WATCH OUT FOR A BIG OPPORTUNITY - IT'S CREATIVITY TIME!!!
Dear Readers,

We the Sigma Team are happy to bring you the fifth issue of “Sigma”. This edition has the central theme of “Kaizen” – Continuous Improvement”. Kaizen is a Japanese word that brings out the meaning of “Kai – Change; Zen – For Good – i.e., change for good. Today’s business era is at the fastest pace with tough competitions roaring around each other and strategy formulations at the peak. Each and every business has motive of profit and this can be achieved through several means. One such means is “The Optimization”. This buzz word “Optimization” has found its importance in recent years across all industries, which aims at efficiency in all endeavors of a business. Kaizen was initiated and applied in manufacturing industries and nowadays it is applied widely in all industries from FMCG, Telecom, HealthCare, Hotel Industries and what not? By lean manufacturing theory, any business aims at achieving perfection, and there is no as such a state of perfection. Lean Philosophers say, there is always (rather should be) a “Pursuit for Perfection”, among the competitors of an industry.

Continuous Improvement can be achieved through several ways in an organization. For example – Reduction of Non-value adding activities is a Kaizen improvement. Improving the working atmosphere for the workers, so as to reduce the employee’s fatigue is a Kaizen improvement. In manufacturing firms, Kaizen stands for “Small, Continuous, and Non-technical Improvements”. A services industry aims at increased customer satisfaction and so takes initiatives to improve their business process continually and incrementally – these initiatives are Kaizen initiatives. Any Kaizen improvement made will never be a success without the training to the employees concerned. This is an underlying truth and often ignored, which causes the failure of Kaizen.

With this brief note on Kaizen, let me take you through the various articles in this issue. Starting with the “Insight on Kaizen”, we move on to real time examples of Kaizen – “Kaizen at Toyota”. To know the diversity in applications of Kaizen, we have articles on “Kaizen at Systems, Fashion Industry and Services Industry”. These articles enable you to know the concept of Kaizen through practical implications. Moving ahead from small improvements, huge industries look forward at “Process Improvements” which enables in optimizing their business processes as a whole, to achieve efficiency in human resources and production. The last article briefs on the same.

“Guru of the Month” column focuses on management gurus and the world’s best entrepreneurs. This helps us to better understand the values and principles followed by such eminent personalities. “Creative Corner, Quiz and The Updated” columns bring you the most interesting, creative and the most recent issues in the business world. Watch out for a big opportunity at the last page!! We are highly grateful for the valuable feedbacks for the last edition of “Sigma” and we assure that the necessary steps are taken to improve on the same.

Thank You!

Prasanna J
Contents and Creative Corner

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Source: INTERNET

Source: Sachin Dev 0921328 II Year MBA M

Christ University Institute Of Management, Bangalore
From The Pinnacle
-Aparna Raj C 1021338, I Year MBA M

Kaizen, the word that changed the World… The word that made manufacturing sector to undergo metamorphosis… The word that produced leaders… Evolution of this simple, but powerful concept is a story of intense pain. It is a legend of success of a nation that was shattered, the confidence and self respect in a devastated population. Dark days were those, with Second World War drawing to a close in 1945, it was little expected of an ultimate destruction with nuclear weapons, demolition of Japan’s live centers- Hiroshima and Nagasaki…

Japan rose as a phoenix from the ashes, to set example to the World. It was just a matter of 4 decades before they became pioneers in Engineering Technology, the second best economy, leaving their opponents spell bound. It was the thirst to prove that they were a population for excellence. Birth of Kaizen paved way to the zenith for them.

Japan’s Toyota incorporated the new concept. Toyota Production System is one which is looked at with awe. Continuous Improvement is the aim which incorporates inputs from all sides. The system is single, but decision makers are numerous. Like a molecule that exhibits all the properties constituted through the bonding of its atoms, if Toyota is perfect, it is because of hard work and dedication from employees. Best quality in the least time using Kaizen and Just- In- Time worked wonders for them.

