

# PROPEL

ISSUE 15 | OCTOBER 2018



*Revisiting the History  
of Rane Group*



# THE WORLD OF RANE



Rane Holdings Limited (RHL)

Rane Brake Lining Limited (RBL)

Rane Engine Valve Limited (REVL)

Rane (Madras) Limited (RML)

- *Steering & Linkages Division (SLD)*

- *Diecasting Division (DCD)*

- *Rane Auto Parts (RAP)*

- *Rane Precision Die Casting Inc. (RPDC)*

Rane NSK Steering Systems Private Limited (RNSS)

Rane TRW Steering Systems Private Limited (RTSS)

- *Occupant Safety Division (OSD)*

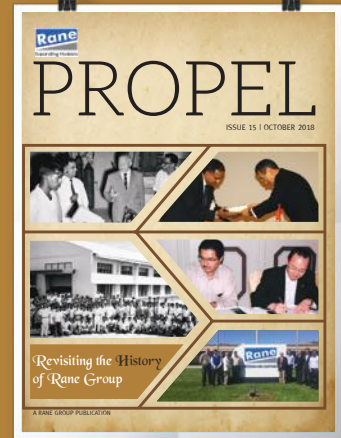
- *Steering Gear Division (SGD)*

Rane Holdings America Inc. (RHAI)

JMA Rane Marketing Limited (JMA Rane)

Rane t4u Private Limited

Rane Holdings Europe GmbH



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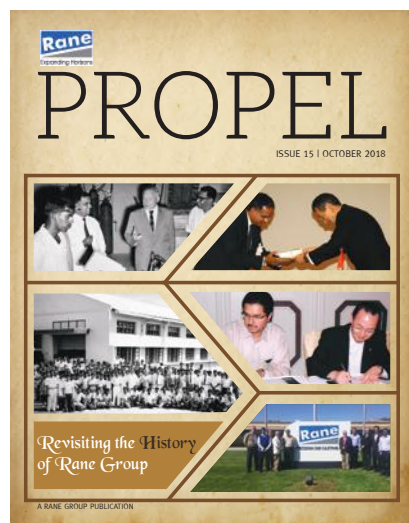
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# INSIDE THIS EDITION



In this edition of Rane Propel, we've a wonderful line up of articles, including a few stories through which we'll be revisiting the history of Rane Group.

We open the edition with an interview with Mr. V. Sriram, Historian and Author of the Book 'The Rane Story – A Journey of Excellence'. The article will give our readers a peek into the rich history of Rane Group, the management style of LLN, and even how Rane's history ties in with the heritage of Chennai.

For the *Future of Mobility* section, we requested Dr. V. Sumantran, Board Member of Rane Holdings and Chairman of Celeris Technologies, to throw some light on the emerging trends in urban mobility and what it means for the automobile industry in the country. In the article, Dr. Sumantran also touches upon the key challenges facing the automobile industry today and the impact of continuously evolving technology trends. He also provides a word of advice for young leaders in the auto sector.

As part of the *Rane History* series, we have shared an article on the TQM journey of the group and how as an extension of TQM the next step is to pursue Business Excellence, to expand its markets and achieve growth across all group companies. Also as part of the History series, we visit the group's oldest manufacturing facility now part of RBL located at Ambattur Industrial Estate. The factory started operations in the year 1964 and is still going strong.

For *Business Roundup*, we spoke to Mr. Brett Stevenson, President at RPDC Inc. based in the U.S., who shared with us details of the progress made by RPDC since getting acquired by Rane Group and some key goals that have been set by the company.

For *Outside In*, we lined up three leaders who're deeply focused on the topic of HR and People Management. Sridar Natarajan – Dean, Chennai Business School; Srinageshwar, Executive Director at Simpson & Co Ltd; and Hari Babu N, Advisor, TQM and L&D at Rane Holdings Limited came together at REID for a Roundtable on the topic: 'The Changing Face of HR'.

In *News@Rane*, we share key announcements and news from various Rane Group companies, awards won and some events we participated in.

We hope you enjoy reading this edition of Rane Propel.

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# RANE GROUP'S HISTORY, REVISITED

*V Sriram, renowned historian and author of 'The Rane Story – A Journey of Excellence', fondly recollects for us his experience of writing the book and shares anecdotes and stories from the rich history of the entire group.*



A few file photos from the book launch, where several dignitaries including Mr. Suresh Krishna and Mr. B. Muthuraman joined us for the event

## **How did you get to write the book - 'The Rane Story – A Journey of Excellence'?**

I was more of a fine arts writer and the only biography I had written at the time was one on the history of Music Academy. So when Mr. L. Lakshman asked me to meet him regarding this project, I was hesitant. But not only did Lakshman encourage me, he also said, 'You will never be without a book to write.' It was prophetic, and indeed, I have been writing at least one book every year after authoring

The Rane Story.

## **What stands out from your journey of writing the book?**

The openness and the utmost cooperation of the people I met. Since most of the people I met had joined in the 70s, there was very little anybody was able to tell me about the history of the company prior to that. I was given access to the memos of earlier board meetings and was allowed to use the information as I deemed fit.

One of the most amazing sections in the book is where several leaders in the group share their experience of working with LLN and I believe the book captures his personality well. I certainly missed meeting him, I feel. He was extremely hands on, customer oriented, and emphasized on speed of response. He had the charisma to bring people together and the ability to make things happen. Here's an excerpt from the book that brings out LLN's approach to business:



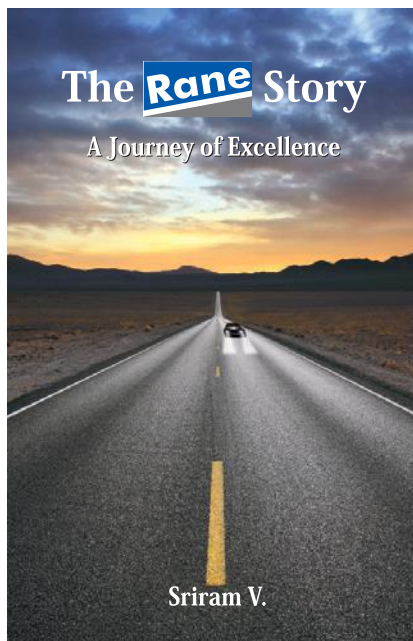


"LLN had no life outside his businesses. Retirement was unthinkable for him. He was the typical first-generation entrepreneur who would be jumping into a train or catching the night Dakota flight that ferried copies of The Hindu, to meet a customer at some city or sitting next to the heat-induction press at EVL just to ensure that the operator got on with it and fixed a problem."

