

# TCM

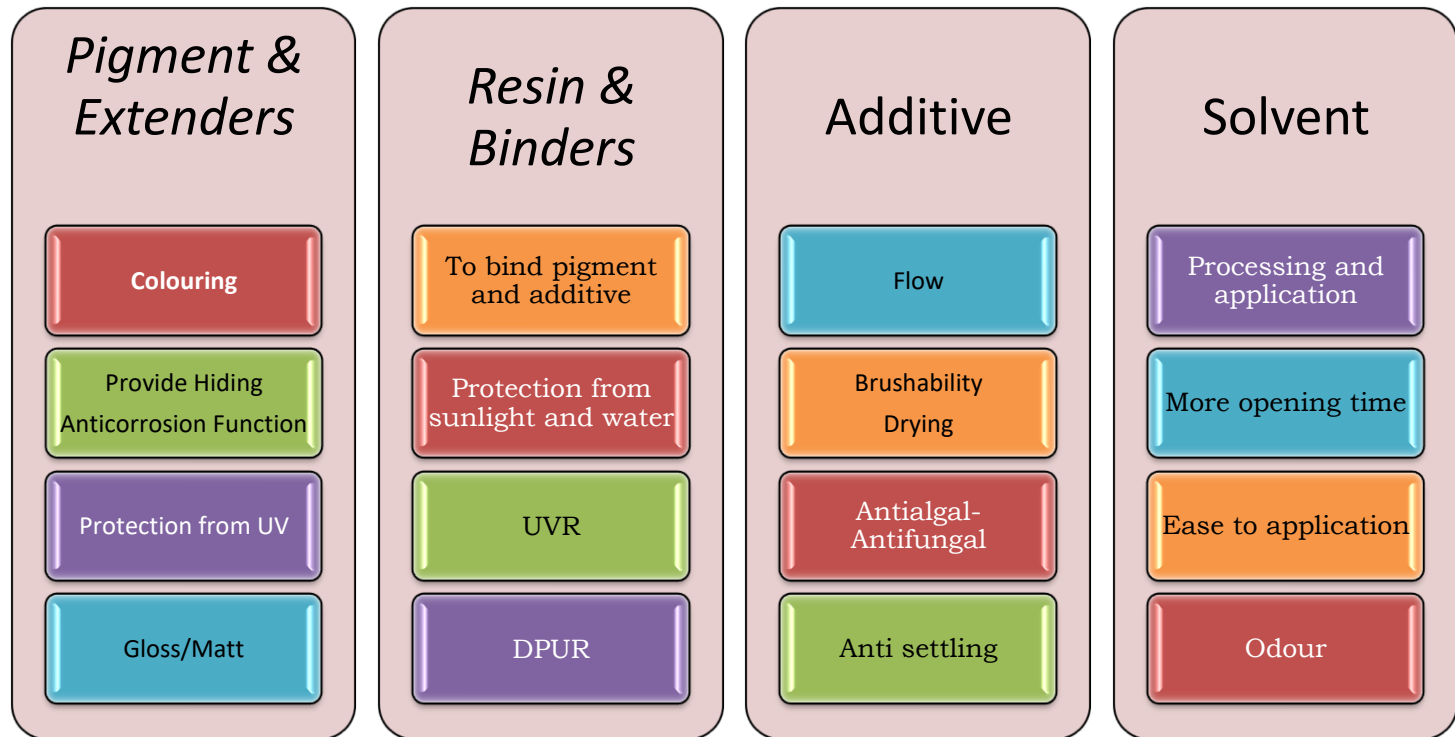
## ***The Mantra for Business Success in Turbulent Times***

S Mahesh Anand  
**President – Deco Business**  
**Nippon Paint India**  
08/12/16. Chennai

Living,  
Breathing  
LFG



# What constitute Paint?



RMC loading is almost 60% in this industry

# Paint Industry Overview



In India per capita  
paint consumption is  
3.23 kgs during 2014-  
15  
*(1/3<sup>rd</sup> of China)*



## Growth Drivers for the industry:-

- ☐ Increasing income levels
- ☐ Bulging middle class segment
- ☐ Rapid Urbanisation
- ☐ Development of rural markets
- ☐ Innovative products to the market



Indian Green Building Council  
**FOUNDING MEMBER**



**NIPPON  
PAINT**

# Core Value & Vision

## Management Principle -

- The Nippon Paint Group is committed to contributing to the welfare of society as a whole through its business activities, working together for the mutual harmony and benefit of everyone

## Corporate Vision -

- The Company is working to expand globally as a speciality chemical company, offering high value – added coatings.
- Our fundamental commitment is to become a trusted , eco friendly company that helps protect the environment

## Global Footprint



Nippon Products are available in over 33 Countries.

