

BENCHMARKING

A TOOL FOR CONTINUOUS IMPROVEMENT IN FOUNDRIES

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The Market place today expects and is receiving improved products and services at an ever decreasing cost per function without compromising the Quality.

Benchmarking allows a Foundry to identify opportunities for improvement and to proactively direct efforts to become best of the best. It is an External focus on internal activities, Functions, Product or Processes to achieve continuous improvement. It is a tool for harnessing the Cycle of change which constantly modifies Corporate Landscape. It targets elimination of Non Value Added activities from Processes, Functions and Resources, is a tool to improve efficiencies, encourages alternate thinking and is just not copying.

History: Benchmarking was developed by XEROX in response to competitive threat they faced from Japanese companies in the year 1979.

The Key Words in Benchmarking are: WHY WHEN WHERE WHAT WHO and HOW

WHY foundry has to remain in competitive Business, make more Profits, use Resources efficiently & be proactive.

Foundry to start Benchmarking WHEN Profits are depleting, there is threat from Competition, the foundry is loosing market share, to know it's performance Base line and to know how Far / Ahead of competition

Foundry to do Benchmarking within Company for Processes, Function, Product, Energy & Resources. Same for competitor foundries. Example: To look into for new improvised processes like high pressure molding line with maximized molds per hour, melting furnace with power saver, better Core making process, avoidance of machining operations in parts, reduce input weight of parts by optimizing machining allowances, reduce manpower, optimize investment, optimize cost of product adopted by other foundries,

Foundry to engage employees at all levels in all departments and if required, engage Consultants.

Foundry to do this activity by Identifying areas of improvement for Process / Product, Collect Internal relevant data and External competitor's data, Visit Suppliers, and Customers, Conduct Benchmarking workshops.

Key Questions in Benchmarking:

Are we doing Right Things Effectively ? Are we doing Things Right Effectively ?

Are we Better than the Best ? Instead of what is, What if ? Do we need Benchmarking ?

Types of Benchmarking:

Internal Benchmarking:

It focuses on specific value chains, establishes base line of Processes, functions, resources and Product within Organization.- It identifies Gaps in performances without going outside the Organization, It provides clear picture of true problems,. It helps trigger for Continuous improvements. It allows Organization to clean house.

Competitive Benchmarking:

It looks outward to identify how other direct competitors are performing in Processes, functions, resources and Product., It creates way for alternate thinking, widens lateral thinking, visualizes position & way for leadership and saves time – why reinvent the wheel.

People issues in Benchmarking are Denial from individuals, Anger due to work pressure, depression due to overload or failures, Fear of feature, and may do bargaining by compromising

Hurdles in Benchmarking are fear of Failure, cannot be changed due to Government Regulatory norms, hidden barrier, improved product may kill other within organization, Excess resource and its deployment.

Benefits of Benchmarking

- Creates way of Continuous improvement
- Use processes & resources efficiently
- Improves Bottom line
- Lets Organization know its position in industry
- Leading to Better than the Best.

We in our company have taken advantage of Benchmarking in great way and reduced the cost of components by reducing Energy cost in melting and other areas, increased output per man, improved yield, optimizing charge mix, reduced casting weights by removing unnecessary machining, increased output by introducing latest technology in foundries, converted forged components to S G Iron and from S G Iron to ADI. The components involved are Fly wheels, Brake drum, Companion flange, Differential case, Engine Front cover, Cylinder block, Cylinder head, Transmission case, Clutch housing etc. The savings were in Crores of Rupees and are recurring.