### ***As an external observer, what are some of the key aspects that strike you about Rane Group?***

Of course, overall the most exciting aspect of Rane Group is about how the group has transformed itself multiple times, across generations. The group adapts to changing times with careful planning and implementation. First, the change from distribution to manufacturing, then the joint ventures for technology collaborations, the TQM journey of the company, and many such. It has also done very well in the area of leadership planning and succession. In a sector that sees continuous evolution, here's is a group that grows, thanks to a deeply engraved customer-centric strategy.

Rane's story up to a point is similar



to that of the other auto component manufacturers in the state. They all started in the 50s, then the license restrictions were a challenge, labour problems in the 70s affected all groups, and then in the 80s Maruti was born, the market size grew and companies like Rane Group were quick to adapt to the larger market opportunity and continuously evolve and reinvent the entire group and that is what stands out.

### ***Being a historian of Madras, how do you see Rane's history tying in with that of the city, geographically?***

If you write the industrial history of Chennai, Rane will definitely feature prominently.

For instance, Patullos Road off Mount Road also is connected to Rane. What we see as Lucas buildings once belonged to Rane, which initially leased out to Lucas in 1952 for a period of 25 years. This was developed by Rane into a garage and automobile repair workshop with office premises, before moving from trading to manufacturing.

Glendale, where REVL was housed in Alandur, was once the property of Lt Col. John Noble, Founder and Commander of the Corps of Horse Artillery, who had died in 1827 and was buried in St George's Cathedral, ironically, close to where Rane's Corporate Office is now.

In 1963, the tie-rod manufacturing was going to be shifted to Velachery from Alandur and six acres of land was purchased for the purpose. The factory was inaugurated in mid-1963,

## THINKING DIFFERENTLY

The LLN style of management was more flamboyant than that of Ganapathy Iyer's, though he balanced it well by carefully monitoring funds at all times.

In 1948, he took over a consignment of 300 Renault cars from Udaya & Co, a firm that belonged to fellow Rane Director, HD Raja, by paying Rs 200 for each car. LLN approached the Indian Bank for a loan but while the bank delayed the decision, the cars had been offloaded.

LLN hired young men to drive the vehicles off the harbour and paraded them on Mount Road en route to Patullos Road. The problem of finding enough space to store the cars loomed large but the pageant had created a ripple and the vehicles were sold from Cape Comorin to Hyderabad even before the bank loan materialized. This story is classic LLN.



that place is now the headquarters for Rane Madras.

The Margaret Sidney Hospital in Nanganallur is one of LLN's important social contributions. It comes under the Alandur Municipality where REVL was established, and was a remote suburb in the 1960s, known more for its temples and lacked any medical facilities. As many of the REVL staff were from here, he filled that lacuna with this hospital.

Ganapathy Iyer Girls High School in Gopalapuram, earlier called Gopalapuram Girls School, runs in Trichur House on Conran Smith Road. The building was the residence of Meenakshi, wife of Ganapathy Iyer, the founder of Rane, who donated it to the school.

### ***Even their current headquarters in Cathedral Road has a history attached to it, right?***

LLN along with his friend S. Venkataraman attended the auction of the building for "the fun of it". When the bidding was in full swing, Venkataraman put up his hand and flashed a five figure sign – and the property was bought. LLN was furious, not knowing from where he would get the money for this. They needed Rs 5.30 lakhs and presented it to the board, which enthusiastically endorsed the purchase. Rane Madras paid Rs. 2.05 lakhs and EVL

and RBL paid up the rest. Maithri, as the property came to be called, was renovated, and currently houses Rane Corporate Centre. In the past, following renovation in 1972, a part of it was rented out to the Indo-German Chamber of Commerce, and in 1976, the Steel Authority of India Limited.

### ***Rane seems to have been associated with Trident Hotel as well...***

Yes, in the 1980s, the next generation in the Group entered the business and marked its presence through an attempt at diversification into a completely unrelated area. Rane acquired property around Glendale, which housed EVL, including Mount Pleasant, which spanned 4.5 acres and stood at the junction of the roads that led to Alandur and the Meenambakkam airport. Subsequently there had been attempts to sell it off, but it didn't fructify.

Mr. L. Ganesh felt it was an ideal location for a hotel and LLN reluctantly gave in. Pleasant Hotels Limited was formed in 1983 with LLN and L. Ganesh as Board Directors.

Following a franchisee agreement with the Ramada Group of the UK in 1984, a new five star hotel called Ramada Madras came up. But as the project ran into rough weather and was contrary to the group's philosophy of running a tight ship,

Rane decided to exit the business. PRS Oberoi's keen interest saved the day and the Oberois acquired the hotel in 1989, changing the company's name to Oberoi Associated Hotels Limited. The hotel was called Trident and was the seed for a world-wide chain of Trident hotels that were to come up in the later years. L. Ganesh serves on the Board of the Oberois, which is now called EIH Associated Hotels Limited.

### **AN UNEXPECTED BUSINESS – LONG TIME BACK**

Even after the book had been written and published, a year later, interesting tidbits about Rane kept coming in from unexpected quarters. But even that didn't prepare Sriram for a most unusual business Rane had apparently been in! When helping with archiving in the Music Academy library, in Chennai, he came across an advertisement for typewriters from Rane in one of the souvenirs. Strangely, even Mr. Lakshman did not know anything about this part of the history.