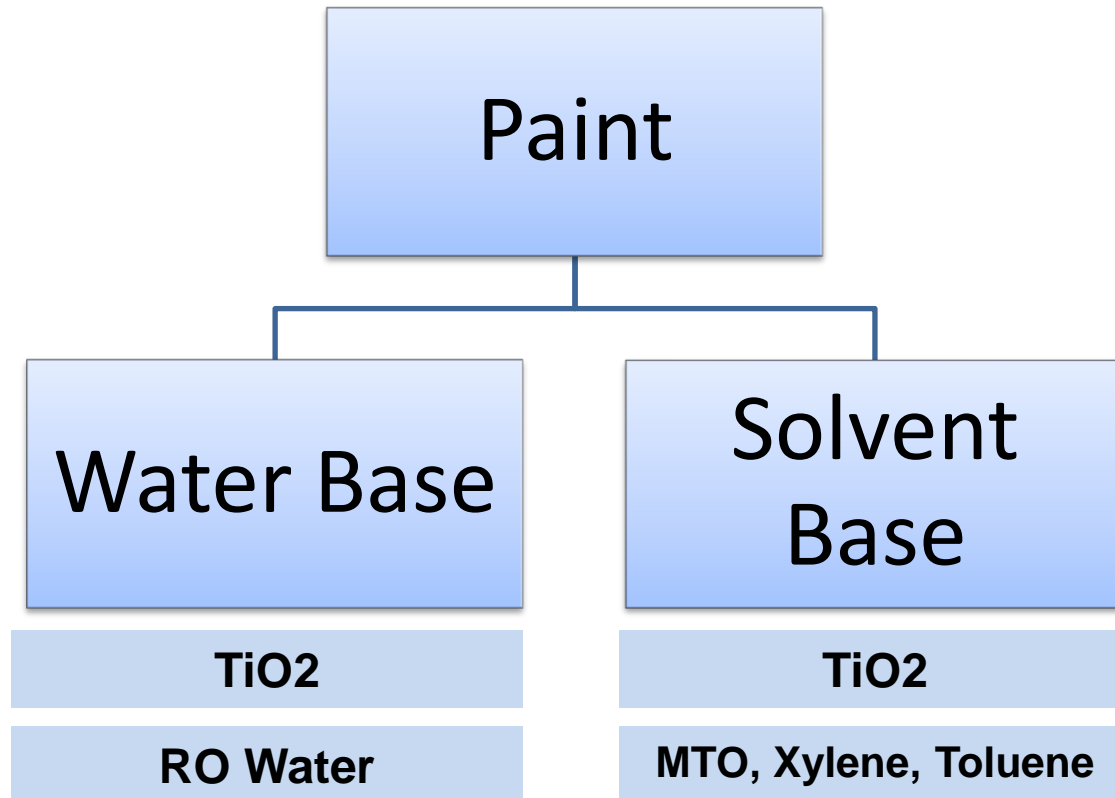


## Chennai Plant Ariel View



- \* Founding Member IGBC
- \* ISO 9001 :2008 and ISO 14001:2004
- \* Platinum recognition award from OSH India
- \* Safety appreciation award from Government of Tamilnadu
- \* CII 3 Star award for Occupational Health and Safety
- \* Assessment completed - **CII TCM Maturity model**
- \* **Green CO – Gold** .1<sup>st</sup> Paint company in India
- \* Certified as **Green Pro** by CII

