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# Vendor TPM Implementation at Indian Automobile Electrical and Electronics Components Manufacturing Organization

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Abstract: In this era of intense competition, supplier management holds key importance as it is not only important from cost management i.e. inventory management, reliability, faster delivery to customers Flash Electronics India Pvt.Ltd.is leading Tier 1 supplier of Automobile electrical and electrical components for Bajaj Auto Ltd, Volkswagen India Ltd, General Motors India Ltd, Dellarto India .It adopted TPM as strategic Initiative for achieving manufacturing excellence .It has was awarded with "BAL TPM EXCELLENCE' Award . As a part of Journey towards excellence FEIPL adopted a new initiative of Implementing TPM at vendors end .In this Paper we will discuss Framework of vendor TPM and results obtained for pilot lot

Keywords: TPM, Supplier Development, Manufacturing Excellence.

## NOMENCLATURE

- TPM Total Productive maintenance
- FEIPL Flash Electronics India Pvt.Ltd.
- BAL Bajaj Auto Ltd.
- TS Technical specifications
- ISO International standards organization
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### I. INTRODUCTION

Suppliers (vendors) are at the heart of any organization's processes and activities. Hence, supplier management is very critical from organization success in market and making profits. Role of procurement function is now changing to 'Strategic sourcing' .Supplier management is crucial from following perspectives

- 1. To mitigate risks
- 2. To optimize performance
- 3. To reduce costs
- 4. Create loyal relationships
- 5. To increase administrative efficiencies
- 6. To increase on boarding speed
- 7. To protect and enhance brand value

M/s Flash Electronics (India) Pvt. Ltd. is one of the established unit in Indian market and a trusted supplier to major Indian two and three wheeler manufacturers. Major customers include Bajaj Auto, General Motors, and Volkswagen to name a few

As FEIPL is into manufacturing of Electrical and Electronic component for automobile sectors, It manufactures Magnetos, alternators, spark plug caps, sensors required for two wheelers as well as three wheelers

TPM stands for total productive maintenance; it is Japanese philosophy which is used to reduce 'waste' or losses occurring in an organization. TPM works to maximize equipment effectiveness of the equipment. It strives to maintain the equipment in optimum condition in order to prevent unexpected breakdown, speed losses and quality defects occurring from process activities.

#### II. FRAMEWORK OF VENDOR TPM

FEIPL has supplier base of nearly 460 suppliers in various category like Press parts, Machined components, Casting and forging components, Electrical components such as PCB, wiring harness ,Insulating sleeves .In order reduce cost of entire supply chain strategic decision to implement vendor TPM was initiated .

As a part of this initiative, rationalization study of suppliers was carried out .From database of existing suppliers, they were divided into LTS (Long Term Suppliers) and Non -LTS supplier's .Criteria for deciding LTS is as Follows

- 1. High business volume
- 2. Product /process criticality
- 3. Bottleneck to quality and delivery
- Quality certifications such as ISO 9001, TS 16949 4.

#### FEIPL BAL After Material Category Grand Total Rationalization Approved Approved Press Plets Robber 10 Mantic parts Electrical Asste lactions. learing & Roller El Insulation Pawde 6 t ŧ. Copper 0 astvers 6 leat Treatment 0 . Magnets ÷ 3 sittings/Coalings ż ŧ h 208 interned Parts Vire Terminals and springs 4 5 2 6 k ħ and sizes/s Grand Total

88

107

58

19

#### Table 1: Rationalization data of suppliers

Expectations which were set from rationalized suppliers are as mentioned below

- Effective organization structure  $\geq$
- $\triangleright$ Vision towards component to sub-assembly
- $\triangleright$ Should takes ownership of product
- $\triangleright$ Loyalty and transparency
- ۶ System oriented approach
- $\triangleright$ Geographical presence with FEIPL
- ⊳ Continual improvement through technological up gradation

After rationalisation of vendors, they were further categorised region wise i.e. as per the location. It helped to track the distances of FEIPL to supplier in order to overcome logistics issues, also to plan inventory at warehouse at walunj Aurangabad and at plant located at Chakan, Pune

Material category	Sub material category	Region A Pune	Region B A'bəd- Satara – Nasik - Mumbai	Region C Rest part of India	Grand Total
Press Parts	Press parts	3	0	0	3
Plastic & Rubber parts	Pleatic parts	2	1	0	3
	Rubber parts	4	1	0	1
Casting & Forging	Casting	4	2	0	0
	Forging	5	0	0	0
Electrical Andy.	Electrical assembly	4	0	0	0
	Wiring terminals and assembly	2	1	0	
	Wiring harmone	4	1	0	4
	Insulating and slooves	2	1	0	3
Machining	Machining	12	2	1	15

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#### III. **TPM IMPLEMENTATION MASTER PLAN**



