



# Weaving success

Devising its own operational performance parameters, Jaya Shree Textiles has successfully spun its own growth story

**J**aya Shree Textiles, a unit of Aditya Birla Nuvo Ltd, is a leading player in linen and wool segment of the global textile business. A company that started off humbly has today come a long way to emerge as a leader in linen production. Testifying this fact is the sheer number of awards the company has won for its quality, manufacturing practices, productivity, innovation, etc. Among the most recent awards is the Performance Excellence Trophy by IMC Ramkrishna Bajaj National Quality Award (RBNQA), 2013.

The Indian Merchants' Chamber (IMC) Ramkrishna Bajaj National Quality Award Trust is a joint initiative of the IMC and the House of Bajaj. Recognising the RBNQA programme as a nation-building exercise, the award process reaches out to Indian organisations across the country. The IMC RBNQA criterion for 'performance excellence' is based on a holistic approach towards achieving organisational excellence.

The universal standards and best practices embedded in the IMC RBNQA norms have transformed Indian leaders into accepting the pivotal roles of customers and workforce in driving world-class processes. The award standards have also enabled the top management to action principle-centred leadership for performance excellence.

Jaya Shree Textiles exhibited all the above mentioned qualities and won the award in the 'manufacturing category' with 84.6% scores overall. Talking on the attributes that makes the company tick and get recognised, S Krishnamoorthy, CEO, Domestic Textiles, Jaya Shree Textiles said, "We have demonstrated an effective,



(Lto R) AK Sinha and Pinaki Sengupta receiving the IMC RBNQ Performance Excellence Trophy and certificate from Arun Maira, member, Planning Commission, Government of India.

systematic approach in response to multiple requirements of the business in relation to the IMC RBNQA model. The approaches are well deployed, with no significant gaps. Strong leadership led by customer-driven excellence and usage of latest technology coupled with a healthy and positive work environment and an enthusiastic workforce has helped us reach where we are."

He further added, "Also, our commitment towards new designs and operations, sound relationship with our suppliers and vendors and most importantly, happiness and satisfaction of our people working at the unit has been instrumental in us being at this position." He also mentioned that organisational learning, including innovation, is practiced as a key management tool for sustainability and existence. All of these approaches are well integrated with current and future organisational needs and goals of the company.

Jaya Shree Textiles is a niche player in the Indian textile industry and is delivering growth faster than the industry's overall textile business in India. Currently the industry overall is valued at approximately US\$89 billion and is growing at approximately 9%. A segment where Aditya Birla Textiles has presence (Linen, PV and Wool) constitutes approximately 5-6% of overall textile industry and has grown at almost 10-20% of the overall industry. It has shown a healthy top-line growth of approximately 19% CAGR in the last four years establishing new records every year to reach Rs 1,144 crore (FY13) from Rs 573 crore (FY09).

Attaining such a phenomenal growth was no mean task. The company slowly and steadily, met challenges head on and devised strategies that simultaneously created an increased awareness of linen in the country and built a highly successful national brand and set global benchmarks in linen production. It was also responsible for shedding the common Indian perception of linen being dull and boring to be worn only by the rich and in hot weather.

During the tough times, in an attempt to ramp up growth and profitability, the leadership at Jaya Shree Textiles formulated a three-pronged strategy:

- Creation of demand for linen yarn and fabrics in the domestic market
- Protect market share in linen yarn through supply chain management
- Excellence in working capital management

Once, the company created demand, it saw such an increase in the domestic market for linen that it threatened to outpace supply and this could have placed the company's market share and leadership position in peril. The challenge was to protect its competitive edge and dominant position of 75% market share, by ensuring that the company could supply even when demand went up.

To counter this they laid the foundation for capacity expansion and concurrently decided to augment in-house production at its Rishra plant in West Bengal by outsourcing from China. The team identified a group of spinners in China to source yarn after a detailed assessment of their capabilities and quality protocol. Through this strategy, the company protected its market share in the domestic market by outsourcing significant volumes from China.

The company then set out to achieve what was termed unachievable in the textile industry - break the working capital myth



Looms.

