

Converting Opportunities into Economic Benefits

Presented by

arvind consulting group

on

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at

IPPTA Zonal Seminar & Workshop

Agenda

- Current state situations at paper mill
- Causes leading to the current situations
- How to bridge the gap
- Results achieved

Current state situations w r t operations of a paper mill

- Frequent tripping
- RM management
- Feed recipe (Furnish) balancing
- High power consumption
- Under optimized digester cycle time
- Reduction in total consumables cost
- Leakages and spillages
- High Inventory
- Variation in stock consistency
- Low equipment Life
- High number of paper breaks



- High number of breakdowns
- High downtime
- Low capacity utilization
- Weight (GSM) variation along X, Y axis
- High changeover losses
- High changeover time
- Finished Paper wastage
- Errors in packing
- Packing material wastage
- Low Product Portfolio profitability
- Inconsistent quality - creasing, high COBB, dandy marks, rough cutting size variation

How does rapid growth lets inefficiencies creep in



Specialization

- *Local Optima*
- *Not my monkey not my circus*
- *My results are all time best*
- *Capability and synergy*



Short term focus

- *Weekly, monthly, quarterly, half yearly results*
- *Shareholder value law*
- *Urgent vs Important*
- *Measures*



Services & utilities

- *Cost centres*
- *Insignificant, Trivial, little, slight, trifle, minor*
- *‘Chalta Hai’*



Over commitment

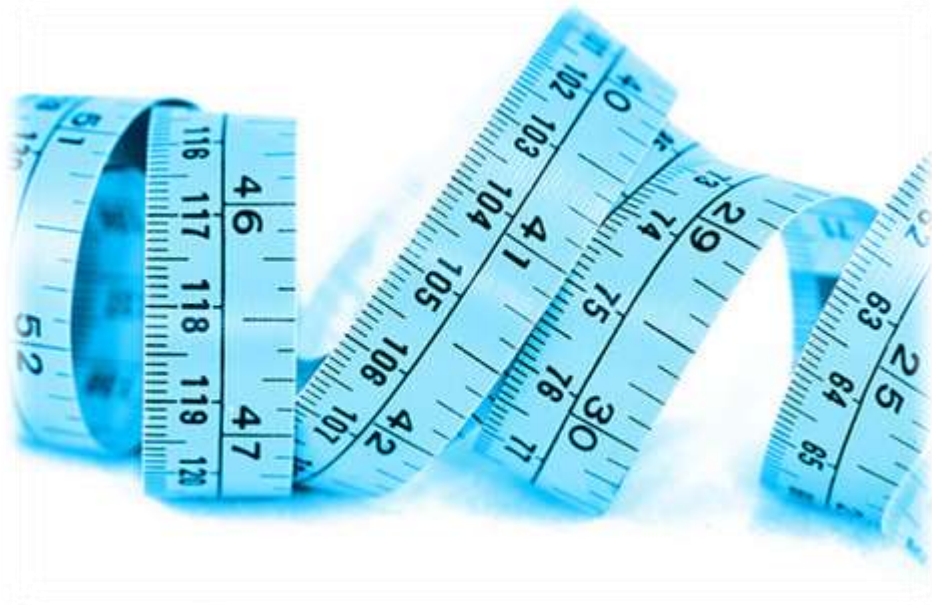
- *Over booking orders in peak times*
- *We can produce all that you need*



Success

- *I have achieved success all these years by doing things the way I am*
- *Reluctance to change*

How to bridge the gap and prevent value leakages



‘People behave the way they are measured – you change the measurement they change their behaviour’

Set the **Right** measures, and along with that an effective reward and recognition program

How to bridge the gap and prevent value leakages

Form a focused team to harvest this potential. Generally 2-4 people strong.

- The task of this team is to constantly steer all efforts in the organization in the direction of the companies vision.
- This team should focus on **facilitating** identification and elimination of hidden losses via analysis, solution design, implementation plan and sustainability measures
- The team works very closely with the highest levels of management and has the ability of an Chief Expediting Officer



Power of Facilitation

Facilitation: the process by which an organism profits from the presence of another, such as nurse plants that provide shade for new seedlings or saplings.

Often people call this a 'Manufacturing Excellence' cell or the 'Business Excellence' cell

DO NOT POLICE!



