Chapter No. 7  Observations and Findings

1.0 Top four crises perceived by Auto component companies in Pune are

- Production and deliveries
- Human resource
- Quality of product
- Finance

The crises perceived by these companies are peculiar characteristics of these companies and same are reflected as crises faced by these companies. Growth of Automobile industry in Pune is in four different segments as Dedicated OEM suppliers, Global product companies, companies manufacturing special products and opportunistic manufacturer. All these segments mainly depend upon large Scale Automobile Manufacturers operating in Pune.

Production and delivery related crises are because of fluctuation in offtake by customer and dynamic automobile markets. Today product life cycles are shortening every year and it results in crises for production planning and delivery schedules.

Human Resource problem is ongoing in MSME (Micro, Small and Medium Scale Enterprises) sector. This sector is least preferred by job seekers. These companies lack brand name in recruitment segment as they are not selling any product directly in market. People are not aware of these companies and growth rate achieved by them. Retention of skilled employee is another issue when better options are available in same industrial belt.

Quality of product is a crisis because; our Indian companies are not tuned for quality culture. These companies have various quality certifications such as ISO, TS 16949 etc but on system front, they are toddlers.

Financial problem is because of cost of borrowings for these firms, is always high as compared to global and large scale manufacturers. Investment in working capital, investment in expansions, up-gradation of technology contribute additional financial burden.
2.0 Indian companies and global product companies operate in same business environment and they are in the same turnover bracket. Some Indian companies have more turnover than global companies. The growth rate of Indian manufacturers is much higher than global companies.

3.0 Crises perceived by various respondents are more or less same and are not related with type of product or type of customer they are working with. There are similarities between Global companies and Indian companies in perception of crises. Nature of the crisis more or less is same and is not related with business model or turnover of the company.

4.0 Crises perceived by new companies or established companies are same in the similar business environment.

5.0 Unique strategies used by some of the respondents are

- Understand the value of ‘Now’ and work with Speed.
- Take difficulties of customer and help him to mange his crises.
- Nullify inflation effect by proportionate reduction in manufacturing cost by investing in automation and robots.
- Practice learning and learn from different companies for solutions.
- Promote women employment for superior product quality.
- Grow with simple and low technology jobs.

6.0 Automobile component manufacturing companies use ERP systems as decision support system. Global companies follow their international processes and norms for strategic decisions. Radheya Machining, Suyog Auto cast, Wadhokar Group has developed ERP as per their requirement but other companies are using SAP R3.

7.0 For critical assemblies in electrical and electronic components, companies trust on women employees rather than male employees. Women employees are more focused and learn faster than male employees.

8.0 Initial higher cost paid to employees generate long-term benefits for company.
9.0 These companies are adding product development and process development capabilities to serve better to their customers.