Canon too based their Production System on Kaizen. Employees owned improvement trackers which were graded and awarded. Their goal was minimum wastage and maximum customer satisfaction. Canon generated techniques for vision unhindered. It was a team effort. It was collective thinking and implementation that established competition against their peers. Canon now stands up to any challenge that the industry can pose, introducing new standards and ideas, elevating the bench mark each time.

Kaizen wipes the demarcation between authority and employees. It talks about Yin and Yang of Employee Empowerment. Leader should be Yin - receptive and passive; he should also be Yang - active and creative. It is Servant Leadership that ignites a sense of responsibility and sacrifice. Leader should sacrifice for upholding the views and values of subordinates. Empathizing thoughts and listening to the whims and fancies of each employee help in value addition.

Creative Leadership is the secret of new innovations and ideas. Capturing the future is uncertain in the extensive contest. Any thought is valuable. There might be gold in every mind. Striking the right chord can get the system to unbelievable heights in a fraction of second. Delegation to employees improves skills and involvement. A leader is a source of energy, positive attitude and encouragement.

Jack Welch, the uncompromising head of GE is a living example of this concept. If GE is on the summit of glory today, his name will certainly be there. Drastic changes were introduced and processes were streamlined; bureaucracy was made an issue of past and hierarchy was destroyed for providing informality to the organization…

This is just a tale of Kaizen spreading to the World, ensuring success in every place it ventured… There are more instances where one concept positioned every antagonist far behind… Kaizen is change, Kaizen can change and Kaizen will change!!
Kaizen’s Origins and Scope

-Pawan Pathak 0921421 II Year MBA N

Kaizen (pronounced ki-zen) is a Japanese word constructed from two ideographs, the first of which represents change and the second goodness or virtue. Kaizen is commonly used to indicate the long-term betterment of something or someone (continuous improvement) as in the phrase Seikatsu o kaizen suru which means to “better one’s life.” The term Kaizen is used in two ways. The first use is consistent with the phrase continuous improvement. The second use is as the label for a group of methods that improve work processes.

**Kaizen as Continuous Improvement**

In its first use, Kaizen means the pursuit of perfection in all one does. In this sense, Kaizen represents the element of continuous improvement that is a fundamental part of the Quality Model. In a business context, it includes all activities, personal and teamed, that leverage learning to make processes better at satisfying customer requirements. As the principle of continuous improvement, Kaizen has its origins in W. Edwards Deming’s 14 points. Point 5 states, “Improve constantly and forever” the system of production and service (Deming, 1982).

**Kaizen as Methods for Work Process Improvement**

In its second use, Kaizen identifies a group of methods for making work process improvements. The methods that have been placed under the label Kaizen are varied and range from suggestion systems (Teian Kaizen) to planned events conducted in the workplace that systematically uncover waste in a work process and eliminate it (Gemba Kaizen). In this latter use, Kaizen’s origins are in World War II (Huntzinger, 2002; Kato, 2006). Kaizen, then known as Job Methods training, was a simple and effective process that enabled workers—initially supervisors—to devise ways to greatly improve the yield from work processes. Its development was spurred by the World War II necessity to produce very much more of everything that was needed for the war effort, faster than anyone ever had done in the past. Before going further into Kaizen’s origins as a method for making improvements, let’s clarify the varieties of methods that now fall under the label Kaizen.

**Varieties of Kaizen Methods**

The collection of Kaizen methods can be organized into the following categories:

**Individual Versus Teamed**

While almost all Kaizen approaches use a teamed approach, there is the method described as Teian Kaizen or personal Kaizen (Japan Human Relations Association, 1990). Teian Kaizen refers to individual employees uncovering improvement opportunities in the course of their day-to-day activities and making suggestions. It does not include making the change itself, but simply the suggestion for the change. However, when used at Toyota within its suggestion system, the employee suggesting the change is the one who almost always makes the change. We also use the same term and mean a personal Kaizen wherein a worker uses our Kaizen method to improve his or her own job. This effort also unfolds on a day-to-day basis. To my knowledge, all other uses of Kaizen are teamed efforts.
Day-to-Day Versus Special Event

Another example of a day-to-day Kaizen approach is Quality Circles. Here, a natural work team (people working together in the same area, operating the same work process) uses its observations about the work process to identify opportunities for improvement. During any day or perhaps at the end of the week, the team meets and selects a problem from an earlier shift to correct. They analyze its sources, generate ideas for how to eliminate it, and make the improvement. This continuous improvement of the work process is made in the context of regular worker meetings.

