



Hindustan Platinum

- **APPLYING TOC PRINCIPLES TO CHANGE MANAGEMENT PERSPECTIVES**
- **VISHWAS CHOKSI, HINDUSTAN PLATINUM**

*The word integrity
has grit built into it.*



Hindustan Platinum



Vishwas Choksi



- Master Of Science in Chemical Engineering From Columbia University, New York
- Completed Managing The TOC Way (ManTOC) Program Offered By Goldratt Schools at TMTC, Pune, India
- Certified TOCICO Practitioner for Finance & Measurements and Supply Chain Logistics
- VP, Operations, Catalysts and Chemicals at Hindustan Platinum, India's Leading Manufacturer and Refiner Of Industrial Precious Metal Products. Portfolio Also Includes Human Resources, Purchase And Projects.



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About Hindustan Platinum



HINDUSTAN PLATINUM FACT SHEET



1. India's Largest Refiner & Manufacturer of Industrial Precious Metal Products
2. Established in 1961
3. Professionally Run Family owned company
4. Dedicated team of 450+ people
5. Global Technical Collaborations with world leaders
6. Diverse customer base (North America, Europe, Middle East & Asia) Exports to over 35 countries worldwide



Hindustan Platinum Manufacturing Facilities



➤ Contacts Division



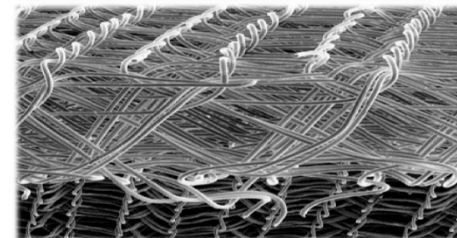
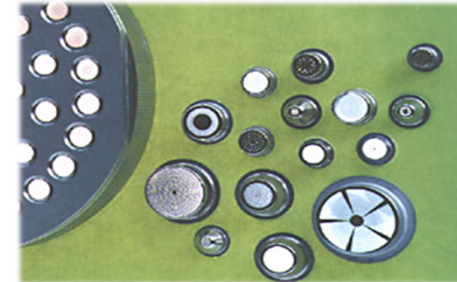
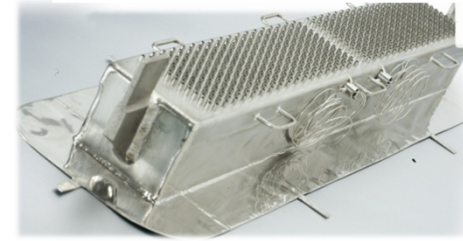
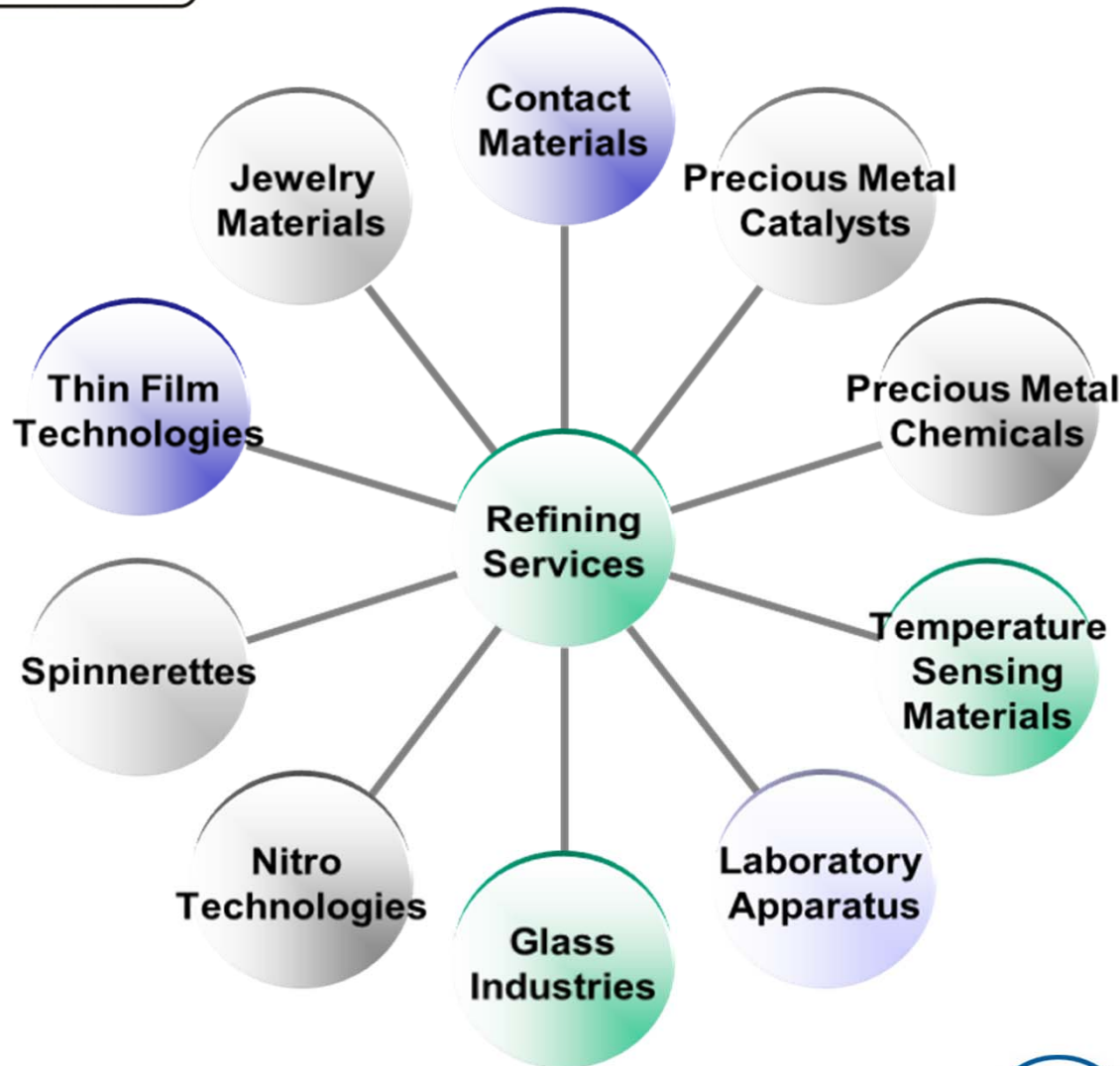
➤ Engineering & Chemical Division



