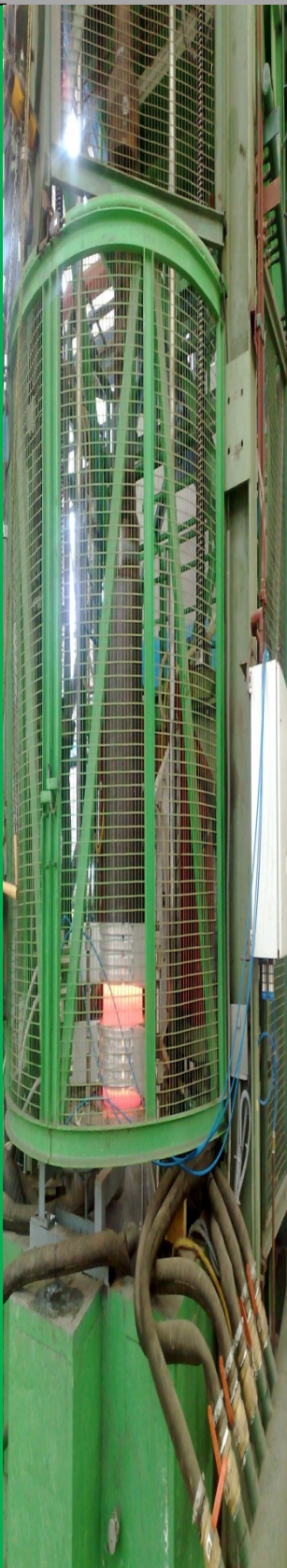


# Case Study: Tayo Rolls, India

## The Turnaround Story

The Capacity to See. The Power to Change.

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Renoir has really brought a very important aspect to our organisation: improved "Monitoring and Controls". All people on the shop floor have learnt a lot from them.  
– VP (Operations)

Renoir's team have really opened our eyes by challenging our 43 year old technology and standards, producing fantastic results by reducing quality deviations and improving quality. Through rigorous and aggressive interactions we have improved our approach towards developing and strengthening systems.  
– Quality MAT chairman

The current Sales and Marketing team being developed is superior to earlier team. The current team does not work in silos and they take efforts that delight the customer.  
– VP (Marketing)

MATs Chairman should follow the Project Uday methodology. Leading from the front helps immensely to improve the operational performance and will help reduce cost of operations.  
– Chief (Finance and Accounts)

*Tayo Rolls Limited, a subsidiary of TATA Steel, was formed in 1968, in collaboration with Yodogawa Steel Works of Japan. Since its inception, Tayo has been a market leader and has met the country's vast roll requirements for a wide variety of industries, as the only organised Sector Company in this business. The annual capacity of Tayo is 13500 MT of Cast Rolls, 3000 MT of Forged Rolls and 5000 MT of Engineering Forgings.*

**Scoping Phase:** In June 2010, Tayo Rolls planned for a complete turnaround of its business with the help of Renoir Consulting. By developing and implementing an effective Management Control System for Sales and Operations management, Tayo's management hoped to achieve significant growth in its Top Line by improving margin. Renoir conducted a dip stick study focusing primarily on opportunities of cost reduction and found "Inventory Management" and "Cost of Quality" to be two major areas in order to get benefits.

**PROJECT APPROACH:** Renoir carried out a 30 week programme, "Project Uday", to develop and implement: systems and processes for production, planning, maintenance, quality, sales and marketing areas. The following framework was used for the programme:

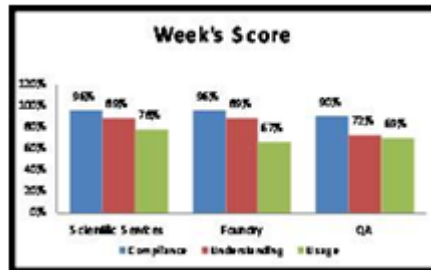
**Initiating Change:** Renoir carried out an 8 week programme to engage the entire organization in initiating change. The purpose of this exercise was solely to make the organization understand and own the existing problems, ensuring smooth solution development and implementation. During Renoir's Focus Process™, various exercises, brain storming sessions, observation studies and data studies were conducted to unearth the potential. A value stream mapping exercise was done to pin point the bottleneck operations.

**Implement Change:** The Project Uday team worked in four different areas with the help of Management Action Teams (MATs) as follows:

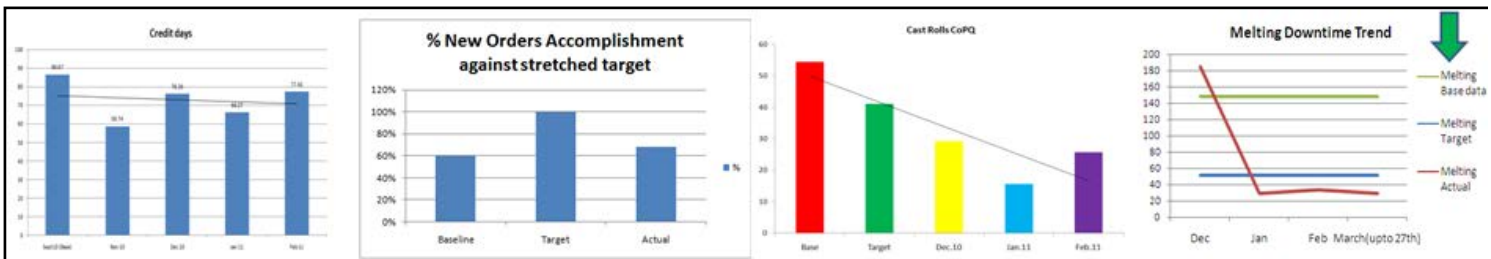
1. Production and Planning MAT: - A new production planning system improved stage planning and planning accuracy. Physical inventory verification revealed higher than recorded inventory (434 rolls), prompting actions for rationalization and permanent fixes. A WIP tracker and buffer model helped to improve dispatch planning compliance.
2. Maintenance MAT: - Improved Condition Based Monitoring and Preventive Maintenance systems along with a daily breakdown tracking log and Root Cause Analysis (RCA) of breakdowns resulted in reduction of breakdowns in all sections.
3. Quality MAT: - New systems were implemented for incoming raw material checking and in-process quality checks for each operation and a rigorous RCA of rejections begun which resulted in a reduction of rejections and the internal cost of poor quality.
4. Sales and Marketing MAT: - New Systems improved effectiveness and efficiency across sixteen system elements.



**Sustaining Change:** System Audits & KPI based operational scorecards for each MAT will ensure continuous improvement in Sales and Operational Performance across the entire business. Standard Operating Procedures with new systems and streamlined processes will be handed over to respective process owners viz., VP(O) and VP(M) to ensure sustainability.



**The Results:** The team's goals included reduction of metallic cost per kg, rationalisation of excess slow and non moving inventory of rolls and scrap, developing and tracking collection plans to reduce debtors, and reduction of internal cost of quality, resulting in improved cash flow of Rs. 7.7 crores and accrued benefit of 1.67 crores at February'2011, translating into recurring annualized benefits of Rs. 6.07 crores. Close monitoring and tracking has helped to reduce Contingent Liabilities by Rs. 2.92 crores. In addition, there has been a reduction in downtime for all sections, reduction in rejections and a reduction in the cycle times of certain grades of rolls, as well as a reduction of WIP inventory.



## THE RENOIR GROUP

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Renoir offers a low risk approach and investment that delivers real and very significant results to the bottom line or operational performance, in rapid timeframes. Their implemented solutions and measurable financial results have a lasting impact on the competitiveness and performance of their clients' businesses with the safety of a fixed price.

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