Special event Kaizens are currently most common. These methods plan ahead and then execute a process improvement over a period of days. When they focus at the subprocess level, take place at the work site eliminate waste in a component of a value stream. These special events are performed in the Gemba—meaning, “where the real work is being done”—e.g., on the shop floor or at the point where are service is being delivered.

Process Level Versus Subprocess Level

Most times, Kaizen refers to improvements made at the subprocess level—meaning, at the level of a component work process. For example, imagine the end-to-end production process associated with manufacturing shoes. This is also termed the value stream. It includes the activities of acquiring materials (inputs) from suppliers, transforming them into shoes (output) and delivering them to customers. One subprocess would be the set of operations that apply the sole to the shoe. Gemba Kaizen, also referred to as Point Kaizen, is an example of this level of Kaizen.

The Common Elements

All Kaizen methods that include making change (as opposed to just suggesting a change) have these common features. They:

1. Focus on making improvements by detecting and eliminating waste,
2. Use a problem solving approach that observes how the work process operates, uncovers waste, generates ideas for how to eliminate waste, and makes improvements, and
3. Use measurements to describe the size of the problem and the effects of the improvement.
Guru of The Month

Sanders was born to a Presbyterian family in Henryville, Indiana. His father, Wilbur David Sanders, died when Harland was five years old, and—since his mother worked—he was required to cook for his family. He dropped out of school in seventh grade. When his mother remarried he ran away from home because his stepfather beat him. During his early years, Sanders worked many jobs, including steamboat pilot, insurance salesman, railroad fireman, farmer, and enlisted in the Army as a private when he was only 16 years old (by lying about his age), spending his entire service commitment in Cuba.

At the age of 40, Sanders cooked chicken dishes and other meals for people who stopped at his service station in Corbin, Kentucky. Since he did not have a restaurant, he served customers in his living quarters in the service station. His local popularity grew, and Sanders moved to a motel and restaurant that seated 142 people and worked as the chef. Over the next nine years, he developed his method of cooking chicken. Furthermore, he made use of a pressure fryer that allowed the chicken to be cooked much faster than by pan frying.

He was given the honorary title “Kentucky Colonel” in 1935 by Governor Ruby Laffoon. He was re-commissioned in 1950 by Governor Lawrence Wetherby. Although he had been a Kentucky Colonel for nearly two decades, it wasn’t until after 1950 that Sanders began to look the part, growing his trademark mustache and goatee and donning his white suit and string tie.

After the construction of Interstate 75 reduced his restaurant’s customer traffic, Sanders took to franchising Kentucky Fried Chicken restaurants, starting at age 65, using $105 from his first Social Security check to fund visits to potential franchisees.

Dave Thomas, founder of Wendy’s Old Fashioned Burgers, was offered a chance to turn around a failing Kentucky Fried Chicken restaurant. He helped save the restaurant and revolutionized the fast food industry, by simplifying the menu. At the time, there was an excessive number of items on the menu (possibly more than one hundred). Working with Sanders, Thomas stripped the menu down to just the basic fried chicken and salads.

The restaurant in Corbin, Kentucky where Colonel Sanders developed Kentucky Fried Chicken.

Sanders sold the Kentucky Fried Chicken corporation in 1964 for $2 million to a partnership of Kentucky businessmen headed by John Y. Brown, Jr. The deal did not include the Canadian operations. Sanders moved to Ontario and continued to collect franchise fees. Sanders continued on with Kentucky Fried Chicken as its spokesperson and collected appearance fees for his visits to franchises in the United States and Canada. In 1973, he sued Heublein Inc. (the KFC parent company at the time) over alleged misuse of his image in promoting products he had not helped develop. In 1975, Heublein Inc. unsuccessfully sued Sanders for libel after he publicly referred to their gravy as “sludge” with a “wallpaper taste”.

