



Manpower Productivity Improvement

A Case Study of 1300+Cr Organisation



Client

The Company has four manufacturing plants for Polyester Film and manufactures Film of thickness ranging from 10 micron to 350 micron. The Company possesses Patented Technology for Dyed Polyester Film in India and USA and is the Second Company to the none possessing such Technology.



Problem/ Challenge

- Increase manpower productivity & cost competitiveness
- Reduce Manpower costs and # of workers in the factory
- Establish a lean organizational structure
- Manpower reduction should not lead to lower output per day



Result achieved

- Based on BMGI's recommendation, the Client reduced their headcount by 25%
- Manpower reduction led to the saving of INR 90 Lakh per month
- Results were achieved with a minimal impact on production



Background/ Business Case

Client is a legacy player in the chemical industry with decades of experience. Client's product commoditization led to flat revenue and increasing cost pressure. Initial analysis revealed that the manpower cost is double that of competitors. Client faced the following challenges

1. Department heads were not able to locate additional manpower in their department
2. Department heads were not willing to let go of any worker (Employee or contract)
3. Senior leadership was worried about firing the productive/critical employees which could adversely impact production.

Problem/ Challenge



1. More than 85% of activities do not add value from the customer's perspective.
2. We are unable to see waste because we are too focused on our current work. This phenomenon is called Inattentive Blindness.
3. Eliminating NVA is not enough.
4. Converting the NVA time into Value Added Time improves productivity.



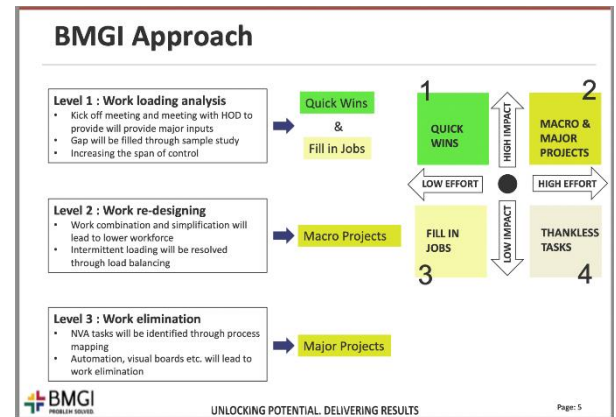
Approach & solution

BMGI took the following approach to reduce manpower cost.

1. BMGI had a one-on-one meeting with all business heads to create an organizational structure of all the departments & map every employee to the right department.
2. BMGI team interviewed employees at each level to understand their work content and their current productivity.



3. The organizational structure was recreated with a higher span of control to increase the manager's responsibilities & eliminate the management layer
4. Work content was re-designed to balance workload, minimize intermittent loading & develop multiple skill sets in employee
5. BMGI eliminated non-value-added work content through process change, enhanced layout and low-cost automation



Less Motions ...Lesser Resource

Requirement

Salient Benefits of the Implementation

1. Developed a system to sustain the saving & methodology for new hiring
2. Manpower reduction had minimal impact on plant Day to day operations
3. Created Lean organization structure to power profitable growth

Results

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Before State



2515

After State



1876

(630 Plus)

25% Plus



About BMGI

Breakthrough Management Group International (BMGI), a global consulting firm with a strong focus on **delivering results** and has **delivered cumulative benefits to its clients worth several billion dollars** with an **engagement ROI of 5:1 to 20:1**. BMGI specialises in enabling organizations drive profitable growth and innovate. Solutions include building innovation opportunities portfolio for driving growth, breaking optimization barriers to multiply profits and transform customer experience. We have developed several methodology & framework-based assets to enable client success.

BMGI's clients include leading Fortune 1000 Global companies and other Indian companies from diverse industries such as financial services, IT/ITES, airlines, chemicals, FMCG, discrete manufacturing, telecommunications, petrochemical, textiles, healthcare & energy.

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