TATA Steel
Transforming a business

Tata Steel Wires is a major player in the wire industry servicing the needs of its global customers from manufacturing facilities in India, China, Thailand and Sri Lanka. They manufacture wires in black and coated varieties in both single and stranded forms for the Automobile, Construction, Power & General Engineering. This case study looks at two projects: the first to improve sales and marketing and the second to improve production.

MANDATE 1

In 2001, Tata Steel Wires set a goal to become one of the top 5 global wire manufacturers. To help them do this, they invited Renoir – given Tata’s previous experiences with them, to help improve their top line by improving their sales management process, outsourcing, distribution management and debt management. They believed Renoir could deliver substantial change in their Strategy and Strategic Implementation with changes in Structures, Systems, Processes and people behaviour, via an organization-wide improvement programme.

Project Approach

Renoir carried out a 40 week programme, “Deep Impact”, to develop and implement: systems and processes for sales & marketing; product and marketing strategies for GI wires (retail business) and MTB wires (institutional business); and develop and test marketing strategy for LRPC (institutional business). The following framework was used for the programme:

Testing the market

The strategy was tested in a remote grape developing district in Maharashtra for GI wire. The objective was to increase long-term sales and profitability. The timeline: 12 weeks. Market size and seasonality were analysed through the data collated from primary and secondary sources. All channel partners were included: farmers, financial institutions, and government officials. The strategy was tested successfully in the test market.

Outsourcing

Potentially strong markets in the North and the East were identified & selected after critical investigations. One outsourcing partner was
managed successfully to improve the sales margin, save time and cut costs. Seven more external processing arrangements were then added across the country, which collectively influenced 42% of the total production of Tata Steel Wires.

**Distribution Management**
The new organizational framework thrived on acknowledged dependence and information sharing, between Tata and its channel partners. It facilitated greater penetration in the retail arena and helped exercise control over the marketing network for GI wire.

**Sales Management**
A 360-degree assessment of GI wire revealed a key issue - the lack of differentiation. It was hard for the customer to differentiate TATA wire in the market. This prompted us to build a brand ‘Wireon’, which along with the ‘direct to retailer’ distribution channel, ensured brand awareness and ended spurious practices affecting the quality and credibility of the TATA brand.

**Debt Management**
The new systems and focus helped collect an additional INR 93,00,000 (@ 12% interest) of outstanding receivables and continued support by Renoir ensured smooth acceptance of the new systems and processes, leading to increasing market share and volumes.

**MANDATE 2**

With the sales volume increase, the three manufacturing plants were not able to meet the demand and there was a serious possibility of losing business to competitors. TATA again turned to Renoir for support to improve their Performance Index and the lead time to ensure product availability.

**The Challenge**

- **Production:** Low productivity of man & machine, yield losses, poor accountability and measurement of scrap.
- **Maintenance:** Poor preventive maintenance practices and lack of root cause analysis for maintenance breakdowns.
- **Supply Chain Management (SCM):** Poor order fulfilment, too many deviations from plan, poor spares and consumables management, multiple order processing of small quantities.
- **Miscellaneous:** Lack of supervisory control, lack of discipline and accountability, unstructured reviews and decision making, poor review process, poor visibility of daily performance on key business drivers.

**The Results**

**World Leaders in Sustainable Change**

© Renoir Consulting Limited. This document remains the property of Renoir Consulting Limited and must not be copied or distributed in hardcopy or electronic form without the prior written approval of Renoir Consulting Limited.