

Maximizing Profits in the Modern Way

- Dilip Panjekar

Partner, Trident Die Casting Solutions



This is with a sincere hope that the Year 2015 was fruitful and profitable to all readers. The Indian economy is turning around and the global market is about

to open up. This is extremely encouraging to our national business interest. It is time to get ready to cater to the requirement of the whole world. The main question to deal with is whether (or not) we have understood this global requirement. There could be one of the two cases namely, we have or we have not. This article attempts to specifically deal with Die Casting market and further suggest correction to this sector for both those who have performed well as well as those that haven't! This is mainly because with expectation of high quality of products there is bound to be downward pressure on product prices.

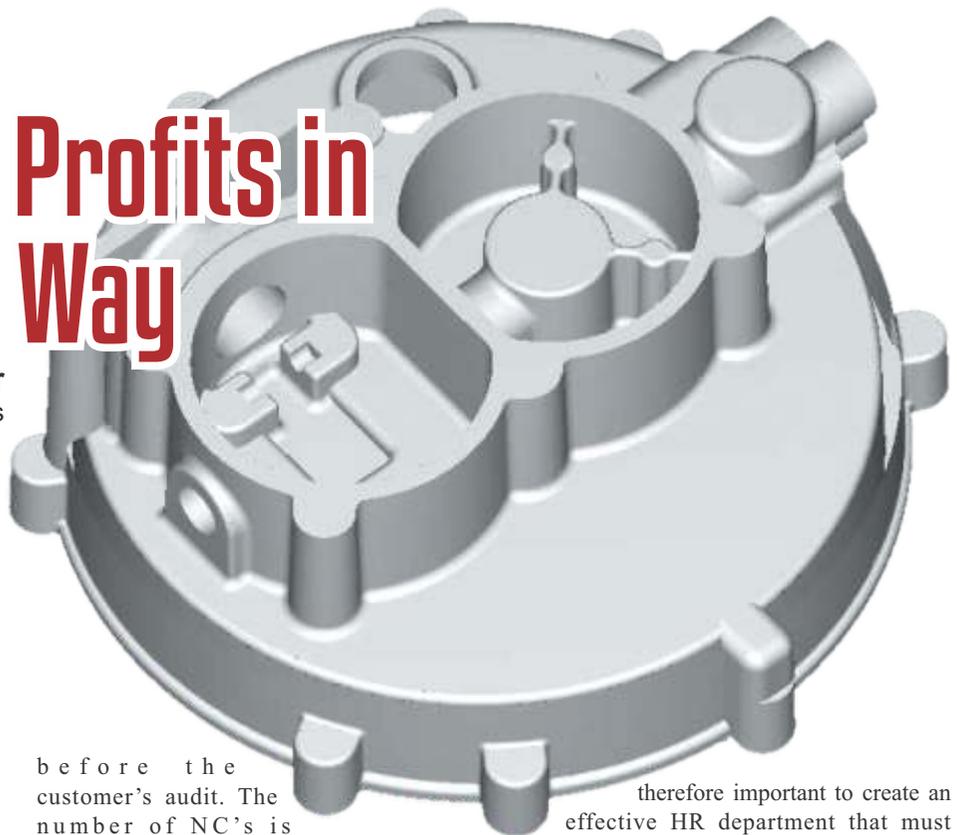
Reality of Competition

The pool of completion is going to be very large. So, it pays if a close contact with identified customer/s is maintained at all times. Without any nervousness invite these customers to visit your works and conduct audits at the very start! This works out very well. Take the non-conformity reportage of audits very seriously and incorporate it in your daily functioning. Communicate each correction to customer's auditor/s. On a global platform the purchase person can do nothing if the quality audit has disqualified the suppliers.

For any RFQ, there could be at least three quotes invited. If you are participating in a global enquiry be absolutely accurate. Accuracy of quote is vital. There is no room for the so-called "negotiation allowance".

Self Assessment

An honest and realistic self-assessment and corrective action on deficiencies of the organization is, in fact, the step to be taken



before the customer's audit. The number of NC's is substantially reduced. Even an ongoing internal audit process, identification of weaknesses and analysis and corrective action plan thereof convinces auditors of the supplier being 'alive'. This activity is also effective in improving earnings.

Saving is Earning

As mentioned earlier, there is bound to be downward pressure on price. Alleviation of weaknesses of the organization to save is the right way ahead. Frequently the weaknesses stem from:

- Knowledge level
- Time management
- Plan implementation
- Analytical efficiency of Human Resource
- Wastage (including rejection)

Looking beyond Supplying Cast Parts

An organization ready to cater to total project requirements of customers beyond cast parts alone has more chances of clinching business. An efficient supply chain network must be developed to a plan. This is the true definition of value addition.

This endeavor also camouflages higher prices of your product/s as the customer/s gets the benefit of controlling and managing inventory and a lot of saving in logistic cost.

Human Resource Management

Human resource is the only appreciating asset of an organization. Yet, there is a rampant attrition and continual change of jobs. It is

therefore important to create an effective HR department that must understand why colleagues are going away! Corrective measures help. This department must not only implement training programs related to process technology but also programs that will ease working tensions. "Keeping the flock" together by arranging picnics and exhibition visits, organizing stress relieving programs helps create the atmosphere among work force deters attrition. In a business sense all work and no entertainment makes all working Jacks look for a better working place!

Conclusion

Independent of how the organization's business performed during 2015, some important aspects of maximizing profits are mentioned above. For those who may have done well it is ever more important to examine these and plan corrective actions. But for those who may not have done as well, need to take a serious note. Such a plan implementation definitely calls for budgeting and presentation to the financial institutions.

