

CASE: Partnering Growth in a Speciality Chemical Manufacturing Organization

About the Client:

The client is a specialty chemical manufacturing organization with a standing of over five decades. The client has grown from around 70 Cr to 200 Cr in the last five years with a strong presence in domestic and international markets. The client has invested heavily in the manufacturing and storage facilities of the plant over the last two years to add capacity in line with the projected growth in the coming years.

Key Challenge:

Key challenges faced by the management were – what are the efficiency bottlenecks in the operation? Are we operating at full capacity? What additional capacity in terms of manpower (operational and supervisory), intra-plant transportation, processes, and systems may be required for ensuring optimum utilization? What should be the standards for measuring the efficiency of the plant and personnel?

Engagement with AIRA Consulting:

AIRA Consulting deployed its research & analytics model where the team researched and identified multiple gaps that might cause a bottleneck while utilizing the capacity to its full. The consultants studied the business processes and other operations-related processes across the factory in line with added capacity.

The detailed study involved mapping of the existing business processes and data with extrapolated figures of target business volume. Interactions were done with various stakeholders.

The study revealed the raw material required to be procured corresponding to the target production volumes. Also based on this, an analysis was done on raw material unload time and required manhours. A similar exercise was carried out for finished goods loading time and total manhours. The minimum stock levels and reorder levels were also considered during the exercise. The same exercise was carried out for packing material which is an integral part of the material planning and usage.

The enhanced storage facility was evaluated from the projected requirement over the next two years of sales and consequent production volume to be able to handle the incoming RM, PM, Minimum and Maximum stock holding, and Finished Good stocking and Dispatch.

The bottleneck study was done on a number of trucks the factory premises can handle at one go against the target no of trucks the factory will be required to handle for raw material, packing material, and scrap/ effluent combined.

AIRA Consulting prepared a detailed presentation based on the data points collected from the research and analytics model. AIRA Consulting advised on the manpower, process changes, and efficiency standards that need to be implemented to ensure optimum utilization of the plant. Few process-related bottlenecks were taken on priority and revised SOPs were developed to implement and audit the changes agreed upon.

AIRA Consulting worked with the founder team and the plant management team to roll out the changes. AIRA Consulting handheld the operational and supervisory teams to follow the process changes and meet efficiency standards. AIRA Consulting also undertook monthly audits of the implementation status and provided status reports to the management for initiating appropriate actions.

The client team is very confident of meeting the projected figures as outlined in the initial brief.