## Industry Structure with Key Input RM

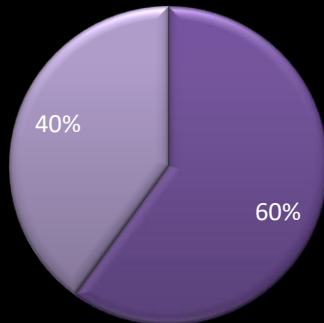


Restrains:- TiO<sub>2</sub> is import dependent. MTO on crude prices



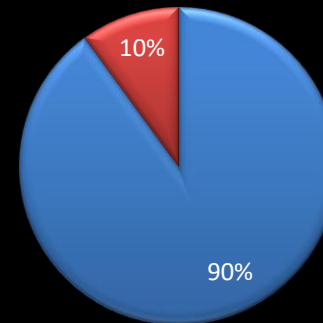
## Differentiation in Structure

**Industry Standard**



■ Water Based Paints   ■ Solvent Based Paints

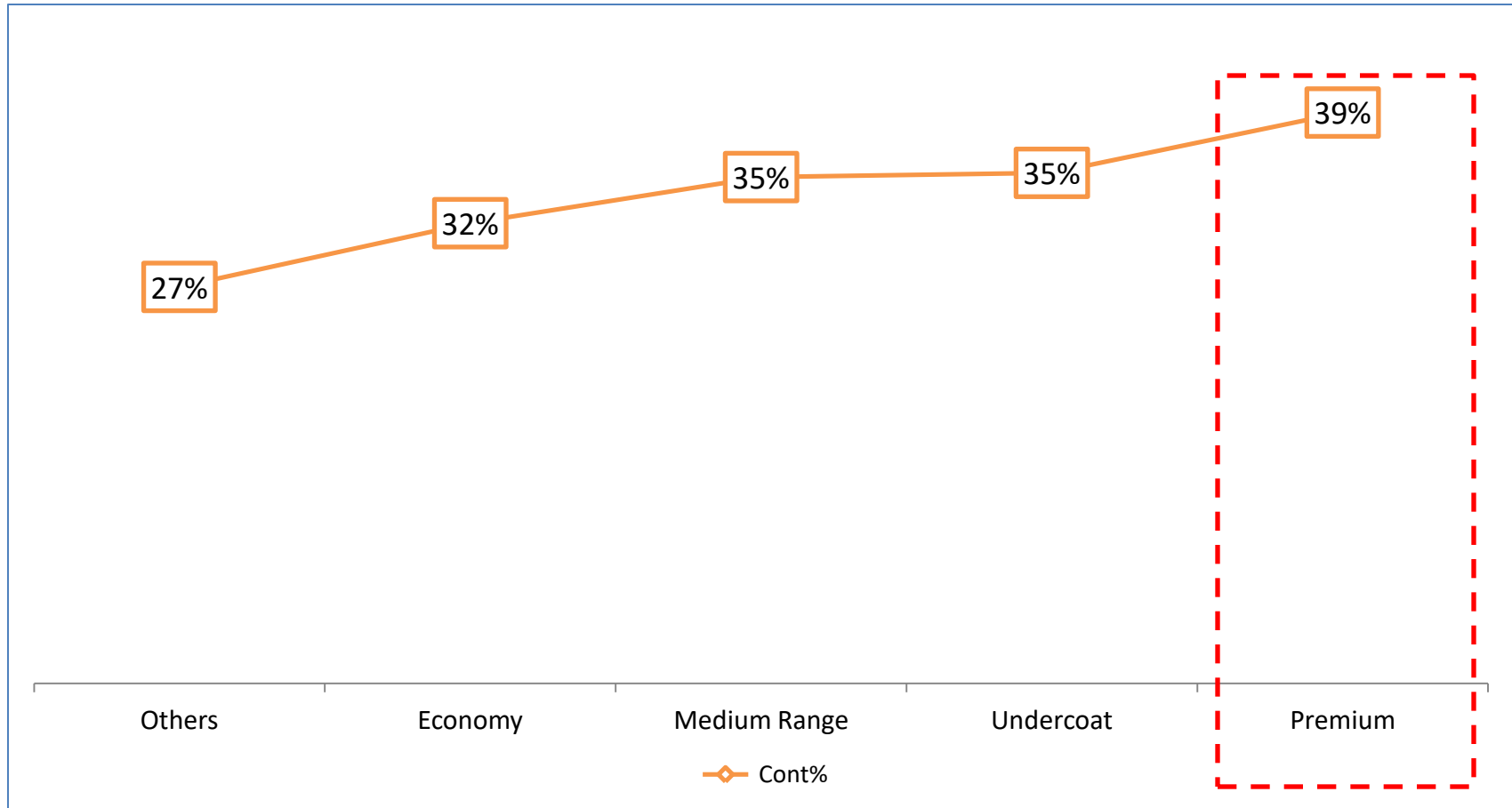
**Nippon Paint**



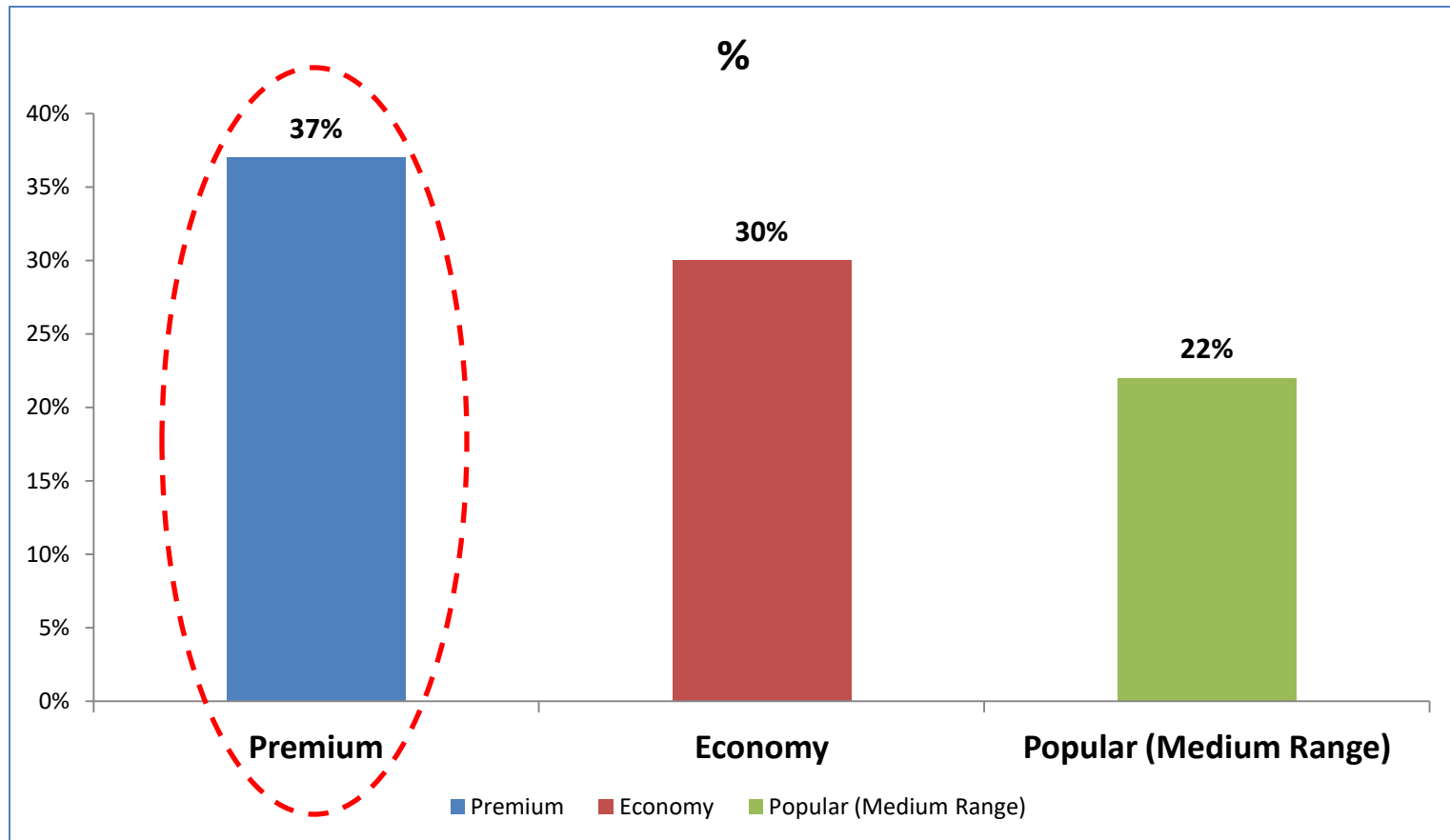
■ Water Based Paints   ■ Solvent Based Paints

More focus in water base products

## Segment Wise – Contribution Margin



## Segment Wise Mix – Nippon Products



# Manufacturing Tools – Lean For Growth

**TQM**

- Total Quality Management  
*(do it right the first time)*

**SMP**

- Strong Manufacturing Program  
(delivery consistent quality products)

**PERT**

- Productivity and Efficiency  
Reporting Tool  
(productivity and efficiency data tools)

# Cost Management Tools

## i)Raw Material Bulletin:-

Subcode	RM Code	Description	RM Type	Quantity	New Price	% Chg	Prev1 Price	Prev1 PO	Prev2 Price	Prev2 PO
