

Delivered additional profit of US\$ 12 million per annum through Continual Improvement

BUSINESS CASE

Organization trends

- Increase in overall cost by ~7% every year due to inflation and rise in people cost
- A belief among employees that the existing cost base is the most optimized

Customer trends

- High order to delivery turnaround time of products leading to customer dissatisfaction

CHALLENGE

What is the challenge

- High variation in manufacturing cycle time of up to 50%
- High percentage of shipments by air of 32%
- Average yield of products less than 90%

Where is the challenge

- Supply of finished products to North America and Europe
- Manufacturing of formulations and APIs in India

When was the challenge identified

Challenge was identified as a strategic priority in FY 2014-15 and is a priority for the next 3 years

IMPACT

What is the impact

- 30 to 60 days delay in receipt of shipment by the customer
- Increase in cost of shipment by US\$ 15+ million due to higher cost of air freight
- Utilization of existing machinery as low as 25% leading to higher CAPEX (Capital Expenditure)
- Increase in raw material costs due to lesser yield
- Inefficient utilization of utilities such as power, water and fuel

TARGET

What is the Target

- Increase average yield of formulations products to more than 95%
- Decrease expenditure on yearly CAPEX by 30%
- Increase sea shipment from 32% to 65%
- Increased optimization of utilities to deliver US\$ 2 million every year

OUTCOMES

Improved Profits

- Decreased cost by at least 1.5% every year from Continual Improvement alone
- Additional profit of US\$ 12 million/ annum
- Sea shipment increased to 65%

Accelerated Cashflow

- Accelerated cashflow of US\$ 1 million by decreasing backlog orders

Leaders of Tomorrow

- Higher belief among people to decrease cost of operation by at least 1.5% year on year without any CAPEX

Customer Centricity

- Increased Customer Satisfaction with decrease in delivery cycle time by 24%

Delivered using:

KINDUZ Services: Continual Improvement | Culture Transformation

KINDUZ Intellectual Property: QADES | AEIOU | VSM^e | LSSIB | The EPMA