A 3 dimensional improvement structure has been most effective

AET: Area Effectiveness Teams

Small area level focus

Tools – Daily checks, Abnormality Identification, House keeping, Root cause analysis, FIR Logs etc..

DMS: Daily Management Systems

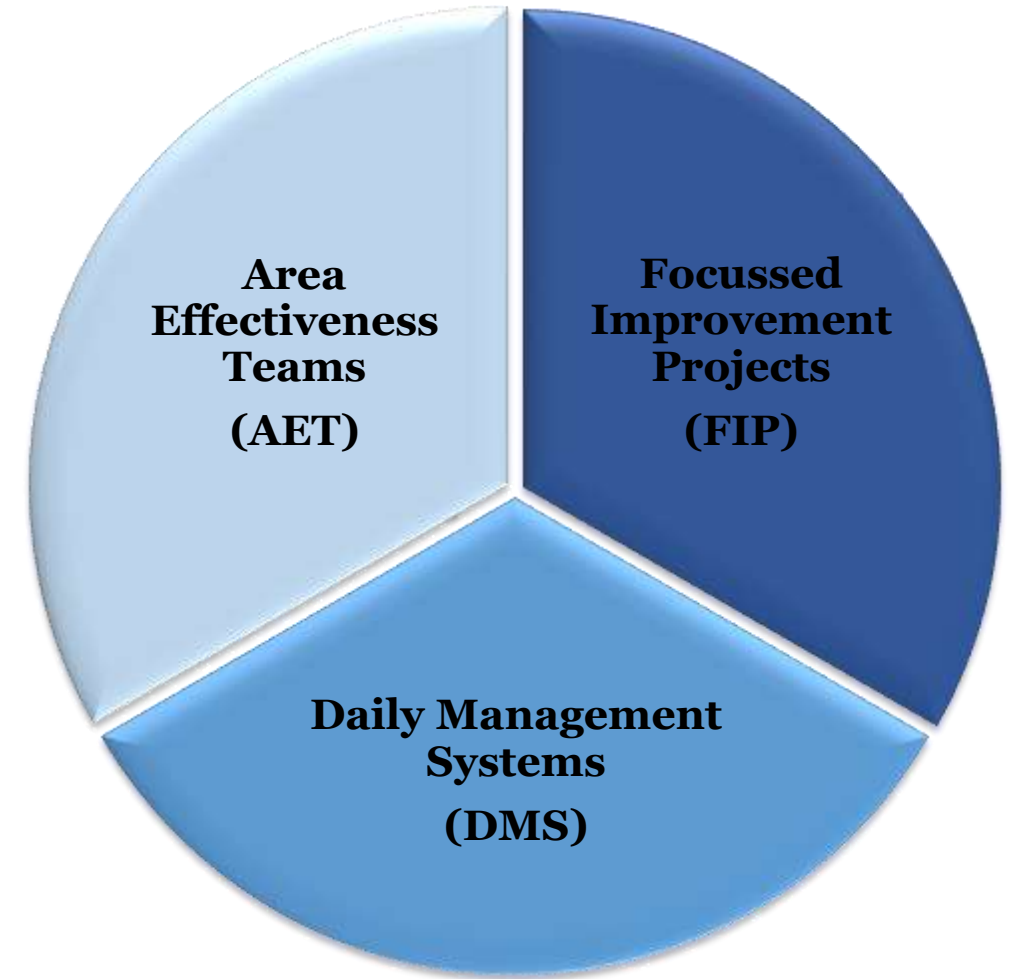
Department level focus

Tools – Management Information Systems, Suggestion Management, Performance management, Problem Identification and Prioritization

FIP: Focused Improvement Projects

High Impact Organizational Level focus

Tools – Management Information Systems, Performance management, Problem Identification & Prioritization



Results Achieved

2-5% improvement in bottom line and 15-20% improvement in top line is commonly achieved by systematic intervention

Opportunity Head	Benefit *
• OEE	• 20-40% improvement
• OTIF	• 20-35% improvement
• Throughput	• 5-10 % improvement
• Material Cost	• 5-10% reduction
• Specific Power Consumption	• 5-20% reduction
• Chemical Cost	• 10-20% reduction
• Downtime	• 15-40% reduction

- *The results are based on proven systematic intervention in real scenario*
- *The benefits vary across machine and plant*

“There lies a factory within a factory”

- Eli Goldratt

Thank you!

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