PRODUCT AND SERVICES OVERVIEW



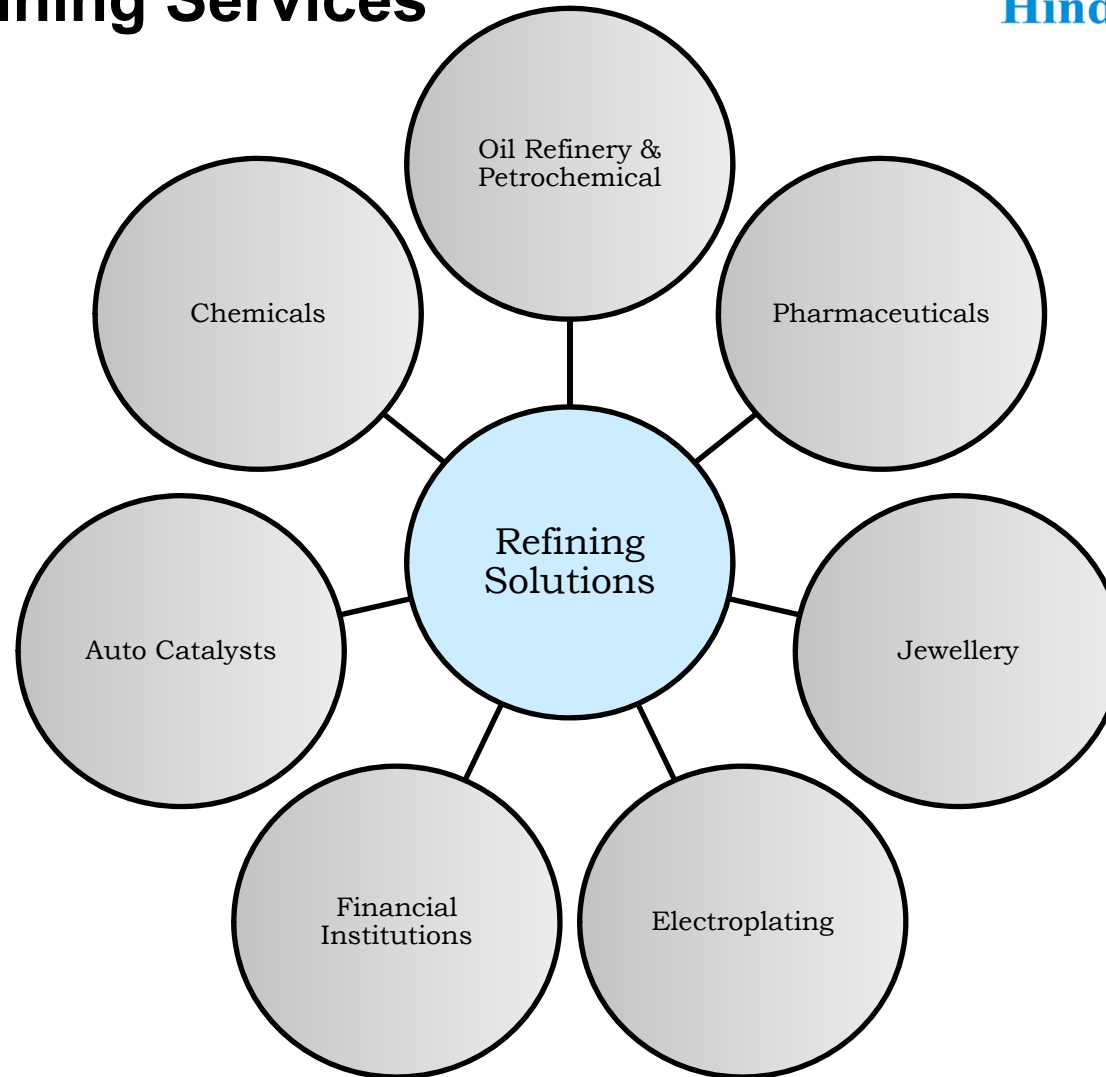
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Refining Services