## A PEEK INTO THE FUTURE OF THE **GLOBAL AUTOMOBILE LANDSCAPE**

*As the urban landscape world over undergoes rapid changes, Dr. V. Sumantran, Board Member of Rane Holdings and Chairman of Celeris Technologies, shares his insights on how the automotive sector will transform over the years. As an advisor to several leading Fortune-100 organizations in automobile, industrial equipment, defence and aerospace sectors, Dr. Sumantran has a ring side view to emerging technologies and trends in these segments.*

### **According to you, what will be the key drivers of India's automotive sector?**

Across the globe, increase in per capita GDP is correlated to increase in personal mobility. As India passes the cusp of its development trajectory along with rapid urbanization, we may anticipate a huge increase in demand for mobility. Patterns of mobility in high density cities is very different from those in low density towns and suburbs, influenced by expensive urban real-estate. India also houses 14 of the 20 most polluted cities, measured by particulates, across the globe. We may anticipate more regulations aimed at improving urban air quality. And finally, Indians are embracing the digital revolution that is creating numerous opportunities for enhancing personal mobility – Ola or Uber autorickshaws for example have proven popular. All these factors will influence the trajectory of India's auto sector.

### **You have researched and written the book: *Faster, Smarter, Greener – The Future of the Car and Urban Mobility*. Please give us a snapshot of the key points you make and about the CHIP architecture that you refer to.**

We endeavoured to propose a framework rather than a mobility solution keeping in mind no two cities have the same conditions or circumstances. The CHIP framework depends on the four building blocks: (i) **Heterogeneity**, to encourage a wide variety of travel modes including walking, bicycles, mass transit, car-sharing, ride-sharing, etc. (ii) **Connectivity**, to allow multiple travel modes to be daisy-chained – multi-modal journeys are often faster and more efficient in dense urban areas than personal transport (iii) **Intelligent systems**, to sort through mobility data and options – many commuters are

relying on apps and Google maps, aided by data from smart cities to intelligently sort through options suitable for them and (iv) **Policies**, to steer the entire mobility architecture to local societal needs. The CHIP framework can allow any city, whether Paris or Pune, to configure their own mobility architecture to suit the needs of its commuters.

### **Share your experience of writing the book and please quote two of the most memorable conversations you had with auto industry leaders.**

Coming from an auto industry background, where considerable time is spent on accelerated product development, I wanted to complete the book in two years instead of three as estimated by my publisher (a senior editor at the MIT Press). But she was right.

Working with an academic press house was also valuable – our



research was exhaustive and elaborately checked for veracity and accuracy.

The true value of writing a book is not to convey what you know, but rather to learn what you do not know. Conducting over 300 interviews was a wonderful learning experience. The book is punctuated with numerous quotes from these very interesting interviews – not only from auto industry leaders, but also urban planners, economists, environmentalists, regulators, citizen groups, etc.

**What are some of the future trends in the mobility landscape that you're most optimistic about?**

Technological inventions (such as vehicle-to-infrastructure connectivity) and business model innovations (such as smart-phone based ride-hailing and using e-wallets for payment) are enabling us to organize our travel each journey at a time, configuring them on the basis of cost, time-efficiency, convenience, ambience, etc. Furthermore, like the kaizen concept of elimination of “muda” or waste of activity/assets, these innovations allow us to eliminate inefficiency. When they are guided by policies that steer mobility choices towards being faster, smarter and greener, we all win.

**What are some of the biggest challenges faced by auto industry? And, how does it trickle down to auto component players like us?**

The Indian auto sector faces three waves of transformation: (i) migration to BS-VI emission standards, (ii) adoption of electrification and (iii) growth of shared-mobility and mass-transit in ever more crowded cities. Each of these waves will have significant impact on the Indian auto sector's installed capacity, skills needed for the future, and demand

“*The auto industry offers a fascinating blend of challenges. It demands imagination, creativity and at the same time, disciplined execution and attention to detail*”

”

for new technologies and solutions. Along with the growth of the Indian economy, these transformations will present considerable challenges to corporate strategies and investment in the auto sector. For the Rane Group, given the wide range of vehicle systems they are engaged in, it will be a less risky journey. All forms of future mobility, whether shared or personal, will continue to employ the kinds of chassis and safety systems that the Group is engaged in. But the future will require all of us to be agile, efficient, open to new ideas and capable of diligent execution of strategy.

**How does India fit into the global automobile landscape?**

Until now, India's scale in the global auto industry was relatively small compared to USA, China, EU and Japan. Only in the 2-wheeler segment had we acquired respectable scale. It is ironic that just when we in India are acquiring considerable scale in cars, the global industry is girding itself for significant transformation. The rules of the game are about to change. Yet, we equally face an opportunity. Unlike the US, the EU, and now China, we do not have large (10+ Million unit) installed capacity, much of which can be rendered obsolete. We have less to lose. Yet, we need to have a mature and educated convergence of government policies and industry strategy to steer a future-relevant

course for India. India's software prowess and our dense urban spaces, backed by our industrial base can nurture many new global leaders in urban mobility solutions.

**Share some of the key lessons you've learnt from your own professional journey with regard to people management and organization building.**

India's biggest advantage for many decades will be its population demographics. We have a large population of highly motivated and increasingly better educated young men and women. They are equally important resources for industrial and economic development as they are active consumers to spur demand. To engage this population, organizations must be capable of creating challenging and rewarding environments where employees feel they are given responsibilities and accountability, even from a relatively young age. In my personal experience, Indian employees are as hard working and motivated as any in the world. Within the right environment, they will flourish. I know that the initiatives within the Rane Group are oriented to this approach.

**A quick word of advice for young leaders within the auto industry...**

The auto industry offers a fascinating blend of challenges. It is somewhat uniquely both a left-brain and a right-brain industry. It demands imagination, creativity and at the same time, disciplined execution and attention to detail. It is a wonderful crucible for talent and leadership. Organizations are made up of all sorts of valuable contributors – not only the leaders. To progress in one's career, along whichever path, one must bring an abundance of passion backed by enduring motivation and a healthy respect for all of one's co-workers. In some respects, this is a rather simple roadmap!