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Kaizen @ Toyota

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Toyota is a leading automobile company which makes no compromise with quality. The heights they attained in the industry is due to principles they adopted like Kanban and Kaizen. Kaizen is a method of continuous improvement. TPS finds the probability of betterment in each and everything. Let us see how the story of continuous improvement began in Toyota.

TPS aimed to produce world class quality automobiles at competitive prices. It was built on two main principles, JIT & Jidoka. Saki chi Toyoda was the founder of Toyota Automatic Loom works (TALW). Saki chi invented a loom that stopped automatically when any of the threads snapped. This was the starting…. Stopping for the defects to be fixed immediately… this formed the basis of Toyota production system (TPS). Automobile department was setup within TALW in 1933 and the first passenger car prototype was developed in 1935.

Sukichi’s son Kichiro Toyoda, during his visit to Ford motor company understood that the productivity of US workers was much higher than Japanese. After coming back he customised the Ford production system to suit Japanese market. He implemented the concept of JIT in Toyota in which only necessary units were produced in a necessary quantity at a necessary time resulting in a decreased inventory, workforce and hence increasing productivity.

Another concept adopted by Toyota is Jidoka. This is automation with a human intelligence- also called as autonomation. This lead to the stopping of a manual line or process when something went wrong. Kaizen at Toyota has two elements- improvement/ change for better and on-going/ continuity. Improvement or change can be implemented by all. But where the problem lies is when it comes to continuity. Continuity can be attained only by combined effort of top management and the workers.

Toyota believes that the best change in a system can be suggested by the worker who works on it. Hence worker’s opinion is given great importance. Best quality can be achieved by small lot production. Toyota treats its suppliers as its partners. They challenge, encourage and help the suppliers to improve continuously.

Toyota production system is based on 7 principles.

Reduced setup times, Small lot production, Quantity at the source, Suppliers involvement, Pull production, Equipment maintenance, Employee involvement and empowerment.

The principles that Toyota uses in its path of continuous improvement is referred to as Toyota way. It is setup on the following principles.

1)Having a long term philosophy that drives a long term approach to building a learning organization.
2)The right process will produce the right result.
3)Add value to the organization by developing its people and partners.
4)Continuously resolving root problems to drive organizational learning.

Hence to conclude we can say that Toyota uses kaizen technique to remain competitive, improve customer service and make them happy, to work smarter and not harder, to improve productivity and quality and hence become world class.
Kaizen In Fashion Industry

-Anup D’Cruz 0921302 1 Year MBA M

“Different isn’t always better…but better is always different”

Kaizen plays an important role in any business industry. Be it any business the customer pays only for the value adding process. Therefore any other processing step which does not add value to the final product is an additional cost and must be eliminated. You may be following the latest trend in the fashion industry in showing off in your clothing, but did you realize how much of unused material were wasted? The latest innovative concept popularly known as Zero Waste Fashion is aimed in reducing Muda by constructing garments without wasting fabric.

In other words it challenges the designers to create garments with minimum wastage of fabrics. Be it pattern cutting or unused edges, the clothing industry is responsible for creating a lot of waste (Muda). A normal life cycle of making a garment includes the following:-

- Conceptualization of the design concept done by the designer
- Pattern maker cuts it
- The pattern is tweaked and re-cut
- Maker replicates the pattern
- Manufacturer makes it in bulk

The Muda can be attributed to different chunks designed to make a complete garment which results in around 60% fabric loss. Therefore the need of the hour has made the fashion industry to make use of new techniques which helps to draft out designs from the fabric using puzzle solving technique where in different parts of a garment are cut out by re arranging the patterns using trial and error method.

Another such technique is DPOL which helps in making ready to stitch, shaped, woven garment components. DPOL reduces the fabric loss by 15%-20%. Lead time reduction by 50%. Also, DPOL supports sustainability by reducing chemical and other waste by 17%-20%. Thus imparting eco-friendly nature to apparels right from inception of process to developing the garments.
Kaizen doesn’t just mean a business should keep trying new things. Rather, it refers to a disciplined process of systematic exploration, controlled experimentation and then painstaking adoption of the new procedures. In the original formulation, kaizen was applied to manufacturing, where experimentation could determine whether a new process resulted in quality improvements or cost savings in a matter of months.

