

Building a Stronger India!

Chief Adviser, Champions for Societal Manufacturing (CSM), (Earlier VLFM), national program between India and Japan(JICA), Prof Shoji Shiba discusses the evolving Indian manufacturing sector and the steps being taken to ensure its sustainability.

After your meeting with the late Dr APJ Abdul Kalam in 2004, you decided to stay in India and help improve the Indian manufacturing sector. Please give us a brief on the initiatives you believed needed to be taken in India?

Prof Shoji Shiba: Post meeting the late Dr APJ Abdul Kalam, I believed it was necessary to create 'locomotive companies'—symbolically pulling the Indian manufacturing industry towards future

breakthroughs—similar to how Japanese companies such as Honda, Sony, etc., carried out their operations during the 1960–70s.

During 2004–2006, we launched a pilot program for a 'learning community' where 12 companies were brought together to create visible success stories and demonstrate encouraging results in a short span of time. The success of this program made it possible to initiate the national program after 2006.

In my view, India has many innovative owners and CEOs, but the weakness lies in not possessing immediate subordinates that support these leaders. A leader alone cannot make a transformation; they need people who can drive the transformation. Hence, I created the 'Real Change Leaders' program; it is meant for those who will support and help implement the innovative ideas by their CEOs/founders. Today, we have 1,885 'Real Change Leaders' from more than 300 companies in India.

Furthermore, the sustainable development of industry comes from collaboration between industry and academia. Industry provides wisdom of industrial practices and

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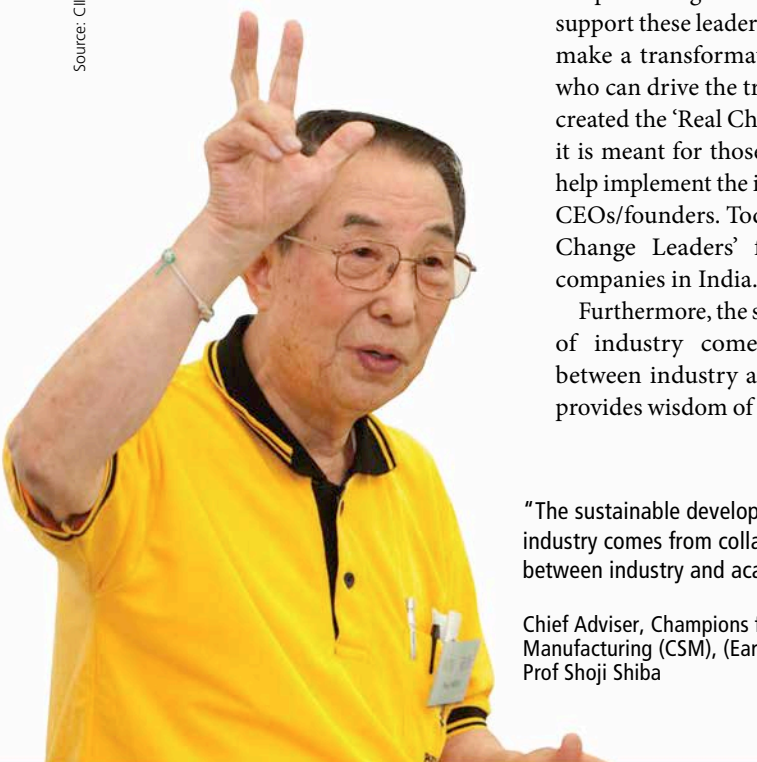


academia can analyze these for extracting the success factor and create a general tool/concept that can be commonly used. In this way, the industry can enjoy the fruits of such intellectual assets. Today, we have more than 200 documented success stories and 31 publications comprising of text books, manuals, trainers manuals and case studies in CSM.

Based on your experience, how do you view the Indian mindset in manufacturing? What needs to be changed?

Prof Shiba: There are three types of mindsets that need to evolve to make Indian managers globally competitive. The first one is changing the 'small manufacturing mindset' to the 'big manufacturing mindset'. Earlier, Indian managers in manufacturing primarily focused on production. In addition, popular tools that were used in the industry were incremental improvement tools, which had been mainly introduced by CII since 1982. Manufacturing companies were mostly working to create a product that was designed by someone else or given by a customer. This is called the small 'm' mindset.

Source: CII



What Indian managers required were tools of breakthrough management—to lead their organizations through drastic changes. They need to transform themselves to cater to the larger picture in the manufacturing sector by embracing concepts such as total value chain and many aspects of technical and societal changes. This concept is the big ‘M’ mindset—to create a new future perspective.

