Manufacturing flow management process

The manufacturing process produces and supplies products to the distribution channels based on past forecasts. Manufacturing processes must be flexible in order to respond to market changes and must accommodate mass customization. Orders are processes operating on a just-in-time (JIT) basis in minimum lot sizes. Changes in the manufacturing flow process lead to shorter cycle times, meaning improved responsiveness and efficiency in meeting customer demand. This process manages activities related to planning, scheduling, and supporting manufacturing operations, such as work-in-process storage, handling, transportation, and time phasing of components, inventory at manufacturing sites, and maximum flexibility in the coordination of geographical and final assemblies postponement of physical distribution operations.

3.5 Physical distribution process

This concerns the movement of a finished product or service to customers. In physical distribution, the customer is the final destination of a marketing channel, and the availability of the product or service is a vital part of each channel participant's marketing effort. It is also through the physical distribution process that the time and space of customer service become an integral part of marketing. Thus it links a marketing channel with its customers (i.e., it links manufacturers, wholesalers, and retailers).

3.6 Outsourcing / partnerships process

This includes not just the outsourcing of the procurement of materials and components, but also the outsourcing of services that traditionally have been provided in house. The logic of this trend is that the company will increasingly focus on those activities in the value chain in which it has a distinctive advantage and outsource everything else. This movement is particularly evident in logistics, where the provision of transport, warehousing, and inventory control is increasingly subcontracted to specialists or logistics partners. Also, managing and controlling this network of partners and suppliers requires a blend of central and local involvement: strategic decisions are taken centrally, while the monitoring and control of supplier performance and day-to-day liaison with logistics partners are best managed locally.

3.7 Performance measurement process

Experts have found a strong relationship between the suppliers and customer integration to market share and profitability. Taking advantage of supplier capabilities and emphasizing a long-term supply chain perspective in customer relationships, both can be correlated with the organization's performance. As logistics competency becomes a critical factor in creating and maintaining competitive advantage, measuring logistics performance becomes increasingly important, because the difference between profitable and unprofitable operations becomes narrower. According to experts, internal measures are generally collected and analyzed by the firm, including cost, customer service, productivity, asset measurement, and quality. External performance is measured through customer perception measures and best practice benchmarking.

3.8 Warehousing management process

To reduce a company's cost and expenses, warehousing management is carried out. In the case of good storage and office with all convenient facilities at company level, reducing manpower cost, dispatching authority with on time delivery, loading & unloading facilities with proper area, area for service station, stock management system are pursued for good Warehousing management.

Managing Inter-firm Relationships in Supply Chain

by Dr. Raj Mohan, A resource person of NCQM

1. Introduction:

Rapid changes in the Supply Chain Management system over the 2 decades, made the organizations to build agile strategies with focus on lean principles. Competitive advantage in the rapidly changing business environment can be built only if firms coordinate operations with suppliers and customers to achieve a level of flexibility beyond that of competitors. Supply chain members must be able to rapidly align collective capabilities to respond to changes in demand and supply. Inter-firm relationship should be handled with finesse and tactics so that the firm can quickly adjust tactics and operations within its supply chain to respond or adapt to changes, opportunities, or threats in its environment.

Deriving from Sadtler and Mentzer, Supply Chain Management (SCM) can be defined as "a holistic approach to demand, sourcing and procurement, production and logistics process management by building a network consisting of all parties involved directly or indirectly such as manufacturer, supplier, retailer, customer and so forth, in producing and delivering products or services to ultimate customers both in upstream and downstream sides through physical distribution, flow of information and finances". In simple terms, SCM is a system to ensure right product to the right customers at the right time, right price, right quality and right quantity.

2. Supply chain components and benefits:

Operation level SCM focus is to reduce cycle time and inventory in order to increase productivity, and at the strategy level its focus is to enhance profits through market share and customer satisfaction. Quantified benefits of SCM include lower supply chain costs, overall productivity, meeting takt-time, inventory reduction, forecast accuracy, and delivery performance. Unless the players of the SC game show effective and efficient performance, the said results could not be achieved. The responsibility rests with both supplier and customer, at both front and back ends. It is inevitable to have an SME as a supplier or customer in a supply chain, but having as a supplier is significant. SMEs are considered to be the major source of dynamism, innovation and flexibility in emerging and developing countries, as well as to the economies of most industrialized nations. In spite of this, building productive inter-firm relationship is important as most SMEs are owned by single individuals. It is similar to a corporate trying to build relationship with one individual.