## REVISITING RANE GROUP'S TQM JOURNEY

*Rane Group embarked on its TQM journey in the year 2000 after evaluating other quality management systems to improve productivity, reduce wastage and meet global standards to improve international business. In this article, we share the journey, the challenges and the achievements as well as its future plans that is a natural extension of its current efforts.*

Rane Group is today pursuing Business Excellence to expand its markets and achieve growth across its group companies. This, in a way, is an extension of its journey on the path of Total Quality Management or TQM, which began in the year 2000.

At that time, command and control style of management was the norm. But customer expectations were changing, and the Rane Group realized that it had to change with the times. It benchmarked itself against the west and the east at a very macro level, and identified closely with the Japanese way of doing things - focusing on operational efficiencies, costs and quality. Rane decided, that was the way forward to streamline itself, get its process robustness right and get the cost structures right. It also saw the potential to enter exports markets in a significant way.

### Why TQM

The company had dallied with the thought of trying out western approaches such as strategic planning and process engineering, but they were all top-driven and seemed to create a huge disconnect between the corporate office and the shopfloor. Every initiative seemed more like a slogan kept failing.

TQM, on the other hand, was able to synchronize the organization well, providing a unified direction, towards common measures. It allotted clear



responsibilities. It became very visible right across the organization. Six Sigma and Kaizen were all outcomes of TQM, closely integrated to the process.

### TQM Journey

The fundamental philosophy of TQM is that any process left unmanaged will deteriorate. Attending to every process daily will take two minutes, but if left unattended, can go out of control and need months and years to fix it. So the first principle is, left unmanaged, processes deteriorate. The second principle is, there is no end to improvement.

The journey has thrown up challenges - such as, how to create a unified management structure or an

implementation structure for TQM. There was initial resistance too, especially from the management, as they felt TQM was an additional responsibility. It needed much convincing that TQM is a tool to discharge the current responsibilities better.

Rane also has disparate businesses with a number of plants all over the country. Therefore, TQM couldn't be left to each strategic business unit but had to be driven centrally from the corporate office with common standards across the business units. An apex council made up of the business heads was created to audit TQM practices in every plant in the country. The process would start one April and finish the next September,



***In TQM, the focus is not so much on the results as the processes. Rane is now ready to move on to the next level, which is business excellence.***

ensuring that each of the 18 plants (then) got audited at least once a year. The peer pressure this created ensured proper implementation of TQM. It was great motivation on the one hand, and on the other, each of the auditees saw this as an opportunity to learn.

This process also created an opportunity to reach out to every employee, visit every shop floor and look at the improvements made by the workmen – what they call kaizen. Each audit involved three to four presentations by the workmen, which further encouraged them to take ownership.

### **Training**

Training has played an important role in bringing employees up to speed. The training was bifurcated into white collar training and non-white collar training. The white collar training was imparted through the Rane institute, and for the non-white collar, special programs were created but ran elsewhere because the company felt

the need for experts. All the 3000 employees were covered by the training at one point or the other. In fact, Rane came up with a policy that 2 percent of the working days must be spent on training. Even today this policy is followed where about 50 percent is delivered through the training institute. For the other 50 percent, either the employees are sent for external training, or the faculty visit the plants for training.

### **The Impact**

There was healthy competition amongst the five group companies to see who would get the prize first, and be seen as the best. And the companies that were the most enthusiastic got it first. The three areas of quality, cost and delivery (QCD) improved tremendously.

Scrap rates that were running to 50,000 or even 100,000 ppm crashed to 0 ppm for some of the businesses, making it truly world class. This has enabled the company to win export orders and generate 20 percent of its revenues through exports to marquee names of global OEMs.

The cost per unit has also fallen dramatically due to improvement in productivity levels.

In terms of deliveries, Rane is able to manage daily and weekly schedules as against the earlier monthly schedules.

Every worker has become a knowledge worker, an important cog in the wheel who has to perform, as against the earlier approach of being a cart pusher.

Earlier the team would have fought shy to approach a BMW or Toyota, but today they are no longer worried. They know they are capable of it. They may fail but they are not worried about failures, every failure is considered as a learning opportunity.

### **Business Excellence**

In TQM, the focus is not so much on the results as the processes. Rane is now ready to move on to the next level, which is business excellence. From operational excellence or management, it is now shifting its focus to business management involving acquisition of markets, market shares, new business development and so on.

Strategy and innovation is another new dimension. Though it was an area of focus in TQM as well, it has gained greater importance under the Business Excellence regime, with greater focus on impact.

The sustenance of TQM and shifting gears from operational excellence to business excellence with emphasis on result areas will enable Rane's march towards greater success and growth.



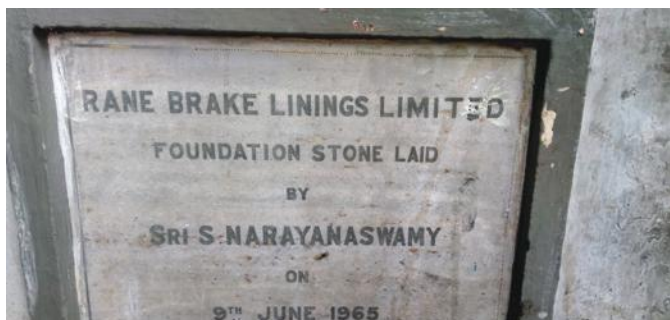
## RANE GROUP'S OLDEST MANUFACTURING FACILITY – A NOSTALGIC JOURNEY TO THE PAST

*The journey hasn't been a simple one. As one employee of RBL pointed out, the journey can easily be represented by a sine wave, up...down...up...down, and then a brake! Another employee pointed out how it has been a wonderful mix of many emotions – happiness, challenges, growth, difficulties – yet the common strand of these stories was that RBL emerged stronger with every experience, every learning. From 1964 when the manufacturing facility was started till date, the company has delivered strongly on both ROCE and Profitability, and is growing stronger every year.*

