

Qimpro Quarterly Special

PTL'S QUALITY JOURNEY

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SELF RELIANCE

Punjab Tractors and its brand-name SWARAJ are acknowledged milestones in the country's march towards a modern industrial society. Isn't it paradoxical that thirty years ago when SWARAJ was born, while self-reliance was the avowed national objective, we yet ran for foreign technology even for a pin? It was solely the commitment and fortitude of a young team that led to the development of a technology tailored to the Indian needs of use and abuse. It is competitive against the best of global names in every aspect; design, production, marketing. With such heritage, customer focus, continuous learning, experimentation and aggressive initiative were natural organizational traits.

The all-pervasive negative environment which then prevailed can be gauged from the fact, that PTL could find its feet only after a 12-year struggle against every conceivable opposition, including rejection at highest national levels. Growing success after a long-drawn struggle, unfortunately led to mistaken over-confidence. Carried away, we not only went in for rapid expansion, but also introduced a string of new products. It was to our acute pain that we later realized that we had lost track of quality and the customer.

QUALITY AWAKENING

Reality struck home in 1982. In the cycle of industry recession, we found ourselves at the bottom of the dung-heap. Passing the buck between marketing, R&D, quality and production for the mounting stockpile of unsold tractors was endemic. It was only a four-day trip accompanied by our R&D chief deep into the villages for personal contact with hundreds of customers, that awoke me to harsh realities: neglect of quality in the euphoria of success. One of our best dealers, whose complaints we had begun to ignore, emphasized our weaknesses.

Thus started our quality journey. Another trigger was a one-hour presentation during the Swaraj-Mazda agreement-signing trip to Japan in 1985, by the Mazda quality chief. His presentation included a 30 per cent year-after-year improvement plan after the oil-crisis debacle of 1975. Though no formal plan was announced, my own mental goal for PTL was clear: 20 per cent compound. Given the experimental and learning character of our team, we started groping our way through. Our evolutionary process was not far different from that of Dr J M Juran. We were also on the look out for a structured approach.

It was in this search that I noticed an advertisement of Qimpro and its Juran linkage in Business India during a Delhi-Bombay morning flight in 1988. I landed in their office the same afternoon when carpenters were still nailing partitions. Half-an-hour of discussions with Suresh Lulla and subsequent

viewing of the introductory Quality Improvement video-tape which I collected, were enough to make me a die-hard convert.

STRUCTURED JOURNEY

PTL's structured journey then commenced gaining steady momentum in depth and breadth over the years. Progress at times was exasperatingly slow, despite every effort to adapt it to our social and organizational cultures. Dr Juran's statement on overcoming the big barrier of managerial resistance to change, was the only voice which sustained through.

Human resistance to change becomes all the more valid in our society with its deep-rooted culture, where worldly renunciation and prayer is the only route to *nirvana* and manual work is only to be performed by low-castes and untouchables. With an education system which only accentuates those inherent weaknesses, desk-based mental solutions divorced from reality are a natural consequence. Consequences in every aspect of work.

With systematic pursuit, PTL has nevertheless made sustained progress and from a rank underdog in 1982, SWARAJ tractors are the customer preference today. As our market-share has moved up to 15 per cent, market standing has risen to number three (four after a recent merger of two competitors).

A land-mark in our TQM journey was the acceptance of quality responsibility by workers in letter and spirit as early as in 1984. A self-control incentive coupled to the existing productivity-linked incentive was also introduced to accelerate wider acceptance. Quality responsibility and improvement are taken for granted in the Swaraj Group today.

QUALITY RESULTS

While Qimpro provided initial kick-off, subsequent TQM training down the line has been through trained in-house trainers. Progress over the years in manpower trained and Juran projects completed, can be seen in Figure 1. It also shows the impact on productivity in terms of tractors produced/man/year.

Bottomline impact is clearly visible in Figure 2, which shows not only profit before tax, but also wage costs and operating expenses as a percentage of value-added. Improvement, despite a healthy increase in real wages, is continuous and sharp.

Improving financials have naturally led to continuous upgradation of manufacturing technology. The country's first overhead conveyor tractor assembly line in 1993 on which 40 tractors go through progressive assembly at any one time is an example.

A sharp rise in dividends have parallely lifted PTL to the top dividend payer bracket. Stock market response to the long term value creation at PTL has also been enthusiastic and PTL ranks 49th in BSE market capitalization today.

PTL's TQM journey continues. With new global competitors on the horizon, lifting of the benchmark bar is only becoming steeper by the day.

Padma Shree Chandra Mohan was Vice Chairman and Managing Director of Punjab Tractors. He is Fellow of the Institution of Engineers (India) and Indian Institution of Production Engineers. Mr Mohan spent the first decade of his career with Tata Steel and Indian Railways, before he moved on to become the Assistant Director at the CMERI, Durgapur. Since 1970, he has nursed Punjab Tractors and Swaraj Mazda. He is also Chairman of Punjab Scooters, Rico Auto Industries, being a Director in several other companies. He is Chairperson of the Quality Council at Punjab Tractors. Mr Mohan has the distinction of several national and international awards, including Padma Shree in 1985. He was awarded the Qimpro Gold Standard in 1990 and the Qimpro Platinum Standard in 1995.

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