NPT(IU)	RSBAXXX XXXXX	BUTYL ACETATE / N-BUTYL ACETATE	Solvent	6,480 KG (KG)	THB 35.500	29.1	27.500 (KG)	29 Nov 16	27.500 (KG)	1 Nov 16

## ii)Monomer Trend & Emulsion price movement:-

	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16		% vs Dec'15
MMA													
BA													
STYRENE													
Exchange rate													

## iii)Balanced Scorecard:-

Balance Score card - YTD Oct'16

Zone: North 1

Key Deliverables	UOM	Month: Oct'16					YTD: Oct'16				
		Budget	Actual	Ach%	LY	Growth	Budget	Actual	Ach%	LY	Growth
Sales Value	in Mill. INR	77.3	72.0	93%	61.5	17%	474.2	447.0	94%	350.5	28%

## iv)Depot Health Card:-

Depot	Nett Sales (INRm)	RMCC (%)	Other VC (%)	Con Margin (%)	Ad (%)	S P (%)	S & M Exp (%)	G & A Exp (%)	Dep (%)	PBD (%)	Prov Stock (%)	TOH (%)	PBT (%)	NCE (%)
Chennai	170.46	51.62%	11.55%	36.83%	6.00%	11.98%	11.48%	3.77%	0.89%	-0.04%	0.16%	34.24%	2.63%	8.63%