*RBL has been able to sustain the benchmark practices across all its plants – from the oldest to the newest – and all the people we met spoke passionately about the company's various awards and recognitions including the following: The DGP Award, Chairman's Champions trophy in the QCC competitions, an international recognition for its QCC Problem solving skills and to peak it all, Rane Maithri ACE awards in 2018.*

*All these do not come easy without sweat, hard work and TEI. The success has also come thanks to the closeness of workers and management and a mutual appreciative environment amongst all employees.*

*It has taught the team that openness, care and participation are the three keys to building a successful organisation. Let us have a peek into this journey, through the eyes of many key employees of RBL.*



As this edition of Propel focuses on the history of Rane Group, we thought it would be appropriate to pay a visit to the oldest operational manufacturing facility of the group.

The content creation team of Rane Propel caught up with several key personnel – current and retired - at the Chennai factory of Rane Brake Lining (RBL).

The factory, located at Ambattur Industrial Estate started operations in the year 1964. Over the last

five and a half decades, the manufacturing facility has gone through numerous transformations.

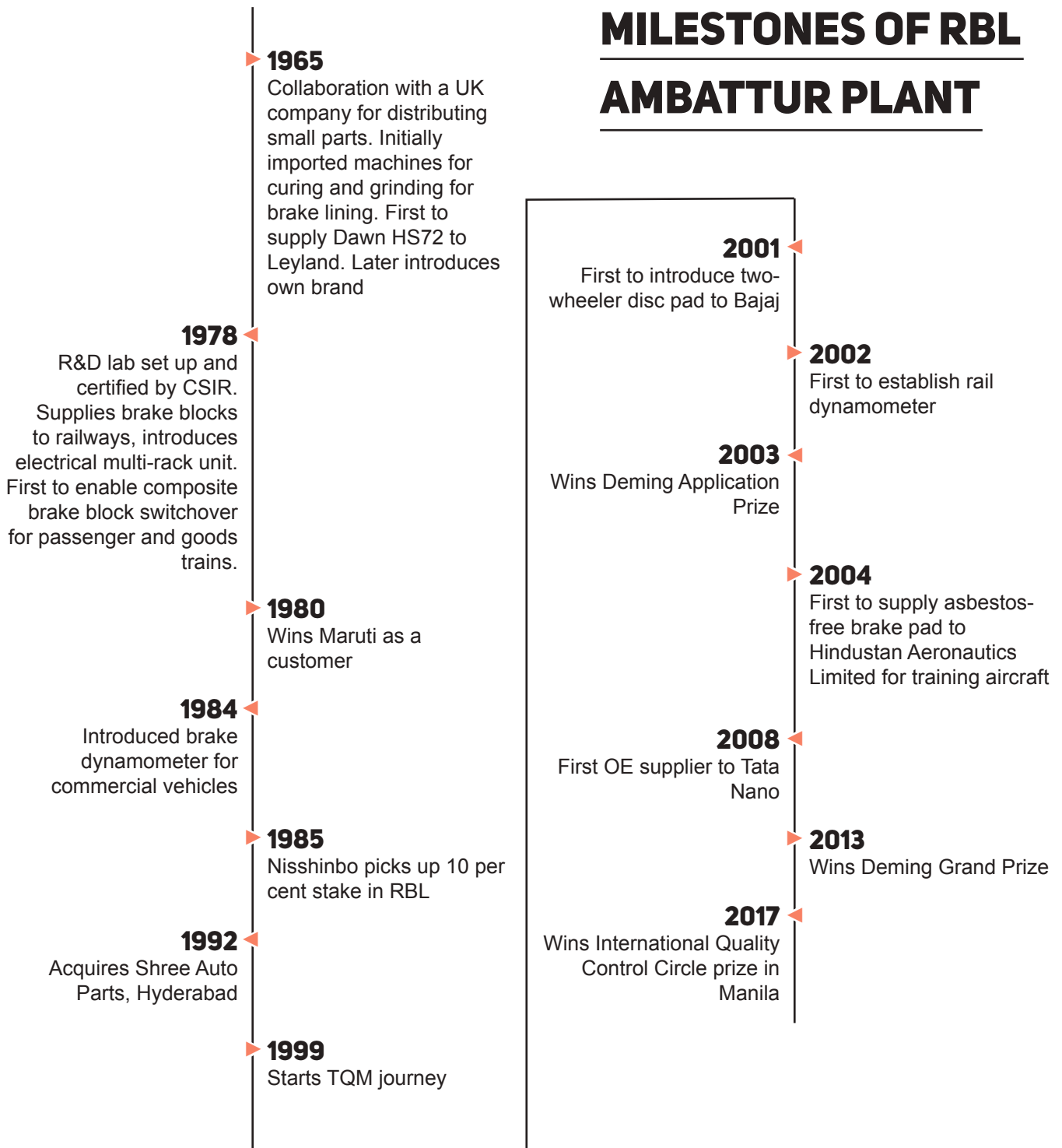
Over the years, RBL has become a leader in the domestic market for friction materials used in commercial vehicles, passenger cars, utility vehicles and two wheelers. RBL is also the most preferred brand in independent replacement markets, is a leading supplier of composite brake blocks for the Indian Railways and a significant supplier to state transport undertakings, and its

products are exported to over 15 countries.

Additionally, RBL has a technical collaboration with Nisshinbo Brakes Inc, Japan, for knowhow in asbestos free brake linings, disc pads & clutch facings, manufactured at four of its plants – in Chennai, Hyderabad, Puducherry and Trichy.

The Chennai plant we were visiting has won the Deming Prize (one of the highest awards on TQM across the world) in 2003 and the Deming Grand

## MILESTONES OF RBL AMBATTUR PLANT





Prize (formerly JQM) in 2013.

