

## ACC Cement, Madukkurai

Transforming a business

ACC Limited, part of the Swiss, Holcim Group, is India's foremost manufacturer of cement and concrete with a countrywide network of 15 factories, more than 40 ready mix concrete plants, 20 sales units and several area offices. As the largest cement producer in India, it is also one of the biggest customers of the domestic coal industry, Indian railways and a considerable user of India's road transport network.

### PROJECT

**MANDATE 1:** Facing an uncertain economic environment, ACC management decided to engage Renoir, to assist them in improving their manufacturing operations (production, maintenance, procurement) in one of their oldest plants, at Madukkarai. They believed Renoir could deliver substantial change in their Strategic Implementation with changes in Structures, Systems, Processes and people behaviour, via an organization-wide improvement programme, that would improve their bottom line performance.

**PROJECT APPROACH:** Renoir proposed a 40 week programme, "Project Parivartan", to develop and implement: systems and processes for production, maintenance and procurement areas. The following framework was used for the programme:

**INITIATING CHANGE:** Renoir carried out a 10 week Focus Process™ 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 to facilitate solution development and implementation. During this phase, various exercises, brain storming sessions, observation studies and data studies were conducted to unearth the potential. A value stream mapping exercise was done to pinpoint the bottleneck operations. This exercise helped the organization to agree and prioritize the pain points and helped transform the organization to a pro-active mode.

**IMPLEMENT CHANGE:** Various workshops and brain storming sessions helped the concerned teams design and develop simple solutions which made the operations planning and control & action orientation, more robust. As all concerned members of the organization were engaged at every stage, the resistance to change was absolutely negligible. And with the help of a proactive management team, the small resistances were easily overcome. After the solutions were tested in the real environment, extensive training was provided for the roll out. This helped the users readily accept the new practices.

**SUSTAIN CHANGE:** A major concern of Plant management was to ensure sustainability of the newly implemented work practices. This issue was overcome with the robust review and audit framework Renoir provided. Within a very short span of 3 months, the compliance, understanding and usage of the new work practices improved by more than 240%. As people began using the new systems and work practices, a

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"I see a good change in my people. Change has even gone to the bottom most layers. Change is a long term process, but we have built our foundation. We never felt the need of outside consultants; but today we are happy to have gone through this change process with the Renoir consultants."

**Plant Director**

"The discipline brought in through these systems are highly essential for us. These systems are very simple to use and extremely useful."

**Head of Operations.**

### Key Results

10% Reduction in costs

240% improvement in compliance to new work practices

"I have changed a lot. Now I have started taking feedback from my HOD's to improve my meeting effectiveness."

**Chief Manager Production**

"There is a sea change in many people. People like the crusher in-charge, who never used to even talk, have started confronting people for poor performance. I am extremely happy with the people development carried out by Renoir's consultants."

**Chief Manager Maintenance**

major shift in their approach to operations management was obvious. Employees became highly motivated to continue with the new way of working, and management became more confident that what Renoir brought to the organization, would last.

**MANDATE 2:** Given the current economic uncertainties, ACC's Group Managing Director, Sumit Banerjee, also engaged Renoir to prepare a business model to help ACC management at corporate level to "predict" any plant's future in the event of changes in operations or market conditions. The Renoir team prepared a comprehensive business model to satisfy that requirement and allow ACC to easily understand each plant's viability for the next 20 years, based on changes in various parameters such as market demand, sales price, cost of raw material, investment requirement, etc.

**OUTCOMES**

The challenge for ACC and Renoir was that the overall cost of production was high, as a result of various issues in production, maintenance & procurement. A target to reduce the cost of production by 5% was set as the project target, a unique aspect of Renoir's "commitment to deliver" approach.

The actual result was almost double that at approximately 10%. Along with this tangible result, there was a sea change in the culture of the organization. The engagement helped the plant steer itself smoothly towards the organizational vision of "delivering promises by challenging conventions".

Today the plant can claim to be highly disciplined, organized, pro-active, objective, data centric and committed to delivery.

**THE RENOIR GROUP**

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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