San Jose State University

From the Selected Works of Sandeep (Sandy) Muju

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MBIL Transformation Journey

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Available at: https://works.bepress.com/sandeepsandy-muju/34/
Moser Baer Transformation Journey:
*Leading the Business Architecture Evolution*

Sandeep (Sandy) Muju
Corporate Vice President
(Business Excellence, and Solid State SBU Head)

“Our Business Excellence model will strive to continually improve our business in all its aspects and do it in a balanced manner laying the foundations for a deeper organizational capability enhancement leading to enhanced organizational values and results”

Mr. Deepak Puri
CMD, Moser Baer
The Result:
A 2X increase in company valuations!

Nearly $0.5B increase in valuations!
Initial State – The Product View

Phase-I: Initial Findings & Recommendations
Potential Future State – Considerations

Existing Investors

Existing Customers

Optical Disk Competitors

New Product/Market Competitors

Existing Supply Chain / Vendors

New Vendors & Partnerships

MBI (Optical Discs)

- Energy
- Photovoltaic cells
- Automotive
- Content Business
- Pre-recorded Disks
- Solid State
- New Products & Markets Creation

Geo-Politics & Demographics
Disruptive Technologies
Existing Products In New Markets
Existing Markets For New Products
New Products & Markets Creation

Phase-I: Initial Findings & Recommendations
Organizational Transformation framework

Strengthening the Core: Strategy Development, Deployment and Execution linked with Financial Budgeting and Human Capital Management

Phase-II: The Deployment
Robust Plans integrate the Strategic Direction (i.e., *the Strategy*), Available funds (i.e., *the Budgets*), and, Capacity & Capability (i.e., *the Execution Capability & Capability*)
The “Execution” Drive

Best of the Plans can turn into reality only with effective Execution

In larger organizations, regardless of the specific industry, effective Execution requires focus on both the strategy execution details as well as human capital performance & change management.
STRAP Framework: Salient Elements

Industry Analysis (5 Forces Analysis) →
“Status Quo” Analysis →
Strategic Options Generation →
Options Assessment and Evaluation →
Decision →
Balanced Scorecard →
Implementation

Phase-II: The Deployment
STRAP Filter: Identification of Strategic Opportunities for MBIL

Vision & Mission

Filter 1 — Synergistic
- Existing Businesses
- Technology / Manufacturing

Filter 2 — Opportunity
- Market size & growth rate
- Industry competitive position
- Industry margins
- Capital intensity / payback
- Access to / control over supply chain

Filter 3 — Capability & bandwidth
- MBIL existing capability
- Possibility of acquiring capability

Phase-II: The Deployment
BSC Goals/Objectives Cascade

- **Corporate BSC Objectives/Targets**
  - E.g., Total Revenues target, Total PBT/ROI target, etc

- **Business Unit BSC Objectives/Targets**
  - E.g., SBU Revenues target, SBU PBT/ROI target, etc

- **Functional SC Objectives/Targets**
  - E.g., Sales target, Cost target

- **Individual KRAs**
  - E.g., Project targets

**Phase-II: The Deployment**
Example Goals/Objectives Cascade

**Customer Example**
- Corporate Parent
  - Customer Satisfaction
  - Customer Retention
- Division
  - On Time Delivery
  - First Pass Yield
  - Schedule Adherence
- VP of Operations
- Plant Manager
- Shift Supervisor
  - Machine Operator
  - Scrap rate
  - Line Availability
  - Schedule Adherence
  - Attendance
  - Machine Utilisation

**Financial Example**
- Corporate Parent
- Division
  - Operating Margin
- VP of Operations
- Plant Manager
  - Variable Costs
  - Period Expenses
  - Mfg Overhead
- Shift Supervisor
- Machine Operator
- Scrap rate

*Individual Goals/Objectives Should support and be aligned with higher level organizational needs*
Strategy Execution (Projects Alignment): Desired State Vision

Initial State

Desired State

Unified and holistic Six Sigma Strategy Execution framework

Phase-II: The Deployment
Strategy Execution Backbone

Moser Baer Six Sigma

Phase-II: The Deployment
Sample Strategy Execution Six Sigma Projects: Spanning across the entire Value Chain*

**Sales & Mkt.**
- Vendor Managed Inventory
- Higher penetration for Photography segment

**Procurement**
- PC Inventory
- Silver Inventory
- Air freight cost

**Engineering**
- Water Shield IJP Disc
- To develop BD (L2 H)
- Holographic data storage
- Development of BD stamper

**Planning**
- Forecasting process to improve CRDD
- Reduce OMG Plan revision (CRDD)

**Manufacturing**
- 4.2 cycle time on CDR
- Improve Net ‘A+B’ Grade
- Cycle Time Reduction of CDRW
- DVDR stamper Yield

**Packaging**
- Elimination of master carton in WIP packing
- Solar cell and module packaging
- Packaging/printing near miss

**Shipping**
- Cycle time of PGO to Sail (CRDD)
- Module packaging for container stuffing

**Customer**
- Improve Close looping of Customer complaints
- Lacquer spot reduction
- Improvement in Electrical & mechanical parameters

*A holistic Six Sigma deployment spanning across the entire company and all functional areas

Phase-II: The Deployment
Corporate Review Framework: Strategic Alignment & Execution Cascade

- Corporate SLT Reviews (Corp. BSC reviews & Key Organizational Matters)
- Business Performance Reviews (BU level BSC and Finance reviews)
- Strategy Execution Review (Six Sigma Steering Cmt Reviews)
- BU Functional Reviews
- Plant Reviews
- Champion/Project Reviews

*Increasing level of strategic intent*

Phase-II: The Deployment
Strategy Execution: Aligning People With Organizational Goals

Corporate Strategic Objectives

Functional Score Cards & KRAs

Black Belt Projects

Black Belt (Leader)

Green Belt (Member)
Green Belt (Member)
Green Belt (Member)

Green Belt Projects

Green Belt (Leader)

Yellow Belt (Member)
Yellow Belt (Member)
Yellow Belt (Member)

Phase-II: The Deployment
Mobilizing Organizational Change

We must anticipate, prepare and implement internal changes to successfully adapt to external changes happening to us.

Phase-II: The Deployment
“To laugh often and much, to win the respect of intelligent people, to earn the appreciation of honest critics, to appreciate beauty, to find the best in others, to leave the world a bit better. This is to have succeeded.”

- Ralph Waldo Emerson

Thank you

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