3. Inter-firm relationship:

Rapid changes in the SCM has evolved few KPIs (key performance indices) to put the right partner in the supply chain, especially the supplier. The KPIs include waste elimination, flow synchronization, possibility to minimize production cost, quick response capability, manage uncertainty and risk, align core competencies, foster innovation and ability to acquire technology oriented new knowledge. Competency building becomes vital with the supplier to show performance as per the KPIs. As, SMEs face resource gaps in terms of financial, skills, knowledge and technology, they tend to depend on partner firm capabilities and co-operative relationships in order to access the latest technologies, materials, process and other methods of innovations.

4. Tools to enrich inter-firm relationship:

Building inter-firm relationship begin with building trust, and go with involvement in product design, share information and resources wherever need arise, standardize and build understandable metrics. Moreover, make mutual learning an integral part of inter-firm relationship to innovate, to achieve variety, swiftness and flexibility in responding to demands of the end customer.

4.1 **Build trust:** Supply chain collaboration requires a high level of trust on all sides. Inter-firm trust has been empirically and theoretically recognized to be beneficial in supply chain coordination and collaboration. As Lean and TPS principles are strongly practiced in manufacturing, trust will enable beneficial collaboration and effective coordination and enhances unified action in a SCM.

4.2 **Involvement in product design:** Involving suppliers in product design can increase supply chain flexibility in terms of more modular products and can increase supply chain reliance, eliminating SC reconfiguration. Showing a big picture will enhance the role clarity of the partner.

4.3 **Information sharing:** Integrating the ERP system with the supplier and making the supplier to know the exact requirements of the final customer, will enable the supplier to plan, design and execute things right. Supply chain members must share real-time demand, inventory, and production information to build a more transitional strategy.

4.4 **Share resources:** JIT implementation in many Automobile manufacturing companies brought open the idea of providing space for the suppliers inside the factory premises to produce few components and also to store their inventory. Acquiring local suppliers can facilitate JIT delivery and increase the chain's ability to respond to rapid change. Raw materials can be supplied by the customer and large customers can facilitate setting up of raw materials clusters as JIT requires speed, minimal inventory and cost.

4.5 **Standardization:** Michael Hammer suggested that, by eliminating duplicated activities between companies, they could get the business results quickly and could maintain momentum. Standardization wherever practicable including supplier approval process and quality checking information sharing through standard protocols, material/process coding will enhance the relationship.

4.6 **Consensus of metrics:** Unrealistic expectation can happen in any form of relationship. Clearly defined performance measure is the good thing to prevent the inter-company conflicts. Firms should have consensus on metrics relating to machine, material handling, operations, automation, labour, process, routing, new design, delivery, and volume.

4.7 **Learning and innovation:** To make learning an integral part of supply chain, provide access to stores of information, knowledge, and even training. As SMEs are better innovators, learning is achieved by adopting systems to foster continuous improvement, and thus these firms can continue to deliver superior performance. Modern SCM incorporates vendor collaboration, operational excellence and virtual supply chains in order to spur the innovativeness of SMEs as innovation follows learning.

4.8 **Variety to win competition:** In a SC, firms must be sensitive to external markets (including competitors, customers, and suppliers) and their customers' changing requirements. A firm must be able to identify shifts in market trends, supplier capabilities, competitors' actions, and even government policy and regulations. As a result supplier relationship will become effective in making organizations capable of transition strategies, remain alert to change and can successfully predict competitors' actions. Affinity to have variety by firms offer a distinct operational advantage and cost competitiveness.