Table 3: TPM implementation master plan

Number of key vendors in various categories vendor decided based on LTS

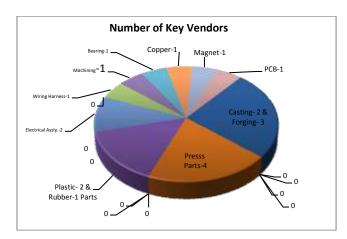


Fig 1: Category wise supplier data

#### **OBJECTIVE OF TPM IMPLEMENTATION**

- P Productivity Improvement
- Q To Improve Quality
  - -Zero customer complaints
  - (EFR/Warranty/Line rejection)
- C Cost Reduction
- D 100% delivery compliance
  - -Zero line loss at FEIPl
  - On time delivery
  - -reduction in inventory
- S Zero accidents
  - -Compliance with regulatory requirements
- M Employee participation and involvement
  - -Nurture kaizen culture
    - Suggestion scheme activity

#### METHODOLOGY

After rationalization detailed action plan and methodology was formulated to implemented TPM at key vendors .Methodology is as follow

- Announcement of TPM cluster by FEIPL management
- ➢ Awareness Training
  - o 5S & basic TPM awareness
  - TPM 5 Pillars (JH,PM,QM,KK,SHE)
- Establish TPM organization structure
- > TPM declaration by business partners
- ➤ JH workshop (step 1,2,3) & Implementation
  - Setting TPM Policy and targets
  - Manager Model machine activity
  - P-Q-C-D-S-M target finalization
- > Activation of JH,KK,PM,QM pillar on model machine
- > P-Q-C-D-S-M targets and Master plan for plant
- > TPM kick off
- ▶ Implementation of 5 pillar activity across plant

For better implementation, idea for FEIPL TPM Award was also put forth. Under this award supplier fulfilling the criteria to be awarded

Table 4: Flash TPM Award criteria

Ares	Parameter	NOW	Award Target (To be decided)	
			85% with set up change	
	OFE	16	White webourt set up change	
	Assembly line OEE	16	80%	
	output/man	Nos	Mitt 10% up YOV	
	output/hr	Nos	Mill 20% op YOY	
	Breakdown occurances & time reduction	Nos	Mm 70% reduction	
	Also of mechanies an an step 3	Nos	A rank machines-100%	
		Nos	B rank mechines -30%	
		Nee	C Family Machinese -25%	
			Dero straight 6 months & <1000	
	Curtomer complaints (PPM)	PPM	PPM in other months	
	inhouse rejection (PPM)	PPM	70% reduction	
. D	End customer-mementy/EPR/Line return	2014	Dent	
	Power cost	Pis lacs	10% reduction	
	a produced in the second se	cet/unit	10% reduction	
	Rejection and rework cost	Ro. taca	50% reduction	
	State and state and state and	catu/unit	50% reduction	
	Consumables cost	ms facs.	10% reduction	
с Б		est/unit	10% reduction	
- 22	Delivery schedule adherance	16	100% adherance to schedule	
	Major accidents	Not	derd.	
	Minor accidents	Nos	Exercit	
. 5	Green bed area	9	23%	
H.	impact on occupational health	Noc	Zeeq :	
*	Compliance to MPCB and legal normal	1.3.3	100%	
	Kaldens/employee/month	Nes	1	
	Training	Headahite.	2 mendeys / month	
	Dev.lead time reduction	96	10%	
1.4	Finit time right compliance	76	100%	

Review mechanism for vendor TPM implementation also formulated and it is as follows

1	Suppliers to attend trainings at FEIPL	Once in a Month	
2	FEIPL team to visit supplier for training /workshops	Once in a Month	
3	FEIPL team to review TPM implementation status at supplier end	Once in a Month	

#### Table 5: Review Mechanism

#### RESULTS

Vendor TPM was initiated at Shriram Rubbers India pvt.ltd .After successful implementation of TPM results were very encouraging

#### **Tangible Benefits**

On Time delivery improved from 78% to 95 % .which is very good result



Fig 2: On Time delivery improvement

Rejection of supplier material at incoming stage reduced from 6648 PPM to 1230 ppm .This improves reliability of material provided by supplier

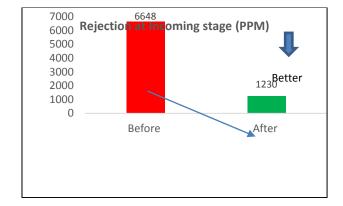


Fig 3: Rejection at incoming stage improvement.

#### **Intangible Benefits**

- 1. OEE of supplier equipment improved
- 2. Morale of Employees enhanced
- 3. Cost reduction at vendor end also help improve product cost of FEIPL products
- 4. Culture of continuous improvement implemented at vendor end

### CONCLUSIONS

Rejection of supplier material at incoming stage reduced from 6648 PPM to 1230 ppm .This improves reliability of material provided by supplier

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