



PICS TAARUN DALAYA

Shivam Autotech shows the way

How a leap in technology ownership can keep a company ahead even in tough times. Story: Taarun Dalaya

The way to Binola village, where Shivam Autotech (SAL) is located, takes one through Haryana's curious mix of sprawling enterprises and agricultural land.

It is from this village loca-

tion, around 10 kilometres ahead of the industrial belt of Manesar, which SAL holds a unique technology for making forged components called "near net shape". This technology is possessed by just a few

Near net shape technology is in the hands of a few companies.

companies in the world.

The handful of around 50 factories located in Binola function on their own power generation and it is only recently that the government has begun some work to pro-

vide electricity.

Since its establishment in 1999, SAL has been a supplier to Hero Honda holding 50 percent of the share of supplies of the products that it provides to the motorcycle maker.

The company manufactures transmission gears, gear blanks and shafts and also began making a component called plunger, for application in diesel fuel pumps, after it received a contract from MICO Bosch in December 2002.

The near net shape technology that SAL possesses, provides huge benefits in curbing material wastage and reduces the need to engage in additional processes. The technology allows shaping of metal (alloy steel bars for example) either through cold or warm forging methods while retaining its intrinsic properties.

ATTITUDE TRAINING

It prevents unnecessary wastage of material while it is being processed to the desired shape and specifications. SAL's promoters had obtained this technology from Japan.

All employees at SAL, says Neeraj Munjal, the company's managing director, undergo an "attitude" training that focuses on three areas: *Prerna* (which stands for motivation), *Parivartan* (change) and *Samarpan* (respect for each other).

Every shift begins with a prayer meeting. The enthusiasm of Kaizen is evident all around the shopfloor where charts explain the achievements made by co-workers, however small or big.

In an exclusive tour of the shopfloor to *Autocar Professional*, Munjal points to a picture of a machine on the notice board which shows how a co-worker's suggestion for attaching Allen keys was



implemented. This small suggestion now prevents such keys from being misplaced and as well as putting a stop to the repeated purchases being made by the company.

"We do not shy away from trying to experiment or change. If we do not like it, we come back to our original position. Various miracles have happened on the shopfloor because of Kaizen", he says.

The company has been taking regular advice from the Kaizen Institute besides its own in-house suggestion scheme where small teams of four people are created with a Kaizen leader to carry out new ideas for improvement.

While walking through the

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Managing Director

shopfloor one notices that strong emphasis has also been placed on 5S (there are 5S radar charts hung on walls at strategic locations). On a large rectangular signage, coloured in blue and in white lettering, a quotation from Britain's legendary Prime Minister Sir Winston Churchill reads, "To improve is to change, to be perfect is to change often": words which reflect the spirit of Kaizen to a large extent.

ADDING CAPACITY

Munjal, who has been managing SAL since its inception, says that it has been running three shifts. Such is the growth in demand that his company is currently operating at full capacity.

However, he has begun adding more capacity and while walking on the outside of the building one can see construction activity being undertaken to add some more lines for forging. The company will also be creating new capacity through its Rs 100 crore investment in Haridwar (in the State of Uttaranchal) where a manufacturing facility is being readied to cater to Hero Honda's upcoming operations there.

It is understood that the

latter will initially make 2,000 units of motorcycles per day. SAL's new facility will also allow it to take on manufacturing of its near net shape forgings for other potential customers as well. Munjal expects the new premises to be ready by July this year.

From Binola, the company functions as a direct online supplier to Hero Honda and makes 7,000 sets of the products it requires from SAL everyday.

"We were among the first 10 suppliers to get online certification from Hero Honda," says Munjal. This means that the company operates on a JIT basis and that the customer does not conduct any quality checks on the supplies it receives from SAL.

REJECTION LEVELS

The customer however carries out periodic audits at the supplier's premises. Munjal says that the rejection rate target given by Hero Honda is 200 PPM but SAL has been able to achieve 172 PPM against it. He is confident that the company will soon bring the rejection level to 100 PPM.

To give their customers the best, the promoters of SAL have been very particular to buy new machines instead of resorting to second-hand ones for some processes. It owns a wide array of machine from those made in Japan to Swiss made ones.

The tool room adds to its self-reliance and the company's strength to enlarge its customer base. Being a young entity, SAL also leverages on a youthful workforce that is receptive to learning and improving productivity and efficiency levels.

Munjal is conscious that his company has huge potential to grow its business beyond



the existing customer base and has therefore been gradually exploring avenues where SAL's experience, expertise and technology could make the right fit.

"We could look at entering the four-wheeler segment," he feels and does not rule out looking at exports as well. SAL expects to achieve a sales turnover of Rs 135 crore

Shivam has been particular about buying new machines and not going in for used ones.

at the end of FY 2006-07 over Rs 118 crore in the previous year.

Possession of technology is not enough. Keeping abreast with technological obsolescence will be the key to survival for most auto component companies in emerging economies. Shivam Autotech has made a start. ■