**We will continue our market leadership in linen through sustained investments in Linen Club to make it a brand of choice for our customers.**



**Thomas Varghese, business head, Textiles, Acrylic Fibre & Overseas Spinning, Aditya Birla Group**

and achieve negative working capital. The company changed the payment paradigm from 'Make and Sell' to 'Sell and Make' and improved financial ratios by reducing lead time in linen yarn imports. The company also negotiated better payment terms with suppliers and channel partners and managed risk better by early collection of receivables.

Elaborating on the same, Krishnamoorthy affirmed, "Today, we have a systematic vendor evaluation system through which suppliers' performance is regulated. Several joint improvement plans with the vendors have been successfully completed, resulting in reduction of inventory and lead time. Strong control on working capital management and consistent cash profit has enabled us to maintain impressive cash flow over the years. Negative working capital, which is one of the unique initiatives, was achieved in FY 11-12 and 12-13, through robust inventory management, tightening of collection and payment terms and higher credit terms from suppliers."

Their quality management combines fundamental techniques, innovative improvement efforts and specialised technical skills to continuously improve manufacturing processes. Elucidating a few of these techniques, Krishnamoorthy averred, "We ensure focus on action through checklists, review meetings, Gemba Visit and usage of problem solving tools. Innovation and creativity is promoted by recognising Kaizen done by individuals and teams."



Process house.



Winding.

**Achieving customer driven excellence through creation of Linen Club and well organised 'design facility' has given us the opportunity to be ahead of competition.**



**S Krishnamoorthy, CEO, Domestic Textiles, Jaya Shree Textiles**

Kaizen Mela is one of the unique initiatives at the company, in which all other units of the business participate thereby creating a platform for learning and sharing. "Extensive use and deployment of Kaizen, Quality Circle & Six Sigma across the company ensures employee involvement and innovation," he asserted.

Jay Shree Textiles follows stringent quality processes and has the following certifications to its credit: ISO 9001, ISO 14001, SA 8000, OHSAS 18001 and Oeko-tex 100. The company boasts of a well-equipped testing laboratory with instruments like OFDA and Almeter; Uster UT3 evenness tester; Tensorapid strength tester; Quantam Classimat tester; Datacolor spectrophotometer; Xenon arc light fastness meter; Washcator; ICI Pilling tester and Martindale abrasion tester.

Quality and technology go hand in hand at the company as it employs state-of-the-art machinery to ensure the highest quality in all its products. For example, the Linen Club uses advanced technology in its spinning functions like: imported ring frames, Italian Savio Splicing auto winder, Italian Loris Bellini

bleaching, in house yarn dyeing (with a capacity to dye lot size ranging from 9 kg to 600 kg).

The weaving function of Linen Club uses advanced machinery from Swiss while the dyeing and finishing process utilises latest European technology to give linen that superior feel, look and bright colour with machinery from Germany and Italy.

Today, linen and wool products are the key drivers of its textile business. The four product groups are working as four Strategic Business Units (SBUs). They are: linen spinning, linen fabric, wool combing and worsted spinning. All the four SBUs are driven by the common goal of making the workplace a source of creativity, innovation, and self-fulfilment for all employees.

The marketing and customer orientation teams of all SBUs focus on several parameters which include understanding the market environment in terms of customers, competitors, consumers and market assessment in terms of market and product segmentation, service orientation, new products design and development.

Seconding, Krishnamoorthy emphasised, "The customer delight index is measured on the basis of prompt response, services, consistent quality and OTIF delivery. All this has helped us to successfully develop and offer new products to the market, thereby enhancing customer focused culture and organisational agility. Achieving customer driven excellence through creation of Linen Club and well organised 'design facility' has given us the opportunity to be ahead of competition. Loyal and satisfied customers, dealers and suppliers have strengthened our leadership position in the market."

Any successful business has its own story of ups and downs. What matters is how the company comes up with tactics to get out of it. Today, the company by devising its own excellence strategies has scripted its success story and is striving to sustain its tremendous achievement by ensuring optimum utilisation of resources to remain cost-leaders.