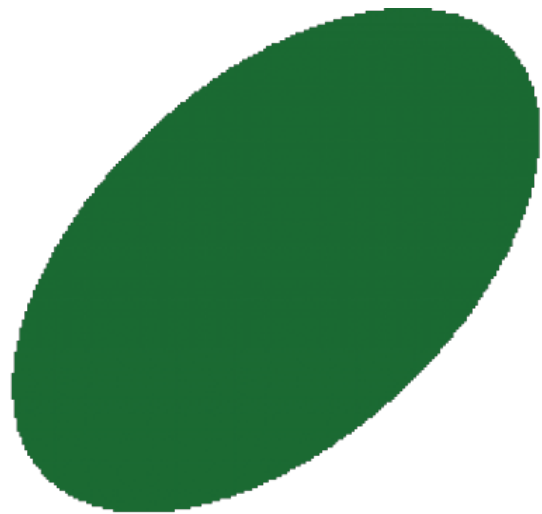


Indian Manufacturing Sector facing crisis, Lower profit margins will kill them - Greendot Management Solution



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Management Solutions

Ahmedabad, Gujarat Nov 4, 2021 ([Issuewire.com](https://www.issuewire.com)) - Lean manufacturing is a tool that can help you to improve your profit by productivity improvement. With 21 years of Expertise, Greendot Management Solution is helping Manufacturing companies to stay tuned & earn Profit.

With the increase in the rate of steel, plastic, Shipping cost, many industries are struggling to make their industries more profitable. Day by day cost of operation keeps increasing. Labours are not available. Fuel cost is high. Transportation cost increased 4 times. The coal crisis is another recent crisis that industries are facing. it's really difficult for a small and medium-sized company to survive and grow.

Apart from these challenges, in some industries, raw materials are not available. Prices are not stable for certain materials. The supply chain is not working effectively. An issue that arises is how a small and medium-size company can survive in this uncertain market.

A big question for Indian industries is how to handle this crisis. Indian industries need to know where the profit lays. one solution that will work for sure it shortens the payment cycle. industries carry a huge inventory and a significant amount of money is receivable.

Greendot management solution Suggesting some strategies

[Lean manufacturing](#) is a tool that helps you to shorten the payment cycle. Industries also need to focus on cost reduction by reducing 7 waste. these seven waste of lean Manufacturing are

1. transportation -
2. inventory
3. Motion
4. waiting
5. Overproduction
6. over-processing
- 7 .Defects

Let's understand them easily.

Define finish goods strategy.

Industries do not have a finish goods strategy that is killing their profit as inventory keeps increasing. Sometimes they keep stock to cater to client needs, and in this case, if sales do not happen for that product, it's a stock and working capital increases.

if they do not keep the stock, then they have a fear of loose the order. Actually, it's a strategy that they need to decide. if their customers are ready to wait for the product, do not overproduce. As overproduction is one of the 7 losses. if the customer is not willing to wait to keep stock, make sure you need to sell only those products in the market as ready stock. Finish goods strategy can be made to stock or make to order, a combination of both is deadly.

Over-engineering is a profit killer

Many of the engineering products need to revise their manufacturing process and design engineering. In the last 21 years greendot as a business consultant, we found product re-engineering to reduce its cost is essential

Longer Manufacturing Time will increase your working capital.

Longer delivery dates mean longer money rotation. it means less profit. There are Lean tools that help industries to implement products in a shorter time. This [lean tool](#) can be Value stream mapping, Heijunka. A longer manufacturing time will increase your working capital means it will kill your profit.

Effects of Defects

Having rejection of 2% or 5 % is common in industries. Just think, if 2 % of the train will have accidents, or 2 % flight will have an engine failure. Not accepted. Then why do industries accept small rejection? Industries need to be calculated the cost of manufacturing, cost of delay because of rejection. You

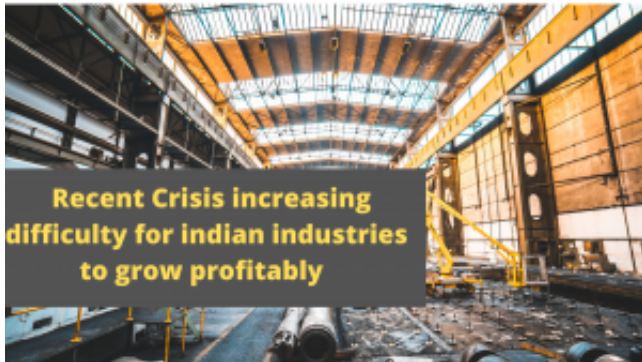
produce more as you expect some rejection. cost of processing, re-processing, brand name loss. it's all endless. There are methods that help you to reduce rejection, such as 7- QC tools.

Waiting - creates longer delivery time

Waiting for information, waiting for the order, waiting for material and whatnot. How much time is wasted in waiting? Just make a note of it. I'm sure 50% we can reduce time in delivery if you reduce only waiting losses.

it's actually a great time for Indian industries to implement lean manufacturing practices and stay ahead of the market. if they don't follow those world-class management practices, loss in profit and sustenance is always questioned.

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