



CII TCM Maturity Model In BEL Experience

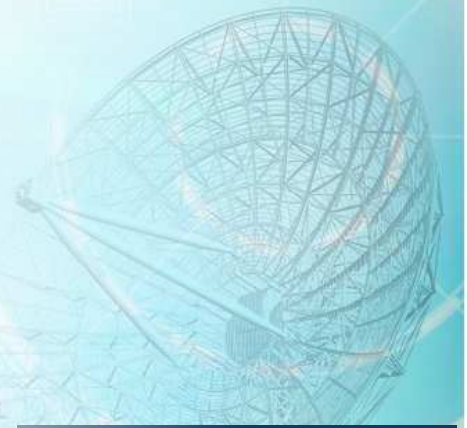


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Company Overview

BEL Overview



Navratna PSU

- Established in 1954 under Ministry of Defence
- R&D / Technology driven Company operating in competitive Defence Electronics area
- 74th among top 100 Companies Worldwide in Defence Revenue (Defence News, USA)

Manufacturing Plants

9 Factories

- | | |
|-----------------|---------------|
| • Bangalore | • Panchkula |
| • Ghaziabad | • Kotdwara |
| • Pune | • Hyderabad |
| • Machilipatnam | • Navi Mumbai |
| • Chennai | |

Subsidiary & JVs

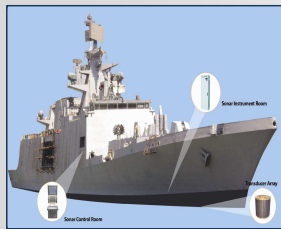
- BEL Optronics Devices Ltd – Night Vision Image Intensifier tubes
- GE BE Pvt Ltd – Medical Electronics Parts, X-Ray Tubes
- BEL Thales Systems Ltd – Civil ATM and select Defence Radars