The second one is the weak execution mindset. I also observed that personal behavior mindsets such as the ‘Me First Attitude’ (MFA), ‘Talk, Talk, Talk’ (TTT) and ‘Pass the Buck’ (PTB) were prevalent in the market.

I felt that the introduction of breakthrough management, new concepts and tools, supported by a behavior change can help companies contribute in a bigger way to the growth of the manufacturing sector. With the help of CII and noble minded companies, I created unique learning classrooms, which became the temple of learning for 1,885 visionary leaders from more than 300 manufacturing companies in India. These visionary leaders are practicing these concepts and tools to help their respective companies grow. Today, seven such classrooms have been established. The first one being set up by Godrej in Mumbai followed by Tata Motors in Pune, Lucknow and Jamshedpur, TVS and Gabriel in Bengaluru and Sona Koyo in Gurgaon.

The last one is the weak ‘Jump into Fishbowl’ mindset. As the Indian society is changing drastically, customer behavior and preference is also changing rapidly. In this scenario, it is necessary to always ‘Jump into fishbowl’ in order to understand the changing fishes. Hence, I always push Indian managers to jump into fishbowl by themselves. These seven classrooms provide us the opportunity to instill this practice in the minds of our participants every day.

The VLFM program (now known as CSM) is divided into four parts. Kindly elaborate.

Prof Shiba: The VLFM program is rooted from the need to transform the Indian industry, which has many interrelated elements, as a part of a system. It is necessary to understand the hierarchy and power structure of an organization to enable transformation. And where does the transformation start? It is definitely a top to down process. Therefore, the CEO and senior managers’ course was set up.

After this, it is important for leaders to have people below them who will support change. Hence, the second course was aimed

PERSONAL



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to generate a cohort of real change leaders. This is the junior manager course run by academic institutes of repute, i.e., IIT Madras, IIM Calcutta and IIT Kanpur.

Next, effective management of the supply chain has become a crucial factor in remaining competitive in the industry. To make information and material flow seamless, the VSME course was introduced. This flow creates a win-win relation between all the elements—OEM, T1, T2, and T3.

Lastly, as the Indian society is drastically changing, especially at the village level, it is not apt to think that the industry and villages are separate. Both must join hands and work together. Hence, the ‘Village Buddha’ was introduced to develop a win-win partnership between business and society to create a mutually beneficial platform that sustains not only businesses but also villages. This fourth element has the potential to create future breakthroughs in the Indian industry.

Do you see the Village Buddha becoming a norm throughout the industry?

Prof Shiba: I do not see any reason for the ‘Village Buddha’ program becoming a norm in the industry. The program aims to realize win-win relationships between businesses and society. In the past two years, 25 companies have worked hard to form the Village Buddha community, and it has also received the support from Past President, CII, Venu Srinivasan and JICA. Through this, we will be able to create many examples of model villages having such win-win relationships.

What do you aim to achieve with the CSM program?

Prof Shiba: Through the CSM program, we want to enable industry players to recognize

the potential emerging trends in the market. Firstly, the aim is to offer a wider diffusion of qualitative methodology to Indian managers, which gives an insight for exploring the unknown future. Fortunately, our program has developed many useful qualitative tools such as the five step discovery process, observation for perceiving invisible, sensing commonality by grouping, etc., to solve challenges or make decisions.

Secondly, to transform supplier relations in order to leverage on the competitive advantage of Indian manufacturing sector, CSM has created an innovative and effective system to enhance win-win relationships amongst the tier structure. Once incorporated, it will help the effectiveness of their current business as well as contribute towards self-learning and mutual learning practices that will make SMEs more innovative.

Thirdly, the ‘Village Buddha’ concept and tools must encompass a wider circle of the Indian manufacturing society. This concept needs to be a norm throughout the industry.

According to you, how will the Indian manufacturing sector change in the coming years?

Prof Shiba: There are two major change drivers that will impact the Indian manufacturing sector in the years to come. One of them being technology change in terms of innovative new technology, wider penetration and in depth usage of IT, mobile connectivity across India, etc. The other is societal change such as no disparity of information throughout the country, diffusion of education, drastic expansion of a new middle class, better quality of life, wider experience of foreign visits, etc.

It is very obvious that societal change in India will have a much bigger impact on Indian manufacturing than technology change. For example, the current tendency for no disparity in information in rural areas directly creates a new class of customers. The skill and tools to comprehend new customers from their life style by ‘jumping into a new fishbowl’ will become a key factor for survival. Again, a change in mindset for the new era is the only effective solution for survival and growth. **MMI**

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