

technology constraints in localisation; however, from the cost point it may not be a feasible option to localise all the imported items."

Going forward, the share of electronic components which is rising in lamps may provide a large scope for localisation. The company is in talks with its suppliers to make their solutions locally available at an affordable cost.

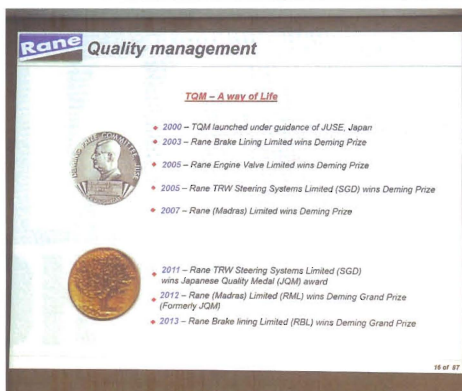
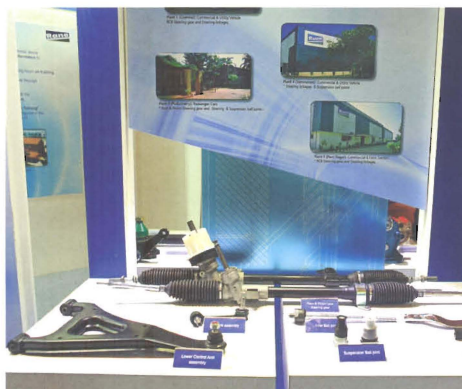
Lighting solutions are offered to OEMs based on their styling and technical requirements. OEMs in India are looking for value propositions to compete in the Indian market. For the future, Jain agrees that foreign partnerships will be required for accessing global technology and bridging the gaps in meeting customer requirements.

On the other hand, most OEMs are scouting for suppliers who have global partners that will enable them to compete globally.

At present, Lumax has a strong joint venture partner in Stanley Electric Company of Japan for the last 30 years.

RANE GROUP: TQM EVERYWHERE

After Maruti Suzuki set up base in India and charted its success story, a slew of global OEMs followed with their manufacturing footprint. This led to the permeation of international standards, both in product and process quality, for suppliers. In addition to meeting OEM standards, the adoption of the Japanese TQM practice set the bar for maintaining high quality among vendors. Rane Group companies were among those who benefited from this stringent quality practice practiced on the shopfloor.



The Rane Group has won both the prestigious Deming prize four times and Deming Grand twice.

"All products we make are safety critical and hence quality requirements are stringent. At the customer end, our quality levels are very high. But we are still working on reducing internal rejections in some of our manufacturing locations," remarks L Ganesh, chairman.

For ensuring component quality as well as of the end vehicle, new product development becomes critical. Equal attention has to be paid towards selection of equipment (machines, tooling) and preparation of robust processes on the shopfloor. Especially important is the development of reliable high quality vendors for assemblies or systems. Most mechanical parts at Rane are localised from the start or within a 12- to 18-month timespan. However, some electronic and highly specialised components continue to be imported. Given the competitive environment and need to hedge against currency risk, OEMs encourage aggressive localisation.

All in all, it can be said that the Indian automotive industry is transiting to an era when the country will be looked upto as the Big Brother in technology and quality. It has already made its name in frugal engineering, software, its vast pool of talent and capability, and its own humongous market size. It is unlikely that any major automaker would not want to be part of the India growth story. Today, several foreign OEMs as well as component suppliers manufacture in India and also ship their products overseas. Furthermore, given that Indian quality today meets or even surpasses global standards, a number of foreign OEMs have their international purchase offices export large quantities of auto components to their global plants. Make in India is today truly a movement. ■

INTERVIEW L GANESH, CHAIRMAN, RANE GROUP

Compared to global suppliers, where does the Rane Group stand in terms of quality, cost competitiveness and localisation?

The standards are common. Global suppliers, joint ventures and Indian suppliers are generally forced to adopt common standards and become competitive. OEMs ensure this.

Will you require foreign technology partnerships, JVs or any other alliance to bridge the current gaps?

In certain products it is required. The lack of scale has already made it impractical for Indian companies to develop technologies to meet global requirements in some high technology products. Even where technology does not warrant, sometimes close loyalty (Keiretsu) of Japanese and Korean OEMs make them encourage suppliers from their home country.

Do you think overseas suppliers in India are in a better position to steal a march over Indian component makers in terms of quality?

It is technology that makes the difference. While there is a lot one can learn on quality from global suppliers, Indian vendors are catching up. But technology and global support to OEMs differentiates and creates an advantage for them.

