

Manufacturing Today

DECISIVE TOOL FOR MANUFACTURING EXCELLENCE



FOCUS AUTO COMPONENTS



"All our production areas have innovative technologies with high standard automation." Farukh Cooper



"It is imperative that we keep capital cost of new investments to a minimum level, while not compromising on technical quality." Himanshu Jain

2. Quality checks help parts makers to anticipate issues that could arise.

are even required to rely on the OEMs production whims and scale up and down on capacity as and when required. Himanshu Jain, president, Minda VAST Access Systems, says, "We constantly deal with high pressure on production costs whether for brought parts or in-house assembly. Hence, it is imperative that we keep the capital cost of new investments to a minimum level, while not compromising on technical quality, and carefully control operational costs."

MOVING STORIES

Component makers are going that extra mile to keep pace with the rising and diverse expectations from

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the OEMs. Hans-Georg Festing, executive director, corporate purchase, Volkswagen India, says, "It took us quite some time to get our local supplier to make the adaptations as per the requirements of Volkswagen, which we maintain across the world in all our markets. We extended a lot of technical support to our suppliers when it came to developing them to our standards. Ultimately, it was also our persuasion and their self-realisation to adhere to our specifications which helped a lot too."

All the hand-holding on both sides has seen definite results: Today's vehicles are among the highest quality ever produced from a safety and reliability standpoint; innovations in technology have accelerated such that manufacturers can now identify emerging safety and quality issues much sooner than before; and, regulatory scrutiny of the auto industry has increased dramatically during the past 12-18 months.

In the past, supply chain management was seen as something that took place behind the scenes and was feebly supported in terms of human resources. But in those days consumers were less demanding, less aware and certainly more patient. Jain says, "As of today, roles and responsibilities within companies have expanded and become more specific. Supply chain itself has become increasingly complex, and the number of ingredients and components leading to a finished product have risen vastly. Alongside, OEMs have also swelled the base of suppliers."



ENTER THE LIGHTWEIGHTS

AUTO COMPONENT MAKERS ARE ENVISIONING CREATIVE BUSINESS MODELS FOR THEIR OEMS

BY JAYASHREE MENDES

ACCORDING TO DATA PROVIDED BY Society of Indian Automobile Manufacturers (SIAM), Indian auto manufacturers recalled 2.24 million vehicles between July 2012 and May 2016 alone citing safety concerns. This is no small number. The scale of recalls has been going up as the market expands and auto makers compel component manufacturers to supply at lower and lower prices thus leading to inconsistency in the quality of inputs. India's auto makers have started to recall vehicles

more frequently after the country's auto lobby group SIAM adopted a voluntary code on vehicle recalls in 2012. Rising customer awareness over global recalls has also played a part.

No component maker worth their salt would deliberately manufacture defective products. Such an act would have disastrous consequences not only for the buyer but also for the supplier. The supply chain of auto components is highly stringent thus creating severe business continuity challenges; they

1. Component makers work at backward integration to gain mastery over every component.