OPERATIONAL FACTS



- 2nd Generation Family Business
- Family Involved In Every Aspects Of the Business (Management Time is a Major Constraint)
- Few Documented Systems and Procedures
- Roles and Responsibilities Not Clearly Defined
- Growth Phase. Always Trying To Keep Up With Market Demand
- Extremely Intense International And Domestic Competition



MATERIALS



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PRE TOC

1. Complete Cost Cutting Mindset
2. Critical Purchases, Affecting Production, Delayed
3. Lengthy Decision Making Process
4. Long Procurement Process Time
5. Very Little Authority To Purchase Team
6. Weak Communication Between Various Functions

POST TOC

1. No Production Loss Mindset (Protecting Throughput)
2. Purchase Given Freedom To Buy Critical/Emergency Items Without Approvals(Justification Needed)
3. Materials Software In Place To Drastically Cut Down Decision Making Time
4. Management Approval Only On High Value Purchases And Capital Goods
5. Vendors Primarily Selected On Support Service Than Price
6. All Functional & Resource Heads In The Same Office



MATERIALS



- **BENEFITS**

1. Almost Zero Production Loss Due To Raw Material Availability Or Maintenance Purchases (Higher Throughput)
2. Improved Communication Within Team Members- Teamwork
3. Quicker Decision Making (Lesser Inventory)
4. Transparency In The System
5. Higher Commitment From Key Vendors

- **MOVING FORWARD**

1. Working On Module For Capital Equipment Vendor Selection Using CCPM
2. Linking Performance To Throughput Rather Than Cost Cutting In Performance Evaluations



PROJECT MANAGEMENT



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• PRE TOC

1. No Clear Deliverables Understood, End User Rarely Involved In Decision Making
2. Mostly No Project Plans
3. Major Vendor Delays
4. Several Projects Started And Scrapped Or Stopped Midway
5. Coordination Between Departments Was A Nightmare
6. Projects Not Responsible For Performance. No Official Handover

• POST TOC

1. ODSC made for ALL Projects After Understanding End User Requirements
2. Detailed Project Plans Made For All Projects Along With Major Vendors And End Users
3. 2 Projects Successfully Completed Using CCPM in 2012
4. CCPM Consultant On Board Since January 2013. Software Procured
5. Project Responsible For Deliverables As Per ODSC and Then Hand Over
6. List Of Future Projects (Next 2 Years) Made and Soon Will Go Into Planning



PROJECT MANAGEMENT



- **BENEFITS**

1. Team Members Taking Up More Responsibility (More Pressure)
2. Great Clarity Amongst Core Team
3. Realistic Timelines
4. Mixed Response From Vendors
5. Higher Sense Of Team Work and Commitment

- **MOVING FORWARD**

1. All Projects Planned and Executed Using CCPM. Results Within 3-6 Months
2. Use CCPM For Company Wide Projects



MAINTENANCE & ELECTRICALS



• PRE TOC

1. Critical Jobs Delayed (Affecting Throughput)
2. Blame Game – Department Heads And Maintenance
3. No Clarity For Maintenance Department (He Who Shouts Loudest)
4. Practically ALL Jobs Had Equal Importance
5. Critical Spares Unavailable