It is much more difficult to apply kaizen to product design, since it can easily take years to design and market a new product. To take a recent example, the i-Phone has been two and a half years in the making. Product development can cost hundreds of millions of dollars, making it almost impossible to run a controlled experiment with a product introduction. But it is simple to run a controlled experiment with a Web page. Amazon can show a different page layout to every hundredth visitor and determine in a few days whether the new design increases sales. Similarly, a search engine can run a controlled experiment to try out a new tweak to its search algorithm and discover in a few hours whether users find it an improvement on the old algorithm. On the Web, continuous improvement really is continuous.

The cycle of exploration, experimentation and adoption is drastically shortened for Web-based applications. This isn’t just the old atoms and bits distinction. Vista, Microsoft’s new operating system, has also taken years to develop and only time will tell how successful it will be.

What’s the difference between Vista and Google? There is no feasible way for Microsoft to experiment with Vista in real time; but it is very easy for Google to conduct controlled experiments and do so more or less continuously. Given a performance measure, be it clicks, revenue or something entirely different, a disciplined process of experimentation and evaluation can lead to rapid improvements. The easier it is to experiment and the larger the number of users, the quicker this process can work.

The most successful online businesses are built on kaizen, though few of those who carry out the testing would recognize the term, since many of those who created these online businesses were in grade school in the 1980s. Old media just do not understand online kaizen. Their perceptions are tied to the print world, where design changes are costly. The Wall Street Journal spent years planning its recent redesign of the print edition and millions of dollars rolling it out. Yet it will be months before it becomes clear how successful these changes were. By contrast, small tweaks in the page layout of online content can be very effective in improving user satisfaction and ad clicks.
Controlled experiments can be used to determine the impact of these changes in days rather than months.

Yet how many mainstream publishers have Web page software that allows for such controlled experimentation? In most cases, there is but one layout, and experimentation is difficult if not impossible. You can’t manage what you can’t measure — and if you can’t easily experiment with what you are doing, management is seriously handicapped. Kaizen means that the companies currently in an industry have an inherent advantage over new entrants. Entrants have to guess what will work; the companies that are already operating can experiment and find out.

This information advantage doesn’t preclude new entries; it just makes it more costly since the learning curve is steeper. Amazon has some worthy competition in online department stores. But how likely is it that a new entrant will emerge from nowhere and successfully compete in this area? The experience that existing online retailers like Amazon, Buy.com and eBay have built up is hard to duplicate. A new entrant, even one as strong as Wal-Mart, finds the online world rough going. This is not to say that new entry is impossible. As the old saying goes, “You can always tell the pioneers, they’re the ones with the arrows in their backs.” New entrants have the advantage of avoiding earlier mistakes. They can copy successful operations and, in many cases, improve on them.

Newer, faster and more flexible information systems can sometimes confer a competitive advantage on new entrants over the pioneers stuck with the last generation of computing infrastructure. But the ability to experiment easily is a critical factor for Web-based applications. The online world is never static. There is a constant flow of new users, new products and new technologies. Being able to figure out quickly what works and what doesn’t can mean the difference between survival and extinction.
“Public sector” is being viewed with contempt nowadays and has been in criticism quite long. This is due to a variety of reasons. But it can be changed with the change in attitude of the people in the Organization.

**BRIEF:**

I did my internship in Devanagonthi terminal, Indian Oil Corporation Limited, Bangalore. And my project was “Work Study and IT implementation to improve MIS of key areas”. IOCL Devanagonthi terminal is a juncture where the fuel is stored and distributed to the retail outlets and consumers. It has about 18 tanks on operation storing MS (petrol), HSD (Diesel), SKO (Kerosene) and ATF (Aviation fuel). From there the fuel is distributed to various retail outlets of IOC and consumers. It is a routine task of trucks being filled and sent. The efficiency of the operation accounts to the number of trucks filled and thereby deliveries made per day. There are three departments involved with this operation: S & D (Sales &Distribution), TLF (Tank Lorry Filling), and BG Siding (Receipt of fuel from rail wagons). There is a SAP automation software in their system which integrates the various functions of the terminal. But they felt that there are means to increase the efficiency by reducing the waiting time and doing parallel operations and this necessitated a thorough work study of each of the activities and identifying key areas where IT can be implemented.