4.9 **Velocity:** It ensures rapid execution of the flow of product deriving from a careful process design. It encompasses swiftness in adapting to the demand, technological advancement and the ability to implement decisions quickly. To achieve the desired level of velocity in SC, firms must develop the ability to complete an activity as quickly as possible. For instance, within manufacturing, the ability to carry out tasks and operations in the shortest possible time has been considered a necessary condition for velocity. Meeting the takt-time is also a part of velocity component.

4.10 **Flexibility:** The ability to modify the range of tactics and operations to the extent needed is managed by smoothing flows, eliminating bottlenecks, and identifying reasons for and

adjusting plans to observed variability. Process and performance capability of the organizations in question play a significant role in bringing in flexibility.

5. Conclusion:

Successful supply chain relationships should consist of partners that are willing to provide assistance to one another without exception. It is a relationship both parties are committed to and satisfied with. Collaborative awareness at the organizational level depends on the extent to which a firm perceives its trust and commitment with their supply chain partners. This relationship, therefore, exploits both the tacit and explicit knowledge of the networked firms resulting in creation of strategic Incentive alignment refers to the process of sharing costs, risks, and benefits among supply chain partners. Successful partnerships require participants to share gains and losses equitably, so that the collaboration outcomes are quantifiably beneficial to all. Managing inter-firm relationships in supply chain will need managers with improved planning capabilities and state of the art analytical skills to match the fragile supply chain environment.

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www.sciencedirect.com

Quality in Retail Sector

by Mr. B. Bilash Kumar, A resource person of NCQM

The Quality vertical in any industry is as good as the data the company stores. All industry have data but how much of is it useful. How much of it can be used to make prudent business decisions. Lack of "quality data" is equivalent to zero data. In India a major chuck of quality activity goes in cleaning and standardizing data.

The most exciting sector at present in India is the Retail Industry. When we say Retail, it is no more the old brick and motor, but predominantly the e-commerce space, Ecommerce has taken the fight to the next level. Retail comes with baggage of low Margin, especially in India where the consumer is "value conscious" and infrastructure facilities are incompetent to meet the booming demand. Studies carried out by different bodies clearly indicates the ecommerce sector is going to manifold their market share in coming years. But is the Infrastructure and the system ready to handle it or will it become a fiasco!!!

So the question one has in mind is "Isn't Quality got a part to play to support this retail business!!!" How to convince the senior management that quality is an essential component of the system that work as the backbone for a robust process and act as a lubricant for the entire organization.

Increased focus on top line with an eye on bottom line will certainly bound to miss the middle line. Organizations should also focus on enhancing the middle line by reducing the operating expense without compromising on quality

The answer to the above question lies in the way quality professionals are going to approach this challenge. The whole operations can be treated in many ways taking it chain by chain, Front end and Back end etc. One such approach is to have to have two parallel dimensions, one the Physical Infrastructure and the second, System Infrastructure. The Physical Infrastructure includes transportation and warehousing facilities. The System Infrastructure should be the mapping of each and every activity that is carried out in the physical world with the help of advanced IT methods.

Quality professional should act as the link between these two dimensions. Quality professional should be like a boat rower, rowing with two oars, one the Physical dimension and other System dimension. He need to bring in the synchronization and direction to the activity.

The synchronization of these two dimensions will determine the robustness of the organizations operations. The more robust the operations the more productive and agile the organization. A mismatch, lag or disarray can cause the business to lose ground that will be hard to cover in this fiercely competed market.

Quality professional, with an eye for details and numbers, need to identify the data points that are affecting the operations. Process improvement done in one dimension need to not only reflect but also enhance the process in other dimension.

Another way is to try generate saving for the "unusual suspects". An example would be, Logistics and Warehousing which are always treated as a cost center. Because of the huge reliance on logistics, organizations have realised the importance to streamline the process and treat it as value chain rather than supply chain. The skill of a quality professional is to map the improvements done in this front in terms of money. Take each and every activity as a value link and analyse it for the cost spent against the value achieved. Map the cost reduction in each activity and let it reflect on the yearly financial statement.

Challenge of a quality professional lies in plugging the system gaps with incomplete data. There has to be a serious review on the way by which Data Management is carried out across the industry. Trade-off should be done against short term benefits by investing in future and to remain a long term player.