• POST TOC

1. Emergency Calls Affecting Throughput Attended First
2. Software Developed As Per Inhouse Needs
3. All Complaints Logged On The Software and Complaint Numbers Given
4. Production Head Decides Priority Of Maintenance Calls (High, Medium, Low)
5. Maintenance To Work On Maximum 3-5 Calls At A Time
6. All Critical Spares Available And Inventory Maintained



MAINTENANCE & ELECTRICALS



- **BENEFITS**

1. Increased Clarity (Priority Of Call, Time Taken To Close Call, Call Attended etc.)
2. Calls Completed Faster, Increased Focus
3. Loss Of Throughput Because Of Equipment Downtime Reduced Drastically
4. Time To Start Focusing On Preventive Maintenance

- **MOVING FORWARD**

1. POOGI – Study Data Of Closed Calls And Improve On Call Times In Critical Areas
2. Use CCPM To Execute Preventive Maintenance Shutdowns Faster



FINANCE & MEASURES



• PRE TOC

1. Cost Cutting Attitude
2. Projects Selected To Improve Local Optima
3. All Orders Must Be Taken
4. Traditional Cost Accounting Thinking (Cost/Unit, Efficiencies)
5. Focus On Increasing Capacity Rather Than Complete Utilization Of Existing Capacity

• POST TOC

1. Protecting Throughput Attitude
2. Projects Selected On The Basis Of Added Throughput To The System (With Exceptions)
3. Cost Accounting Method Not Used For Decision Making
4. Continuous Efforts To Keep Process Working 24/7
5. Capacity Expansions Of Non Constraints To Avoid Constraint From Shifting



FINANCE & MEASURES



- **BENEFITS**

1. Higher Throughput
2. Global Thinking For Decision Making
3. Deeper Study Of System To Evaluate Alternatives
4. Easy To Decide Priorities