**EXPERIENCE:**

The ‘data collection’ is one major obstacle in any project. The knowledge I gained through this SIP can be attributed to two dimensions:

**ACADEMIC LEARNING:**

1. Functioning of SAP.
2. It served as an opportunity for me, to practice drawing complex network diagrams [PERT & CPM].
3. Elements of Business Process Re-engineering (BPR) and how they do it in Organizations.
4. Work Study, manpower and time optimization analytics.
5. Latest IT trends and automation techniques available.

**PHILOSOPHIC LEARNING:**

1. Patience and Tolerance
2. Art of Persuasion and getting things done

Also, I felt the rigor of professional environment, the attributes expected from professionals, decision making at the right time, problems arising in an organization, which can be solved and that which needs some logical thinking, functionalities of various departments, and the vitality of the departments to work in synchronism. It served as a great opportunity for me to get exposed to an oil terminal of Indian Oil Corporation. With the full co-operation of the employees and the patient explanation of the Officers, this study was much more informative and enlightened me with all essential principles, policies and procedures that an organization should possess.
“You see but you do not observe, Watson.” Sherlock Holmes favourite quip to drive home a point to his fellow compatriot, Dr. Watson. While Holmes’ hoped this would awake the espionage skills in Watson, Doyle’s protagonist could well have been the inspiration for many Japanese Kaizen gurus.

Kaizen was created in Japan following World War II. The word Kaizen means “continuous improvement”. It comes from the Japanese words “Kai” meaning school and “Zen” meaning wisdom.

Kaizen is a system that involves every employee – from upper management to the cleaning crew. Everyone is encouraged to come up with small improvement suggestions on a regular basis. This is not a once a year, or monthly activity. It is continuous. At Japanese companies, such as Toyota and Canon, 60 to 70 suggestions per employee, per year are written down, shared and implemented. In most cases these are not ideas for major changes. Kaizen is based on making little changes on a regular basis—always improving productivity, safety and effectiveness, and reducing waste.

The implementation of a Kaizen model of operation was recently seen at The Taj Group of Hotels, a chain of hotels owned and run by The TATA group. The Hotel Taj President, Mumbai – part of the Rs 687 crore Indian Hotels Corporation Ltd (IHCL) – recently witnessed a peculiar problem at its main kitchen. Breakages in the main kitchen were high due to incorrect flow of cutlery and crockery during washing. The Konkan Cafe and the Thai Kitchen, two restaurants at Taj President, were also facing problems due to the depth of the sink and mixing up of metal and chinaware. The hotel decided to set up a Kaizen team—comprising of three of its top chefs—who immediately sprung into action.

The system of “one piece at a time” into the dishwasher was implemented. The layout of the dishwashing area was changed to facilitate single-piece flow. Seemingly frivolous? But the result: The breakage of crockery came down by 28 per cent. Savings from the stoppage of breakages are at Rs 6 lakh per annum. In the main kitchen, gains are around Rs 1.75 lakh per annum and in the Konkan Cafe and Thai Kitchen, the gains are around Rs 2 lakh each.

This is not a one-off incident at the Taj group. Kaizen has become all encompassing in the service sector because of the time savings it results in, eventually leading to better customer service. The Taj Mahal Hotel in Mumbai decided to go in for Kaizen. They divided their 44 middle managers into 11 cross-functional teams and allocated them different divisions to observe and suggest changes. The teams were asked to implement the suggestions in four days. Some of the changes did result in better customer service. For example, customer check-in normally took about 10 minutes but they managed to cut it down to two minutes by making simple changes like replacing the credit card swipe machine under the counter whereas earlier it was at a distance from the counter. They are further in the process of bringing down check-in time to 90 seconds.
Process Improvements Fail or At Least Not Last
-Athul George 0921304 II Year MBA M

Most organizations are no strangers to change. There is constant pressure to achieve more in less time and usually with less resource. Shareholders demand a better return on their investment; down-stream consumer companies demand reductions in the prices they are asked to pay for supplies. With this type of pressure, change has been almost constant in many organizations since the mid-seventies.

