

Lean Management prepares MSMEs to face competition: NPC chief Mr. U.S Singh

New Delhi, 18th December: Confederation of Indian Industry today launched its first Lean Management cluster with 10 members joining hands from the Micro, Small and Medium Enterprises sector (MSMEs).

Speaking after launching the cluster at the 17th Quality Summit organised by CII-Institute of Quality the Deputy Director General of National Productivity Council Mr US Singh said that MSMEs are a vital part of the Indian economy contributing to over 45 percent of industrial production and around 40 percent of the total exports. There are about 13 million MSMEs in India employing about 31 million people, easily the single largest contributor in terms employment generation in the manufacturing sector. MSMEs are present as part of the value chain in almost all distinguished industry sectors like automotive industry, garments and textile industry, leather industry and drug and pharmaceutical industry etc. He said that MSMEs that have incorporated Lean Management tools have hugely benefited in terms of rolling out high end quality products to the end customers. He said: “Incorporating Lean Management by MSMEs is undoubtedly high as we now move into a highly competitive environment.”

Realizing the tremendous contribution of the MSMEs in industrial production, employment generation and exports, the Government of India has introduced several policies to increase business and promote growth among the MSMEs over the past few decades. Mr. Singh said that as of now 88 clusters have been approved and the target is to reach 100 in the next few months.

The post liberalization era in the Indian economy has ushered newer opportunities and challenge for the MSMEs. As global competitiveness becomes intensive, MSMEs are transitioning to a new business environment with emergence of global supply chains. MSMEs form an integral part of almost every value chain and there is a symbiotic relationship between the large corporations and relatively smaller sized suppliers. Managing Director of Munjal Showa Limited Mr. Yogesh Munjal addressing the gathering said at the Summit that over 1,500 MSMEs have benefited by implementing Lean Management to streamline various processes. He said that wherever Lean Management tools have been incorporated there has been tremendous improvement which has even helped Original Equipment Manufacturers (OEMs) also to drastically keep inventory levels low. He said: “The most tangible gain has been on the front of cost reduction without compromising on the quality.”

What is a cluster...

Clusters can be defined as sectoral and geographical concentration of enterprises of clusters in particular Micro, Small and Medium Enterprises (MSME) facing common opportunities and threats. Hence a cluster can be defined as a group of companies who partner together for the purpose of improving their performance through mutual learning and sharing.