Retail is not all about selling and clearing off inventory. Margins and logistics cost (both at the Physical and System Infrastructure level) is important. A standardized approach and the process driven system will help in weathering out difficult times, which is common for retailers. And as the saying goes

"Customer is God, but where is the data!!!"

6th D. L. SHAH MEMORIAL LECTURE

Quality For "Make in India" Vision 2020

by Padma Bhushan Dr. M. B. Athreya

SYNOPSIS

The lecture will bring together two important themes. First, our perennial quest for quality. Second, the just announced national mission of "Make in India". At all times, quality has its own difficult challenges of product, process, equipment, skills, systems, culture, competition, etc. Another huge set of challenges are added when we invite companies and entrepreneurs from around the globe to manufacture products in India and sell anywhere in the world. We have to make a quantum jump in our quality competencies. The lecture will cover a) National Quality Vision & Mission b) Special Quality Challenges of Mil vision 2020 c) Mil Quality in Industry d) Quality Support from Government e) Quality Foundations of Civil Society f) Infrastructure Quality Cycle g) Global Manufacturing Quality.

The lecture will conclude with action suggestions for all the multiple stakeholders, whose total involvement and team play in national quality, at all levels, is critical for the country accomplishing the 'Make in India' Mission by 2020. Quality is an imperative for this grand Vision.

Date	:	February 21, 2015 • Time: 2.30 pm to 6.45 pm
Venue	:	Hall of Harmony, Nehru Centre, Worli, Mumbai-400018.
RSVP	:	National Centre for Quality Management, Mumbai • Tel: (022) 25170483 / 69, 40111962
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Padma Bhushan Dr. M. B. Athreya : Brief Profile

- Padma Bhushan Award by Government of India, 2014
- Icon of the Year Award by Institute of Cost Accountants, 2014
- Life Time Achievement Award by Thinkers50 India, 2013.
- Ph.D. in Business Administration from Harvard University, 1967

Dr. Mrityunjay Athreya is recognized as one of the founders and pioneers of the Indian Management Movement, including Education, Research and Consulting. Since his return from the UK, in 1978, he has been available nationally to Corporates, National and State Governments, and NGO's, as an independent resource person. He has been on several government committees, advocating major reforms and liberalization in the Indian economy, including Telecom, Banking, Aviation, and Civilian Nuclear Power. Dr. Athreya advises organizations : primarily on

- Vision, Mission, Values, and Culture.
- Strategy Formulation, and Implementation.
- Organizational Restructuring, and Senior Management HRD.

He was earlier Professor at the Indian Institute of Management, Kolkata, the London Business School, England, and the Strathclyde Business School, Glasgow. He holds a Doctorate in Business Administration from the Harvard Business School. He earlier qualified as a Management Accountant, with the Institute of Management Accountants, London and the Institute of Cost and Works Accountants, Kolkata. His involvement with Indian management education, training, research and consultancy has spanned over four decades. Since 1978, he has been in India as an independent resource person, available nationally, to industry, central and state governments, apex and local chambers, professional associations, and NGO's.

He has been Chairman and Member of several government committees on Policy and Restructuring, including Telecom, Oil, Banking and Civil Aviation. The Athreya Committee, 1991, set the agenda for the telecom privatisation and growth of recent years, enabling India's IT revolution and global recognition. He has helped MNCs, PSUs, Indian Family Business Groups, professional bodies like the Institutes of Chartered Accountants, Company Secretaries, the Quality Council of India, and Chamber Centres like the CII-ITC-CESD on Vision, Mission and Strategies.

He has been an anchor resource person for several all-India knowledge-based Professional organizations. He has been elected Fellow of the Institute of Management Consultants, All India Management Association, National HRD Network, and Indian Society for Training and Development. He has delivered innumerable Keynote, Inaugural, Convocation, Valedictory, and Special Addresses in National and International Conferences, Conventions, Summits etc. In 1996, he was invited to deliver the Gandhi Memorial Lecture at the University of Kenya, Nairobi. He is part of a global movement on integrating values into life and the work place.

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