Thinking back, over recent years we have seen quality improvement schemes such as total quality initiative, (TQI), total quality management, (TQM), business process reengineering, (BPR), restructuring, lean, kaizen and now six-sigma. Some of these initiatives have had varying levels of success, others have been dismal failures, and the experience will have varied from company to company, and maybe even between different divisions of the same company. What this comes down to is that change is all around us, and often the only consistency is change itself. No one in industry has gone more than two years without major upheaval of one sort or another.

It is fair to say that most of these initiatives have not fully lived up to expectations, nor have they fully delivered anything like their true potential. In actual fact, if the same people were in the previous unsuccessful initiatives they will be less enthusiastic in this one. They will be asking, “Is this yet another waste of my time?” The lackluster performance of previous initiatives often leaves an organization with a few very limited and sometimes blinkered views on change i.e,

1. Stop change initiatives altogether. – What has been seen doesn’t work very well, why should we carry on?
2. Lower expectations from the initiatives. – They’re all over-rated, but any improvement is better than none, and any improvement will help.
3. Understand why change fails, or fails to last, and improve on it.

Assuming that we take the latter, we then ask ourselves “Why do improvement efforts fail, or at least fail to be sustained? What are they key reasons?” Often, there is a failure by the organization leadership to articulate a crystal clear and unambiguous vision of where they’re going, and need to understand exactly what their customers want, and equally what they are prepared to pay for. Many organizations sadly fail to recognize this, or fail to act on it.
If change is to be successful, there are three questions that the organization needs to be able to answer in full before embarking on any change:-

1. What needs to change? This needs to be answered specifically, and not in vague abstract terms such as “We need to get better.” What is it that actually needs changing?

2. Why do we need to change? Again, what are the specifics? What currently works, why does it need changing, or what currently doesn’t work and needs to be changed?

3. How will we know if we’ve been successful? Every improvement initiative should be accompanied with a clear set of measurable objectives. If it can’t be measured, then whether change has been successful or not doesn’t matter, because we won’t know!

Once the above questions have been answered, then communication to the workforce in an honest and open manner is a step in the right direction. In order to accept change, people must be dissatisfied with the status quo. They must understand exactly what changes are to be made, how the changes will affect them and what they will gain by accepting the changes. Organizations are like metal they can be remolded, and changed, but without constant reinforcement of the new shape they will snap back into their original form. In fact, without senior management involvement the initiative is often over before it begins so change has to be initiated at the behest of management. The changes made must be reinforced at every possible opportunity, and the organization must not be allowed to reform itself once change has been made. One method of ensuring that change doesn’t slip is to tie financial reward into the success of the initiative. If this is done from the top of the organization, right down to the bottom, then the change is more likely to be sustained. In today’s competitive market, organizations are constantly on the lookout for instant change. It doesn’t happen; it can’t happen. Systems are already in place to ensure that consistency occurs, but now we’re trying to dismantle that system to install a new one.

“Change is like a marathon, not a fifty meter sprint.”
Quiz

-Md. Abdullah Shamim 0921019 II Year MBA-J

1. One of the most successful small cars on Indian road is ZEN from Maruti. What does it mean?

2. CIPLA was set up by Khwaja Abdul Hamied in 1935 in India. Expand CIPLA?

3. Which two companies are associated with Tara Deshpande for India’s first e-novel which is authored by Tara and co-authored by the readers?

4. Whose autobiography is known as “Work in Progress”?

5. “I knew a trade name must be short, vigorous, incapable of being misspelled to an extent that will destroy its identity, and in order to satisfy the trademark laws, it must mean nothing”. Who said this and name the brand?

