



SCHWING Stetter India PVT LTD

Mr. V.G. Sakthikumar

Managing Director

Kanchipuram, Tamilnadu, India

Leadership Management® International, Inc.

client
Case Study

About SCHWING Stetter

SCHWING Stetter is a multi-national company with presence around the world. Started in 1934, SCHWING Stetter has been in the field of concrete and its processing for 85 years. The Group's global headquarters is located in Herne, Germany. It employs around 4,000 employees worldwide and has an annual turnover of USD 1 billion. The Group has manufacturing bases in 11 countries: Germany, USA, Austria, Brazil, India, China, Russia, Netherlands, Canada, France, and the Czech Republic. With sales and service support offices in almost all countries, it enjoys an enviable market share.



India Operations

Headquartered in Chennai, the Southern part of India, SCHWING Stetter has 5 factories and the 6th, which is the largest and state-of-the-art facility, is about to be inaugurated in a few months. This will make the Indian operations No. 1 in the world.

In India, SCHWING Stetter made rapid strides since 1998 to rise to the No. 1 spot in every dimension of the concreting industry. SCHWING Stetter India, a 100% subsidiary of the SCHWING Group of companies GmbH was incorporated in 1998. SCHWING Stetter India has introduced ground-breaking products in the concrete handling equipment industry, such as concrete pumps, batching plants, and transit mixers, all of which have become synonymous with the ready-mix concrete industry. Today, with an annual production capacity of 8,000 units, SCHWING Stetter India has successfully dedicated manufacturing bases for its 3-core product range. It employs 1,990 experienced and skilled personnel working in 5 factories and 23 branches all over India catering to the diverse customer needs from its centralized world-class design center. SCHWING Stetter India caters to the Indian as well as select global markets. The company is recognized for its robust after-sales support, which provides peace of mind to customers through quick response and accurate diagnosis.

In 2012 SCHWING merged with the Chinese producer XCMG, which resulted in SCHWING Stetter India expanding its range of products to include the entire gamut of earthmoving — construction, mining, material handling, and several others, to make it a one-stop shop.

CHALLENGES

- The company was working more on an operational basis rather than being strategic.
- Decision making was ad-hoc and based on assumptions rather than being data-driven.
- It was more person-driven than process-driven.
- Speed of data collection, assimilation, and analysis was on the conventional/traditional mode rather than being digitalized (information available at the click of a button) for quick, informed decision making.
- There was a lot of “confidentiality” and information flow was on a “need-to-know basis” rather than transparency. Product costing and profit center concept were not introduced; thereby inefficiencies crept into the system in some areas.
- It was taking too long to get data/responses for informed decision making, due to glitches in the ERP System (SAP), partial work had to be done in Excel, therefore analysis/reports were inordinately delayed.
- There was flab built up in areas like cost of inventory, production costs, manpower, warranty process, debtors, interest costs, and imported sub-assemblies/parts.
- Newer products introduced meant training the sales/service personnel to be competent to handle them. Also, it meant having inventory of the right kind of spare parts available.
- The market scenario in India in 2019 was not very conducive, compared to previous years, and a stringent/quick response was needed. Customers were looking at different variants to suit their end-use, applications, and price, due to higher import content. Indigenization was a must.

Mr. V.G. Sakthikumar is the Managing Director of SCHWING Stetter (India) Pvt, Ltd. He holds a Bachelor's Degree in Chemical Engineering and a Master's of Business Administration from the School of Management, Pondicherry University.

He has been associated with SCHWING Stetter, since its inception in India in 1998 and has played an important part in its growth story. He has more than three decades of experience in the Ready-Mix Concrete and Construction Machinery Business. He took charge as Chief Operating Officer in 2006, and since then he has made significant contributions to building the brand.



Mr. V.G. Sakthikumar
Managing Director

There has been a significant impact in the way we look at everything post the LMI EPP program. In an industry where the average turnover dropped by 33% in the year 2019, we were able to restrict it to 15% which is very significant, and is entirely due to the various steps we took, by looking both inwards and outwards.

While we have always grown leaders from within the organization, avoiding lateral entry, the program has impacted us in a very significant manner in our quest for generating in-house leadership and in succession planning. Barriers have melted and department silos have been broken, and everyone looks at organizational goals.

On the personal front, I successfully completed setting up a home gym, hosted our daughter's wedding, and took a family trip to Tanzania.

Criterion	Before LMI EPP	After LMI EPP
Working Style	Operational	Strategic / Professional & Goal Oriented
Decision Making	Gut feel, Informal	Data-Driven
Culture	Person-Driven / Informal	People- and Process-Driven
Systems	Traditional / Paper Flow	More Digitalized
Communication Style	Confidential / Need-to-Know Basis	Transparent
Human Resources	Lacking Ownership / Complacency	Aligned Teams, Enhanced Commitment & Teamwork
Work Force	Unaddressed Grievances	Started addressing via Employee Satisfaction Surveys

RESULTS

Some tangible results include:

1. Cost reduction of INR 104,100,000 (USD 1,469,924) in the areas of employee right sizing, security, housekeeping, transport, canteen, garden, crane & warehouse hiring expenses.
2. Reduction in working capital / interest cost by reducing customer outstanding over 90 days by 50%.
3. Significant travel cost reduction by conducting half yearly reviews Pan India through video conferencing.
4. In S43 BR03 re-export target pricing achieved, The team in F75 factory worked on the Localization of Indigenous Parts/Sub-assemblies; Reduction in "Non Value Added" work; reducing the manpower from 2 to 1, the Cost reduction targets were met and the Standard man-hours per machine was brought down from 2,000 to 800.