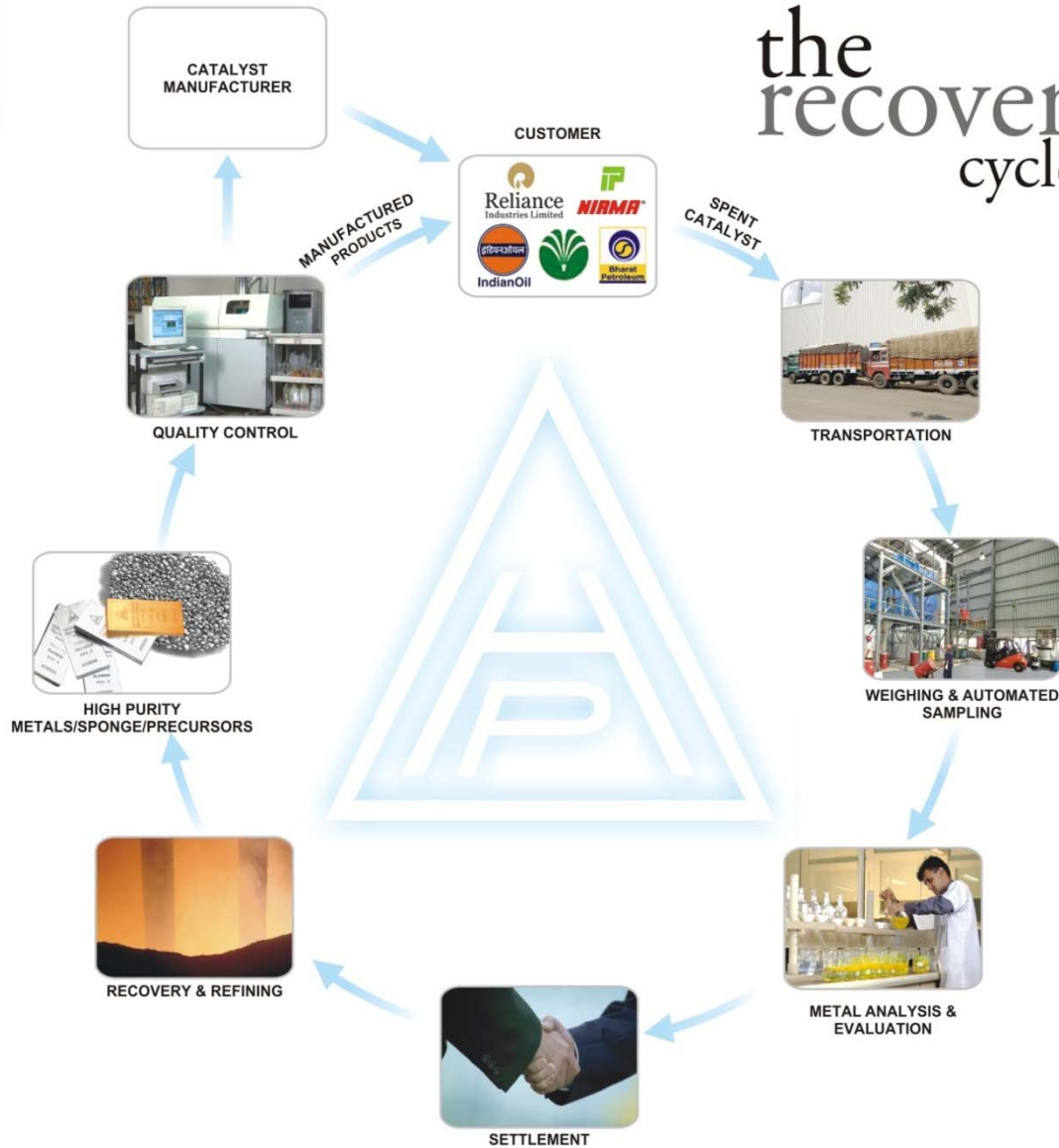
- **MOVING FORWARD**

1. Throughput Calculations For All Products
2. Training Employees On Throughput Accounting (Basics)
3. Introduce Concept Of DDP in Both Project Management And Production



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the recovery cycle





PRODUCTION



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• PRE TOC

1. Constantly Increasing Capacity Through Capital Expenditure
2. Batching Delays Causing Higher Inventory
3. Rules Set Earlier Became Law(Mainly Capacities)
4. Not Enough Understanding Of Customers Needs
5. High Metal Inventory To Support Production
6. Procedures Changed Over Time

• POST TOC

1. Constant Strive To Work 24/7. Already Working 2 Shifts and 3 Shifts In Critical Departments
2. Exploit Current Equipments (Capacity, Procedures etc.) Before Capital Expenditure
3. Massive Capacity Improvements With Process Changes
4. Batching Rules Changed And Continuously Monitored
5. Complete Coordination Between Sales And Operations (Software and Updates)
6. Constantly Questioning Hidden Assumptions



PRODUCTION



- **BENEFITS**

1. Lower Inventories, Higher Throughputs
2. Changing Mind Sets, Forced To Think Harder
3. Better Customer Service
4. Constantly Improving Processes

- **MOVING FORWARD**

1. All Departments To Start Working 24/7 (Exploit Constraints)
2. Introduce Concept Of DDP And Improve to Over 95% within 6 Months



4 PILLARS OF TOC



1. Inherent Simplicity – Life Is Simple
2. Every Conflict Can Be Removed – Win-Win Situation
3. People Are Good
4. Never Say I Know



HUMAN RESOURCES



• PRE TOC

1. Reduce Manpower
2. Quick To React To Situations
3. Rarely Give Benefit Of Doubt To Employees
4. Question Motives, Distrust To A Large Extent
5. Always Go By The Book
6. Not Enough Clarity On Roles And Responsibilities

• POST TOC

1. Redeploy Manpower
2. Put Yourself In The Shoes Of The Employee
3. Trust People. There Must Be A Reason They Behave This Way. Find Out The Reason (Root Cause)
4. Give Clarity On Expectations, Delegate!
5. Do What Is Right
6. THINK THINK THINK!!!!!!



HUMAN RESOURCES



- **BENEFITS**

1. More Commitment
2. Better Work Environment
3. More Focus And Time (Exploit Management Constraint)
4. More Job Satisfaction

- **MOVING FORWARD**

1. Aligning Role And Responsibilities Using CCPM to Execute HR Project
2. Teach HR And Managers TOC TP Tools (Clouds, Layers Of Resistance)



TOC FOR PERSONAL LIFE



- Clouds, Layers Of Resistance, NBR Have Helped Tremendously
- Logically Reason With Others
- Emotional Intelligence Important For Leadership Roles And Thinking Process
Tools Are Perfect To Create Empathy And Self Awareness
- Soft Approach Sometimes Seen As A Weakness. People Take Advantage
- There HAS TO BE a Better, Simpler Alternate Solution
- Do Not Get Involved If It Looks Or Sounds Too Complex!
- See The World Differently ... EPIPHANY!



SUMMARY



- Understanding TOC Has Changed The Way The Company Is Managed Today!
- Results Are Excellent And Very Soon The Foundation Will Be Created To Take The Big Leap!
- Personally Helped Me To Be A More Productive, Understanding And Happy Individual
- Helped Me FOCUS On Matters That Are Important And Meaningful