6. Which international corporate has 42 dots in its logo?

7. What is known as “Shelfware”?

8. What is the code name of Windows XP?

9. What connects the Suse, Mandrake, Debian, Caldera and StakeWare?

10. Along with which company did Intel co-invent the “Itanium” Processor?

For Quiz Answers See Page No.16
According to a joint study conducted by ACMA and Ernest and Young, the automobile industry is projected to be a five million units industry by 2015 and over 9 million by 2020. The commercial vehicles segment’s volumes are estimated to be over 1.4 million by 2015 and over 2.2 million by 2020.

Continental Automotive of Germany has shortlisted India for setting up a manufacturing plant to manufacture complete diesel injection systems and for making sensors for air bags.

UltraTech Cement Ltd acquired an 80% stake in Dubai’s ETA Star group-owned Star Cement Company Llc for an enterprise value of US$ 380 million. UltraTech is planning to invest Rs 120 billion, mainly to increase the grinding capacity at the Gujarat cement plant and to set up additional grinding units across the country.

TATA Motors Ltd plans to expand the production capacity of its mini-truck ‘Ace’ at its Pantnagar facility to 2.75 lakh units from the current capacity of 2.25 lakh units. It also plans to launch a 0.5 tonne truck in the last quarter of 2011.

Car manufacturers continue to enter into partnerships with financing companies to extend reach of finance to potential customers. In August, Toyota Kirloskar Motor (TKM) entered into a tie-up with IndusInd Bank; under the agreement, IndusInd Bank will become the preferred financier for cars sold by TKM.

ITC Ltd plans to invest Rs 230 billion over the next 7-10 years, of which Rs 90 billion would be in the hotels business, Rs 80 billion in consumer goods and the remaining in paper business.

The Government of India launched a prototype touch screen laptop which it plans to release next year. Developed by the Indian Institute of Technology and the Indian Institute of Science, the tablet runs on a Linux operating system and supports web browsing, video conferencing as well as word processing.

Tata Consultancy Services and rival Infosys Technologies touched all-time highs earlier in the day. TCS closed 1.7 percent higher, while Infosys and Wipro climbed 1.4 percent and 3.7 percent respectively.
• Infosys shares rallied 2.19 per cent to touch a lifetime-high of Rs 3,000 on the Bombay Stock Exchange.

• Yahoo users took a vacation in August as the purple portal finally ceded the US top spot for time spent online. Both Facebook and Google overtook it.

• Indian Space Research Organisation (ISRO) is gearing up to launch eight spacecraft annually to increase revenue and meet global technology demand.

• Telecommunication Systems Inc. said Tuesday that it received orders from the Army valued at up to $3.8 million for some antenna systems, satellite equipment and other items. The initial orders total $1.3 million, but the deal’s value could nearly triple if all options are fully exercised through August 2011. The orders are being funded through the Army’s $5 billion worldwide satellite systems contract.

IIP Sectoral Growth Rates July 2010:

- General Index: 13.8%
- Mining: 9.7%
- Manufacturing: 15%
- Electricity: 3.7%

‘Wood and Wood Products’ declined by -9.4%, followed by ‘Leather and Fun Products’ (-1.8%), ‘Beverages, Tobacco Products’ (-2.1%) and ‘Textile Products’ (-0.7%).

IIP Use-based Growth Rates May 2010:

- Basic goods: 5.1%
- Capital goods: 63%
- Intermediate goods: 9.1%
- Consumer durables: 22%
- Consumer non-durables: 0.5%

It’s time for Creativity!!

It’s a big opportunity for all creative chaps to unleash your talent and prove your mettle. You think you are Creative? Artistic? Sigma brings you the chance of Creating a logo for the Lean Operations and Systems Club - OASYS!!

The logo design should represent both the operations and systems field. The best logo shall receive a cash award from the OASYS club. The participation is not restricted to only Operations stream. Its an “Open to all Specialization” event. The last date to send in your designs- **October 25th 2010**.

Send in your designs in **“JPG” format** to sigma@mba.christuniversity.in. It is not mandatory to work in Adobe Photoshop or any other design software. You can just sketch a design, click a snap, send the pic….

All the best, friends and we are happy to inform that “The Best Logo” will remain as the permanent logo for the OASYS club!!!!

*What are you waiting for? Pounce on the papers, sketch your creativity!!! Its show time!!*

**NEWS LETTER TEAM**

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