Intangible results include:

1. Strengthened Group Dynamics — Shift in thinking from functional approach to organizational approach resulting in cohesive team work.
2. Managing Time Efficiently — Importance of planning resulted in meetings starting and ending on time.
3. Strategic Goal Planning for next 5 years is frozen. Annual Goals for 2020 sign-off with 28 top level Managers.
4. The entire organization has gone 1 notch higher since 208 participants have delegated their LPOAs and have taken the HPOAs of their Seniors.
5. Words like HPOAs, Prioritizing, Interruptions, Saying No, Meeting Planner, Personal Goals, and the GPS have become a vocabulary in the organization. Affirmations & visualization are now part of the day-to-day vocabulary in SCHWING Stetter.

What they say about LMI® programs

The EPP program has been an eye-opener of sorts. By sustaining the learnings and habit changes, I am now able to concentrate on the big picture and larger Organizational goals – my high pay-offs. I could become debt free in 2019 and reduced my weight by 8 Kgs, thanks to EPP. Completing the "Strength Matrix" for 400 team members from Service/Projects helped in restructuring the department to add value to customers and other stakeholders.



Mr. P N Krishnakumar | CEO XCMG Business



I thoroughly enjoyed the program. Discipline; Personal life being given equal Importance to Work life is something we do not see in many programs. I receive around 700 mails per day. After completion of the EPP, I am able to handle the mail efficiently by the 4-D Strategy. My internal customers and my team are very happy and I am able to be more responsive. We have saved over INR 1, 00,000 per year by reducing the paper (working toward a paperless office). The team has improved order execution & commercial clearance time-lines. Thank you LMI.

Mr. P Madhavan | Senior Manager Commercial

After undergoing the LMI EPP sessions, my approach toward issues and challenges has changed, both in my professional life and personal life. I have improved my listening skills, and in keeping my team involved in everything. Goal Planning, using the GPS, and prioritization have been the other key take-aways. We launched the Shop Floor Management System (SFMS) software in January 2019. I upgraded my knowledge on Industry 4.0, the future of manufacturing. In my personal life, I closed my home loan and reduced my weight by 5 Kgs. I am more positive today than ever before and I am both happy and thankful, that through the LMI program, my work and value have been seen and recognized by the Top Management.



Discipline is a key take-away for me. Taking 208 participants across the Organization means that we have a pool of people who have done LMI-EPP. So, It shows in our working style. Percolation is easy and everyone is on the same page. We have converted the concrete mixer factory into a paperless one and developed an application for the Shop Floor Management System, where all data can be retrieved at the click of a button.

Mr. Thajudeen | Manager Production

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Mr. K Balamurugan | Vice President Manufacturing



SCHWING Stetter



I was very new to the organization, I had to prove myself to my team, my superiors, my Peers, and the whole organization, including the workmen. Actually, the EPP came at the right time for me. Within a year, Renegotiating contracts with Vendors/Suppliers – Canteen/ Security/Transport/Housekeeping, saved over INR 400, 00, 00,000 on an annualized basis.

Another major step was downsizing/rightsizing across the organization and levels. This helped us trim the flab as well as have huge savings in employee costs. On a personal front, LMI helped me to manage my time, prioritize, and win the trust of my team. I could also start pursuing my hobby of running marathons!!

Mr. Ezhilvel | Head Human Resources, Safety and Administration

In my 17 years here, I have worked in Production, Purchase, Strategic Sourcing, and now in Planning. My 2 main learnings that I have implemented are "My Calendar" and Managing my High Pay-Off Activities without interruptions. I was not investing the right time on my HPOAs. Interruptions, working on trivial issues were part of my daily routine. After LMI, we leave an hour earlier. I am now able to invest quality time with family. In my professional life, we are able to use the 20% time saved in areas like JIT (Just in Time) which helps in reduced Working Capital and space in the factory.



Mr. Arun S | Manager Planning

Schwing Stetter has always invested in "L&D" for its employees. I have attended Development Programs. & also read self-development books. LMI's EPP program was something which was above all this. When we apply it in a disciplined manner, we can breeze through life!! I am in charge of incoming quality, across 3 main product groups and their variants, with a team of about 40, spread across factories. Goal Planning, Time Management, alignment to organizational goals, giving importance to My Team were some of my key take-aways. Me and 4 of my team who attended the EPP program in different batches were able to achieve significant cost reduction and in value-added engineering.



Mr. Selvam S P | Deputy General Manager Quality



Hiru Bijlani
Master Licensee
LMI India



P. Dilip Krishna
Licensee
LMI India

