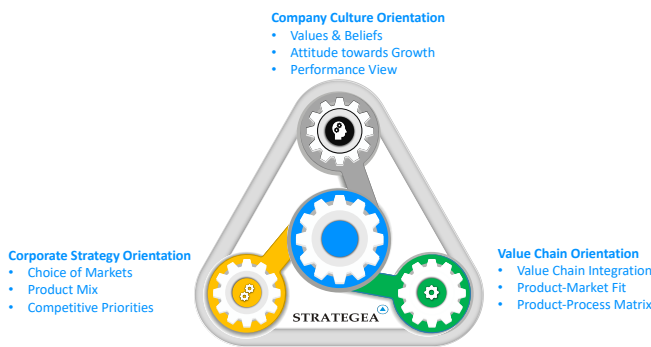


Developing Manufacturing Strategy with Alignment & Resonance!

“Manufacturing should be capable of helping the company achieve what it wants with optimised uses of its assets”



The fact is that in most manufacturing companies the great bulk of assets i.e., capital invested, people employed & management time are in operations side of business.

Business leaders heading manufacturing face unique problems and pressures to successfully meet the business objectives.

Unfortunately, the problems in company’s manufacturing departments frequently surface at the same time as the problems in the rest of the company. In most cases, there is a manufacturing inertia coupled by respective business leader’s reluctance to change.

Consider some examples

- A fast-growing company had quadrupled in size over a twelve-year period and it’s number of plants has increased significantly over the years. It’s manufacturing department was headed by a vice president with a strong central staff despite the fact that it’s product line has broadened considerably. A sluggishness and sense of lost direction began to afflict the manufacturing department, as overhead and logistics costs soared leading to delayed orders and customer rejections
- A company had been growing in a seller’s market for a decade where competition was based on quality and service rather than price. The company started losing market shares to new entrants from China who competed on price and over a period of some years started reducing the quality gap
- The business organization had established five significant divisions over the past ten years, each serving different market segments. However, these divisions' manufacturing units lacked similarities, internal guidance, and overall synchronization. The management faced numerous capital appropriation requests without a clear understanding of their absolute value or the priority they should hold.

Why did the manufacturing companies get into trouble? Why didn’t they see the changes that can impact them. What stopped them to respond them to meet the emerging demands?



Therefore, isn't it time you revisit your manufacturing strategy and proactively avoid the traps that companies like above get into?

So, what are the gears that influence the recipe of your manufacturing strategy? The key gears to consider for developing your manufacturing strategy includes a) Corporate Strategy Orientation b) Value Chain Orientation c) Company Culture Orientation. So, let's look what each of these means and what elements impacts your manufacturing strategy development.

Corporate Strategy Orientation:

As the markets evolves, the corporate strategy changes its equation to influence it's win in the market place. The corporate strategy evaluates its choice of market segments and makes modifications to responds to market dynamics. The change in weights on market segments impacts the product mix, some gets discontinued, some gets discounted, new products gets planned to be introduced etc. The Corporate strategy makes changes to its competitive priorities and makes choices in positioning, pricing, product flexibility, quality, volume flexibility etc.

Value Chain Orientation:

As the industry evolves, there is impact on the value chain because of new entrants, addition of new capabilities and efficiencies of existing players thereby changes in value chain footprint. In-fact your group may have moved in value chain i.e., vertically integrated, or added significant capacities or even horizontal integration etc. These changes have profound impact on the redesign of your manufacturing strategy. As the market evolves, your company responds by changing it's product-market mix and that has a significant impact on your manufacturing planning. In continuation to that, your production processes need to change to respond to changes in the product lifecycle. For example, as the product enters mass market, many companies by that time have accumulated complexity in their production leading to increase in overall cycle time, slower decision making, increase in overheads. Their ability to compete now gets reduced as prices start dropping at faster rate.

Company Culture Orientation:

Every company has individual values and beliefs that it holds dear and that has an impact on it's view on growth. It's visible and we can see companies from certain countries are aggressive in market vis a vis companies from other countries. Even this applies depending on the industry we are in. Similarly with changes in CXO suite, there are also change in performance orientation. A prudent manufacturing leader makes relevant changes to its manufacturing strategy to align with the changes in the company culture.

Caveat- Most business leaders heading manufacturing get biased that manufacturing strategy is all about cost reduction. While cost focus is essential, not aligning to above 3 gears can be detrimental and affect negatively your business ability to respond to market dynamics.



Call us to know more about how [Strategea](#), can help you to develop manufacturing strategy that is aligned to your corporate strategy, company values and your value chain.

About Strategea:

Strategea is your trusted partner on the journey of transforming your business into a thriving and scalable enterprise. Our mission is simple yet profound: to guide business leaders like you to realize your growth ambitions, embrace transformation, and accelerate your path to success. We work with our clients to provide holistic and customised solutions in the areas of Organization Strategy, Operations, People and Digital Transformation in order to enhance organizational performance and achieve their aspiration!

Business leaders in India face a favourable growth opportunity both in domestic market & globally. To be able to grow to the next level, business leaders need to find a way to replicate their success in new product categories which they need to enter to grow to next level, reduce their learning curve to develop profitable revenue streams in newer markets, achieve efficiencies while they scale their operations and rally their people around the growth vision & business initiatives.

Strategea brings in the required expertise to guide business leaders on solving the complexities that come their way while scaling and expanding their operations to realise their growth aspiration.

Playing the Business Game : Running a successful business is a high-stakes game. Your business journey has routes, detours, and all sorts of obstacles you have to work through. So you need a map. In this book “Playing the Business Game” we are addressing the construct & thinking i.e. what could be direction that you want to take, what model suits you etc. to put your business on a high growth trajectory.

Connect with Us:

We love to hear from you. If you are a business with a rapid growth ambition, don't hesitate to contact us. Let's begin a conversation about how we can help you achieve your goals and set your business on the path to success.

Call us on + 91 9702 875 475 or write to us on info@strategea.in and visit us on www.strategea.in