## Going back in time

For the purpose this article, we go back a few decades. In 1974, RBL encouraged its workers to form a labour union.

In 1990, salary negotiations between the management and the union failed. The 450 workers in the factory went on strike and the factory was shut down. As the deadlock continued, the company, always sensitive to the families of the workers dependent on the factory for their livelihood, set up a Nine-Man committee to negotiate directly with the workers to bring them back to work. RBL hired a wedding hall in T Nagar. It brought the interested workers in a van with police escort. The company also assured the returning workers and their families safety and its backing. Gradually, workers staggered back to work.

The Nine-Man Committee made two settlements before it was dissolved and the union became active again and troubles continued to brew. The workers were unproductive, seeking extra payment by letting work spill over to claim overtime. The company could also not take disciplinary action, though it tried to reduce the risk by acquiring a frictional material company – Shree Auto Parts in Hyderabad in 1992 – so that customer requirements could be met out of another plant.

Finally, as part of the group's TQM



journey starting 2000, and realising that drastic measures needed to be implemented to improve productivity, cut costs and put an end to labour unrest, the company came up with a multi-pronged approach. "We had to take tough decisions on the one hand and keep communication open through multiple channels with the employees on the other," recollects Bheem, Senior Vice President – Operations. One of the first steps was to give voluntary retirement.

The company wrote a detailed letter to the families of the workers pointing out the troubles and how only by working together the employees and the employers could benefit. The management and senior leaders also took trouble to address the concerns of the employees, the key being shopfloor environment. It renovated the shop floor to improve the work environment, keeping in mind the safety and health of its employees, provide automated solutions to improve the quality of work and to boost employee morale as well. "The entire plant saw an upgrade including all facilities like canteen and toilet," recollects one of the Ex-Senior Operator Bharatan

But most importantly, the employees were asked to give suggestions on how their specific workplaces could be improved and key suggestions were implemented.

"Total Employee Involvement is



a cornerstone of TQM, and Rane implemented it both in letter and spirit, encouraging workers to contribute to the continuous improvement process through suggestions and recommendations," explains Bharathan. For instance, he used to work in the friction modifier plant that emanated lot of fine particles and smell. An automated system was developed that made working on the machine easier. As a result of various modifications, the company's productivity increased several notches with a leaner organisation. To put things in perspective, the production of number of disc pads has risen from 600 in 1986 to 15,000 a month today. There is continuous technology and process upgradation to keep pace with the changes in customer demand and as part of Rane's philosophy of continuous improvement.

The Chennai plant has also been instrumental in transferring knowhow to its counterparts in Hyderabad, Pondy and Trichy in 2008. "Chennai plant, Annai (mother) plant' is a sobriquet this plant has earned for itself," explains Gunapandian, General Manager – Operations (Plant Head of Ambattur facility).

The plant also works only five-days a week. All festivals are celebrated and families invited for get togethers. The company runs an efficient canteen that has helped many – especially those from other states – save on food and help their families back home.





The company also provides soap, oil, towel, etc.

The company started TEI as a quality control circle in a small way. Now it participates in international competitions and won gold in Manila last year.

### **Marching Forward**

After winning the Deming Grand Prize in 2013, the company has adopted Business Excellence as a philosophy to improve its throughput.

“Research and development is key and RBL has the distinction of its lab being approved by the Council of Scientific and Industrial Research,” says Badri, Advisor – Marketing, with justifiable pride. It has a library of widely tested and approved formulations to suit diverse market and customer requirements. It has the benchmark capability to develop friction materials as per customer choice. It has invested in a dedicated facility for new product development for critical applications including aerospace and sintered friction materials. Products are consistently updated in tune with evolving customer demands. The company also follows a green material policy, and ensures that products meet stringent eco norms through continuous improvement. The design centre is equipped with Computer Aided Design (CAD) tools and other advanced test equipment such as full

scale inertia dynamometers attached with Environment Chamber, Static Mu measurement and Noise Study rig.

Overall, RBL has been a leading supplier to Ashok Leyland, Maruti, Ford and Mahindra and Mahindra, among others.

RBL was the first to introduce the rail dynamometer for the rail engines, and based on this, the safety clause was introduced in tenders in 2002. It was the first to introduce the asbestos free brake pad for training aircraft for Hindustan Aeronautics.

“Though this is the oldest plant in the Rane stable, RBL Chennai won the Maithri award for operational excellence last year, among 23 others,” points out Bheem. The reason is attributed to the collective knowledge and its effective utilisation that has enabled the company to do more with less. The culture of focus on technology, R&D and people, has paid such rich dividends that not just the employees but even their families are flourishing and grateful to the management of Rane Group, Bharathan adds.

Through the entire duration of the interview, we heard the team appreciate the efforts taken by Mr. L. Lakshman and Mr. L. Ganesh in ensuring that the plant operated with a deep focus on operational and business excellence.

### **THE ROAD AHEAD : MARCHING TO REACH THE PLATINUM JUBILEE MILESTONES.**

With Deming Grand prize as a renewed back bone and DIST approved R&D laboratory – RBL Ambattur will still hold the key for many new formulations and developments and further technology journey. RBL management is planning to build on this great base with newer investments in R&D and recent technologies. The GPTW certificate with almost 70% of newer generation employees is a testament to what we can expect in future. The next generation management is also tech savvy – bringing in a lot more revolution in the way of operations / mindset creation. Creation of Internet working Kiosk for the Temporary employees and laying the platform for Industry 4.0 is the beginning. The tagline across RBL is, the best is yet to come.

# THE JOURNEY OF RANE PRECISION DIE CASTING INC.

*As part of its continued efforts to scale up globally, Rane Group acquired US-based Precision Die Casting to establish its first manufacturing footprint outside India. RPDC is transforming its processes and strengthening operations to fulfill Rane's goal of delivering profitable growth.*

Rane Group is certainly not new to serving global markets, as evidenced from its exports business that generates around 20 percent of its revenues – from both OEM and aftermarket. To further strengthen its global presence and become closer to its customers, Rane (Madras) acquired US-based Precision Die Casting Inc., which makes high pressure aluminum die casting for automotive applications such as steering and compressors.

