

## Tayo Rolls, India

### The Turnaround Story

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

"Renoir has really brought in a very important aspect to our organisation - Monitoring and Controls. All people on the shop floor have learnt a lot from them."

**VP (Operations)**

"The current Sales and Marketing team being developed is superior to earlier teams. They do not work in silos and they take efforts to delight the customer."

**VP (Marketing)**

#### Key Results

Improved cash flow by Rs. 7.7 crore

Recurring annualized benefits of Rs. 6.07 crores

Reduced Contingent Liabilities by Rs. 2.92 crores

Reduction of cycle times

#### ANALYSIS

Scoping Phase: Tayo Rolls planned for a complete turnaround of its business with the help of Renoir Consulting. The primary objective was to develop and implement an effective Management Control System for Sales and Operations management, to achieve significant growth in revenue and improve margins. Renoir conducted a dip stick study focusing primarily on opportunities for cost reduction and identified "Inventory Management" and "Cost of Quality" as two major benefit opportunities.

#### PROJECT APPROACH

Renoir carried out a 30 week programme, "Project Uday", to develop and implement: systems and processes for production, plan-ning, 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, in order to facilitate solution development. During Renoir's Focus Process™, various exercises including brain storming sessions, observation studies and data studies were conducted to unearth the potential. A value stream mapping exercise was done to pinpoint bottleneck operations.

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

1. Production and Planning MAT - Developing systems, eg Production Planner to improve stage planning and planning accuracy. Physical verification revealed a good deal of unaccounted inventory (434 rolls). A WIP tracker/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 RCA of breakdowns reduced breakdowns in all sections.
3. Quality MAT - Implemented new systems for incoming raw material checking and in- process quality check sheets for each operation. Also started rigorous RCA of rejections which resulted in reduction of the rejection rate and thus internal cost of poor quality.
4. Sales and Marketing MAT - New Systems improved effectiveness and

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“Renoir’s team have really opened our eyes, challenging our 43 year old technology and standards. We never thought we could achieve such fantastic results in reducing quality deviations and improving our quality.

Though we had lot of rigorous and aggressive interactions – and even “confrontations” at times - this has improved our approach towards developing and strengthening systems.”

**Quality MAT chairman**

“MATs Chairman now follow the Project Uday methodology. Leading from front by them would help to immensely improve the operational performance and will help reduce cost of operations.”

**Chief (Finance and Accounts)**

efficiency across sixteen system elements.

### Outcomes

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

*The Results:* Working in different areas, eg, 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, resulted in improvement of cash flow by Rs. 7.7 crores and 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, the focus on reduction of downtime for all sections and reduction in rejections, had an impact on reducing cycle time of certain grades of rolls and reduction of WIP inventory.

## 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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