Chapter No. 9  Suggestions and Recommendations

Today Automobile component manufacturing has become a dynamic field. To grow and sustain in this dynamic business; these companies should change from dependency stage to interdependence stage in terms of customer relations and product support.

A focus for company should be to manage major crises as experienced by other Automobile Component Manufacturing companies in Pune.

Since all cases were different in nature, it is clear that crisis management depends upon the nature and management style of specific company. Therefore instead of developing a specific model for this purpose researcher has discussed remedies to overcome the problem in bridging the gap for individual companies under study are discussed in conclusions of each case study. Following suggestions are given from over all study of primary data, literature review and various points discussed with various authorities of the company during interviews.

Production and Deliveries:

- Develop capabilities for process design, tool design and product design
- Investment in automation and CNC machines should planned in advance to capture growth opportunities.
- Dedicated team for continuous interactions with customers for product development and technology transfer from customers.
- Various inventory management skills should be learned and practiced to improve product deliveries.
- Companies should identify their strengths and document best practices to be followed for improving efficiency. They can learn from their major customers about best manufacturing practices through technology transfer process.

Human Resource:
Automobile Component Manufacturing Companies face shortage of skilled employees. To overcome this problem following initiatives can be taken.

- Create a brand within the recruitment consultants with transparent communication of facilities and career growth options available.
- They should focus on training and development component of employee retention.
- These companies are working as suppliers but they should project their separate identity as business house to attract best talent.
- Today payments given by these companies are comparable with large scale and multinational companies and this fact should be highlighted with recruiting consultants.
- In various forums milestones created by these companies should be discussed appreciated. Companies should connect with job seekers through these milestones.
- These industries can create close interaction with various institutions to create a brand for employment. These interactions can be in terms of various live projects or sponsorship of academic projects done by students.

**Quality of Product:**

Customer Satisfaction and product quality are important aspects for any business. Companies working for large scale manufacturing customers are aware about their quality requirements. These quality requirements should be communicated to people involved on regular basis.

Some of quality Initiatives can be:

- Creating own model for quality assurance.
- Regular third party process audit from customers.
- Discussion forum to understand quality issues and solution to resolve the issue.
- Clear communication with customers to understand specific requirements.
• Focus on small improvement program and continuous improvements through participation.

• Reward for best quality performer and part of key performance area.

Finance

Automobile Component Manufacturing companies are dependent upon the large scale customers. These companies don’t have any access to direct component market and distribution channels. Finance management especially working capital management is a crucial issue. Working capital management can be improved by

• Establishing the receivable cycles linking with product deliveries. Elimination of delays in deliveries will ensure continuous source of funds from customers.

• From internal accruals, sustenance capacity should be developed at least for the double time span than credit period allowed to customers.

• Long term forward contract or tri-party agreements with material suppliers can help to reduce burden of material procurement and improve financial planning.

• Debt servicing will help to generate low cost sources of finance from financial institutions.