

Business Improvement for MSME

- Micro, Small & Medium Enterprises (MSME) is the manufacturing backbone of our country contributing to 45% of the manufacturing output. We understand that MSME's face lot of challenges (fire fighting everyday with customer, suppliers and sub-contractors, productivity & quality problems, labour issues, cash flow problems etc.,) affecting their growth and profits.
- Our experience in the MSME sector has shown that "Companies can very well double their current turnover and reduce their costs by 25% with no major investments" - by following some systematic approaches, tools and techniques in their businesses.
- We at Krysalis have been working extensively with MSMEs of various sizes (*Less than Rs. 1 Crore turnover to Rs. 50 Crore turnover*) for the last 3 to 4 years. We help these companies in improving their manufacturing capabilities through lean manufacturing.
- Our experience has shown that "MSMEs have strong technical capabilities but it is their limited management capabilities that hinder their growth and progress". Krysalis being a management consulting company is better able to understand the business holistically, bring in the cross industry experience and offer better solutions.

Benefits

- **35 to 40% improvement in productivity.**
- **25% reduction in costs**
- **50% reduction in rejection levels**
- **Inventory optimization - 50% increase in Inventory turns**
- **Cultural change in the organization – improved employee morale & participation etc.,**

Our Approach

- A comprehensive diagnosis study to assess the current performance level of your organization – Assessment of 7 wastes, 5S levels, Quality practices, Systems for Planning, Monitoring & Control (Raw material planning, Production planning, Stock management etc.), Inventory levels, Maintenance practices, safety practices etc.,
- Tools and techniques to identify products / product families critical to business, systematic ways to identify bottlenecks, Problem solving techniques, man power estimation, etc.,
- Bringing in cultural change in the organization through improved employee participation – Daily shop floor meetings, Kaizen competitions, Monthly review meetings, Suggestions schemes etc.,
- Just in time training involving two stage methods – both classroom and on the floor trainings.
- Assist organization in creating proper management structure and bring in necessary competencies for sustenance.
- Help organization take better financial decisions through Proper costing system, Cash flow projections, Criteria for Investment decisions, Pay back calculations, Optimizing credit usage, ways to improve bottom line etc.,

We believe that **“Profit Maximization and Sustainable Growth”** in MSME can be achieved by improving the **“Overall Business Capability”** of the organization. Our approach aims at achieving this through **“Lean Philosophy”**.

Tools & Techniques

PQ Analysis

- Fact based approach & more effective compared to forecasting techniques
- Effective way to plan through better understanding of the business characteristics.

Value Stream Mapping

- Effective method for identification of Value Adding (VA) & Non Value Adding (NVA) Activities in your organization.
- Helps in streamlining the current value stream through elimination of NVAs and thereby improves productivity, reduces lead time and increase bottom line.

TAKT time – Cycle Time Analysis

- Simple and proven method for identification of bottlenecks
- Helps in estimating manpower needs in the shop floor
- Helps in better layout design
- Provides insights on the processes for continuous improvement.

5S

- Evaluation of current 5S levels & road map for improvement.
- Creation of zones, formation of teams and internal audit mechanisms
- Theme and campaign based activities – Red tag campaign, Weekly themes, Team Challenges etc.,

Planning, Monitoring & Control

- Implementation of simple raw material and production planning systems
- Implementation of monitoring systems – machine utilization, OEE, Daily production, Stock status etc.,
- Implementation of Simple visual controls for effective shop floor management.

Quality Management

- Comprehensive assessment of quality practices (end to end)
- Systematic PPM reduction – Rejection monitoring, Use of problem solving techniques, One point lessons etc.,
- Design of Quality assurance system based on Organization's maturity (like 100% inspection methods, sample based inspection, patrol inspection, process capability studies & Fool proof systems, Quality by design)

Management Practices

- Introduction of Daily shop floor meetings & Monthly review meetings
- Improving employee participation through suggestion schemes, quality circle initiatives & kaizen programs

Better Financial Decisions

- Training on various financial concepts for better business decisions
- Proper costing system, Cash flow projections & Working capital management
- Inventory optimization techniques to ease out cash flow.
- Investment decisions & Pay back calculation techniques

Success Stories

Rubber manufacturing company

“A simple visual control method has helped in reducing the overall line wastages by 50%, saving around Rs. 7 lakhs per annum for a rubber component manufacturer.”

“Moving from a traditional forecast based planning to trend based planning has helped in reducing the overall inventory from 30 days stock to 15 days. – reduced working capital requirement and improved delivery performance.”

Heavy Fabrication Component manufacturer

“A systematic layout improvement exercise has resulted in improving the overall productivity by 40%, 83 hrs. per month savings in certain key operations, reduction in space required, significant improvement in storage and ergonomics, significant reduction of employee fatigue.”

Manufacturer of machined components

“A simple low cost automation has resulted in doubling the productivity, eliminated employee fatigue and improved the delivery performance from 65% to 95%.”