

Case Study

SECTOR **FMCG**

SIX SIGMA

Godrej Consumer Products

Six Sigma

YEAR 2006	Godrej Consumer Products (erstwhile Godrej Sara Lee) is a leader among India's Fast Moving Consumer Goods (FMCG) companies, with leading Household and Personal Care Products. Their brands include household names such as Good knight, Cinthol, Godrej No. 1, Expert, Hit, Jet, Fairglow, Ezee, Protekt and Snuggly, among others.
SECTOR FMCG	
REGION India, Asia	
SERVICES Makers of Consumer Products	They are one of the largest marketers of toilet soaps in the country and are also leaders in hair colors and household insecticides. GCPL faces stiff competition in the market place and thus significant margin pressures. GCPL chose Six Sigma as a strategic intervention to help the organization to achieve its business goals and strategic imperatives.



INDUSTRY OVERVIEW

India is standing on the threshold of a retail revolution and witnessing fast changing retail scenario. The Indian retail industry has experienced high growth over the last decade with a noticeable shift towards organized retailing formats. The industry is moving towards a modern concept of retailing. As per IBEF.org, India's retail market is expected to grow at 7 per cent over the next 10 years, reaching a size of US\$ 850 billion by 2020. Traditional retail is expected to grow at 5 per cent and reach a size of US\$ 650 billion (about 76 per cent), while organized retail is expected to grow at 25 per cent and reach a size of US\$ 200 billion by 2020.



BUSINESS CHALLENGES

Most of GCPL's products are manufactured from raw material coming from natural sources and hence faces huge variation in incoming quality. This variation in-turn leads to serious productivity issues and challenges in controlling the quality parameters of the final product. The domestic demand for the product was growing and there was huge potential for growing the market share. A major constraint for fulfilling the burgeoning domestic demand was to achieve high throughput in manufacturing. Six Sigma was chosen as the strategic tool to achieve this objective.

SSA's APPROACH

After thorough understanding of GCPL's business needs, SSA proposed Six Sigma as a tool of choice for helping it achieve its business goals.

The approach encompassed:

- Understanding GCPL's business challenges and goals
- Aligning senior management teams with Business Excellence goals
- Selecting projects based on company's short & long-term vision
- Developing people skills to support the projects and
- Deploying projects and measures of performance.

SOLUTION DEPLOYED

The Six Sigma deployment helped galvanize the operations team to pursue fact based problem solving and also engage the workmen in the journey of continual improvement through appropriate training and mentoring activities.

Projects were chosen at countrywide locations viz. South, West and North East. GCPL also involved its vendors in the improvement journey by allowing them to nominate candidates for belt training as well as undertaking improvement projects at their manufacturing units. Since majority of FMCG manufacturing is done at 3rd party facilities, a key element in building supply chain robustness is through such partnerships. Several projects taken up at vendors' sites yielded millions of rupees of savings, part of which was shared with GCPL. This also fortified a culture of partnership and trust and more importantly fact based problem solving across the value chain.

BUSINESS BENEFITS

GCPL was one of the early adopters of Six Sigma in the FMCG industry in India. FMCG, as an industry, was historically known as laggards for its lack of focus on manufacturing excellence and it was known majorly for its marketing prowess.

GCPL was a path breaker of sorts in embracing Six Sigma in its culture and working. Within a short span they could create a huge movement across the organization and could develop a number of key resources as problem solving soldiers and also achieve substantial tangible and intangible savings.

“The entire approach from SSA team was very professional.”

- EVP, Godrej Consumer Products Ltd.



ABOUT SSA

SSA is a leading Business Excellence Solutions provider specializing in offerings like Lean, Six Sigma, BPMS, Strategy Deployment and many more. SSA provides customized business consulting and training solutions across countries and has helped its clients make a cumulative savings of over Rs. 1000 crores and growing. SSA is the first and only authorized provider of IACET CEUs in India.

For more information about SSA, visit www.ssa-solutions.com