Since the time of the acquisition in January 2016, the U.S. market for automobiles has seen strong economic growth, with onshore development being encouraged to give further boost to local industries. While there is increasing demand for die casting, many smaller companies were exiting this industry, leaving room for an experienced player like Rane to capture the market left open by these players.

In line with this intent, Rane Group also hired Brett Stevenson as

President at Rane Precision Die Casting, Inc. in August 2016. In this article, we throw some light on the five key goals that Rane Group has for RPDC, as narrated by him.

## **Key Goals**

Since the acquisition, Rane Group has been working closely with the leadership of RPDC to align cultures and share best practices between the Hyderabad and US wings of the die casting business. The first priority post-acquisition was to integrate RPDC into the corporate SAP platform for streamlining operations and to introduce TPM in the shopfloor to maintain and improve the production and quality systems and supporting processes.

The next step is to begin the TQM journey of RPDC, for which a few TQM experts from Rane Group India will be working closely with the team in the U.S. "We should be able to launch it in right earnest by next quarter," explains Stevenson, while adding that both the integration with



BRETT STEVENSON, PRESIDENT, RANE PRECISION DIE CASTING, INC.



the group's SAP platform and TPM have been executed well.

At a broad level, RPDC has set itself five specific goals:

The first goal is to secure new business and built a strong pipeline. Currently, RPDC Inc. primarily serves customers in the automotive sector. While gearing up to deepen its presence in this segment, the company is also exploring opportunities in certain other segments where precision die-casting can add value. It is in the early stages of prototype development and Stevenson believes that once the proof of concept is there, growth for RPDC will also come from other sectors. "We're in talks with several prospective customers and we should be able to close a deal outside of the automotive sector soon," adds he.

The second goal is to improve efficiency through employee productivity, equipment uptime and enhanced core business and manufacturing processes. The implementation of TPM has already had an impact in terms of overall efficiency.

The company recently transitioned to IATF 16949:2016 certification, which will ensure reduction of waste,

*The first priority post-acquisition was to integrate RPDC into the corporate SAP platform for streamlining operations and to introduce TPM in the shopfloor to maintain and improve the integrity of production and quality systems and supporting processes.*

increased quality and productivity. The fourth goal is to drive the company to profitability. While TPM practices will certainly drive down costs and increase efficiency, the company is also focused on enhancing the automation of key business processes – rollout of MES, Preventive Maintenance, etc.

The next step is to implement TQM and the company is working closely with TQM experts from Rane Group in India, to make sure this journey is seamless.

### **The Background**

From a product perspective, RPDC

Inc. specializes in high volume, pressure tight, thin wall, low porosity, cast and machined aluminum die castings. Currently, the company has 16 die cast machines and 200+ employees in a 255,000 square foot facility located in Russellville, KY.

Within the plant, the company adopts the 5S philosophy.

From an engineering perspective, Rane Precision Die Casting, Inc. assists with casting design for manufacturability to minimize cost and maximize performance.

### **Close engagement with customers in a key market**

The U.S. market is of key strategic importance for Rane Group, primarily to stay close to a continuously evolving automotive sector. The presence of a manufacturing facility is critical to stay abreast with latest technology and manufacturing trends. A tight labor market is a potential challenge, but RPDC is countering it by paying market salaries and offering a platform for career growth. Overall, the group is upbeat about having laid the foundation for a manufacturing base close to customers in an important market like the U.S.



# THE CHANGING FACE OF HR

*Team Rane Propel recently had the opportunity to host three HR leaders under one roof at Rane Institute for Employee Development (RIED). In a candid and insightful discussion, Sridar Natarajan – Dean, Chennai Business School; Srinageshwar, Executive Director at Simpson & Co Ltd; and Hari Babu N, Advisor, TQM and L&D at Rane Holdings Limited, share with us their thoughts on the challenges faced by HR leaders, especially in the manufacturing and auto sectors. Additionally, they provide ideas to address these challenges and suggest changes to the recruitment and training processes to enhance productivity and increase retention. Excerpts from the RoundTable...*

## **Must-Have Qualities for First Time Managers**

The three leaders were of the view that a spirit of entrepreneurship is something people look up to. A manager must be capable of bringing about change, when needed, by rallying his or her troops. The ability to take on key initiatives and drive them to closure is an important skill new managers must strive to develop. The second is the ability to develop talent in-house and build a strong team. It is impossible for a manager to know everything or do everything. It is critical to identify the right talent, align your people, encourage them to achieve results.

Third, the manager has to earn the respect of his team. He or she will obviously have a repertoire of skills, but he/she will also be responsible for a team with other complimentary skills. As a problem solver, the manager must have the ability to encourage and provide opportunity to the team to come up with solutions. The control and respect must come from knowledge and competence, and

not from designation.

Overall, a good manager must have the ability to manage people at different levels, and this will come from broadening one's mindset. They have to take their people along, encouraging them in the process of getting a job done.

Additionally, it is also important to be fair and firm, when the situation demands that. Tough managers are often respected when they are fair and impartial.

## **Impact of AI & Automation**

Broadly speaking, in most cases, automation certainly helps with enhanced productivity, better quality and cost reduction. In the manufacturing sector, it improves safety while also freeing up resources to focus on more advanced tasks.

However, in a country like India, we cannot afford too much automation. Automation needs to be balanced with overall development, otherwise, we will be pushed back to a situation

***A manager must be capable of bringing about change, when needed, by rallying his or her troops. The ability to take on key initiatives and drive them to closure is an important skill new managers must strive to develop.***

like in the past when unions had a stronghold. Of course, using AI and automation for routine tasks is important, but one needs to judiciously focus on ensuring that people are allocated to take on more challenging tasks.

## **The key to attracting and retaining talent, especially millennials**

There is no doubt; Attracting and retaining good talent is becoming a challenge across organizations.



*At Rane Group, as part of the leadership development program, one-to-one coaching is imparted by professional coaches. The goal of this intervention is to first open up the minds of people and help them unleash their own potential.*

This is especially true in the case of millennials. Generally speaking, they expect quick promotions and better pay within a very short timeframe. There is also a trend of people willing to stay unemployed till they find the right fit. It is probably more realistic to revise one's expectations and get the best out of them in the period they stay with you.

In the auto components industry, one obviously competes for good talent with OEMs. An important decision for HR leaders to take is, whether to recruit only brilliant people or to hire average yet driven people and turn them into performers. Additionally, good colleges in tier II cities have become potential sources for good talent.

### **How is the role of the HR department evolving?**

Broadly, the role itself or the issues faced by the HR department have not changed at all. The emphasis and accent have remained the same over the last two decades or so. Despite the many transformations we see in the workplace today, if you pick up a copy of a HR department brochure or pamphlet from, say, 1992, the topics of focus would remain the same. It would revolve around people management, relationships and productivity.

The major change will probably be in the area of demand and supply. Earlier demand was less and supply

was more. Today, the situation has reversed and this needs innovative strategies to tackle.

### **HR Trends in the Manufacturing Industry**

One big challenge faced by this industry today is retention of talent. And, this is probably a challenge the manufacturing sector has not tackled before, at least not at this level. One can try different tricks to address this, but the reality is that aspirations have changed and this problem cannot be countered. Employees at junior levels expect quick responses and want HR policies that reflect their aspirations. Overall, the trend seems to be that a conservative approach will not help and HR strategies have to align with these aspirations.

### **Delivering Impactful Corporate Learning Programs**

Today, for any corporate learning program to be successful, it has to have a linkage to business goals and challenges directly and indirectly. Even while developing the training programs conceptually, this needs to be addressed, to get the buy in of relevant stakeholders. You need to have a meaningful dialogue with them and have a top-down approach. It is important to see what impact these training programs will have in the next three to five years.

Second, is to have a thorough review to ensure that intended goals of a training program are met.

Finally, the training program must have enough people – say between 10 and 40 – who're selected very carefully. There has to be a criteria set, to decide on who'll attend a specific program.

### **HR as a facilitator**

HR Leaders must figure out ways and means to enhance facilitation skills in business heads and empower them to collaborate with other business heads. Every business division needs a competent team, but that is not the HR's responsibility. The HR leader should help business heads acquire skills to develop their own teams, based on both behavioral and functional skill requirements of the business. The role of HR here is to facilitate rather than execute on behalf of the business head.

### **One-to-one coaching**

At Rane Group, as part of the leadership development program, one-to-one coaching is imparted by professional coaches. The goal of this intervention is to first open up the minds of people and help them unleash their own potential. This approach also helps people realize what they don't know, in a non-challenging environment, and encourages them to identify areas where they need to enhance their skills and learn more.

## L. GANESH DELIVERS A KEYNOTE AT MCCI – TAFE CSR AWARDS 2018



At the 182nd Annual General Meeting held at ITC Grand Chola in Chennai, Chairman L Ganesh presented the MCCI – TAFE CSR Awards 2018 and also delivered a keynote at the event.

In his talk, Mr. Ganesh spoke about the evolution of the Indian economy and how manufacturing is vital for a strong economic scenario in the country. He touched upon the need to focus on improving labour reforms, payroll subsidies, training and skill development, infrastructure development and the ease of doing business.

## CHAIRMAN ADDRESSES THE AUDIENCE AT LEADERSHIP UNPLUGGED BY SMART CEO

Mr. L. Ganesh delivered a Keynote Address on the topic: “5 Key Transformations at Rane Group over the years and learnings from the same” at Leadership Unplugged organized by Smart CEO on Sept 7, 2018 at Taj Coromandel, Chennai. The theme of the conference was Leadership and Decision-Making.





## THE CONSUL GENERAL OF JAPAN IN CHENNAI VISITS RANE NSK



The Consul General of Japan in Chennai, Mr. Kojiro Uchiyama, and Consul - Ms. Shiho Bamba visited Rane NSK, Guduvancherry plant – Gemba, R&D Test Facilities & Dojo on 24th August, 2018.



## RANE (MADRAS) LTD. AWARDED BY TAFE



Rane (Madras) Ltd. has received two awards from TAFE at the Global Supplier meet held on 27-Aug-2018 in Chennai.

- Best Benchmark award
- RML-Best Supplier award

## RANE (MADRAS) LTD. AWARDED BY SWARAJ DIVISION OF MAHINDRA & MAHINDRA

Rane (Madras) Ltd. has been recognized for “Overall Performance” by the Swaraj Division of Mahindra & Mahindra Ltd at the supplier meet held on 24-Aug-2018 in Chandigarh. Swaraj is part of the Tractor and Farm Equipment division of Mahindra & Mahindra.



## RANVOCATION: RECOGNIZING OUR TRAINEES



Ranvocation is Rane Convocation to celebrate successful completion of one-year intensive engagement of post graduate engineer trainees (PGETs), graduate engineer trainees (GETs) and management trainees (MTs). The third Ranvocation for 2017 batch was held on 14th July 2018 at Holiday Inn, Thiruvannamiyur. The batch of 2017 had 41 GETs, 2 PGETs and 1 MT. We also welcomed the new batch of Graduate Engineer Trainee (GET) for 2018.

The senior leadership of the group participated in Ranvocation for 2017 batch and rewarded them with medallions and confirmation letters. This experience provided tremendous energy and built enthusiasm among the new entrants.

## "72ND INDEPENDENCE DAY" CELEBRATIONS AT RANE VIDYALAYA



Rane Vidyalaya celebrated the "72nd Independence Day" on 14th Aug, 2018. A fancy dress competition was held for the children and the enthusiastic parents dressed up their kids like various National Leaders.



**"We are not makers of history. We are  
made by history."**

**— Martin Luther King, Jr.**





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