Human Resources

9848 Employees

4605 Engineers (50% in R&D)

Business Segments



1. Radar & Weapon systems

2. Communication

3. Electronic Warfare

4. Network Centric Systems

5. Anti submarine Warfare

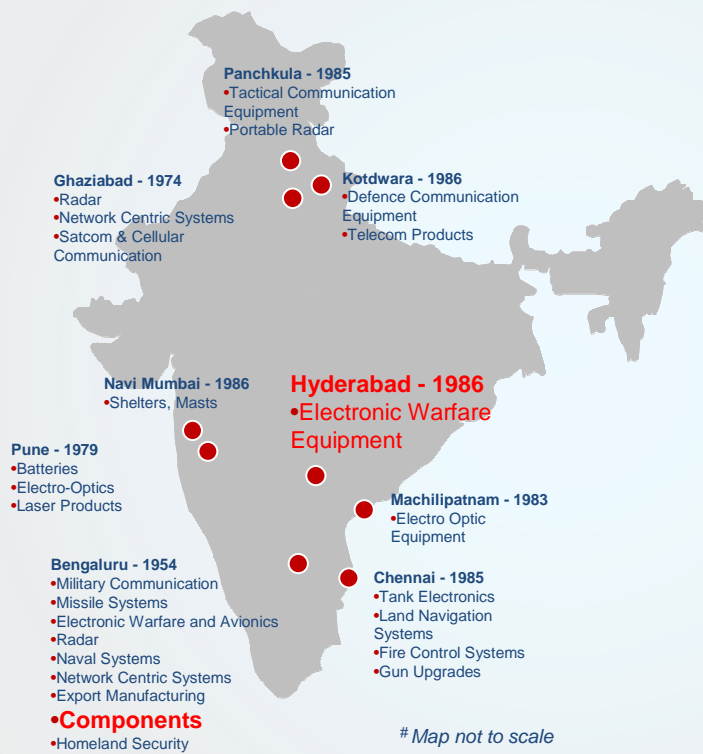
6. Electro-Optics

7. Tank Electronics

8. Civilian Products

Multi product, Multi technology company – Diverse product range

Robust manufacturing capability



Regional offices

- New Delhi
- Mumbai
- Kolkata
- Visakhapatnam

Marketing offices

- Bengaluru
- New Delhi

Overseas offices

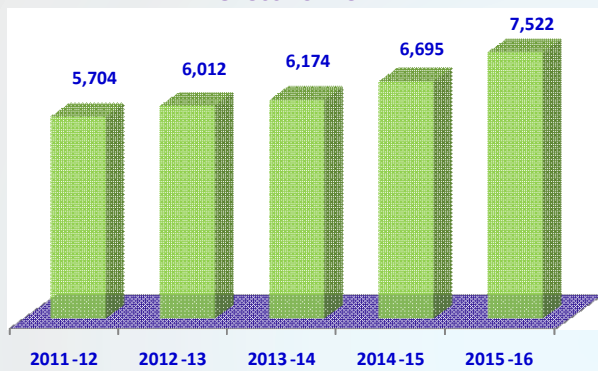
- New York
- Singapore

Key Subsidiaries & JVs

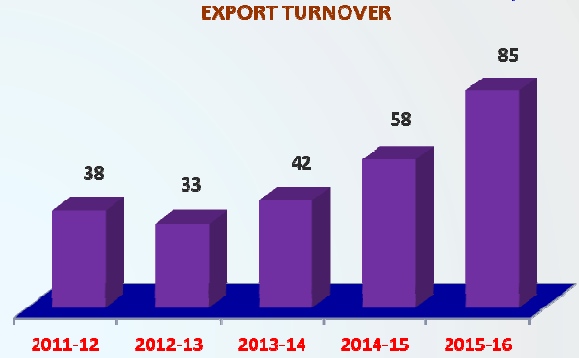
- BEL Optronics Devices Ltd
 - Manufactures Night vision image intensifier tubes
- GE – BE Pvt. Ltd
 - Manufactures CT Max and state of the art X-ray tubes, High Voltage Tanks and Detectors
- BEL-THALES Systems Limited
 - Design, development & supply of civilian and select Defence Radars for Indian and global markets

Robust Manufacturing capabilities with 9 manufacturing bases spread across India

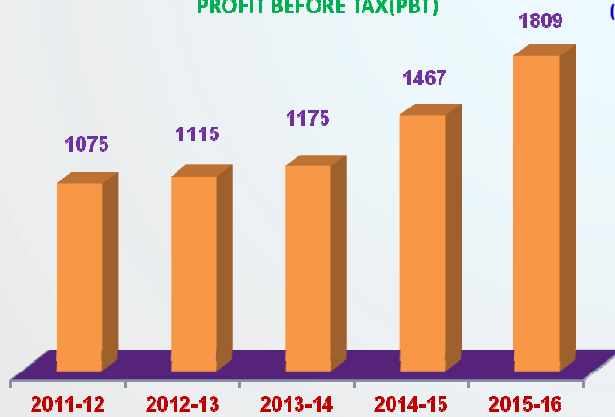
GROSS TURNOVER (in Crores)



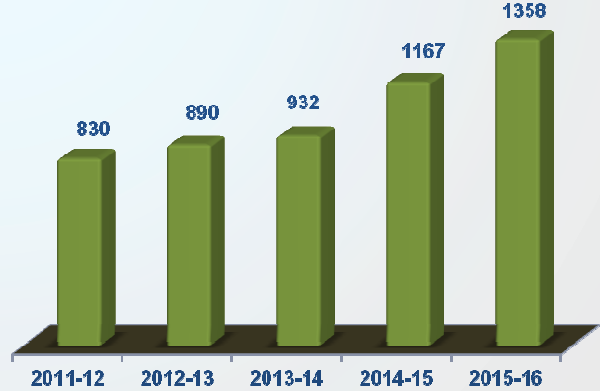
EXPORT TURNOVER (US\$ Millions)



PROFIT BEFORE TAX(PBT) (in Crores)



PROFIT AFTER TAX (in Crores)



Changing Business Scenario

Changing Business Scenario



- The Indian defence market place is undergoing a paradigm shift.
- Opening of defence market to private sector and FDI (upto 49% through automatic route , beyond 49% on case to case basis)
- New alliances and JVs by Indian private companies with foreign OEMs leading to availability of better technology
- Thrust on Make in India , to increase indigenous manufacture of defence equipments (presently around 60% imported)
- Encouraging defence exports to friendly countries
- Offset business opportunities
- Changing Customer preferences –Thinking beyond the Defence Public Sector Units / OFBs

TCM –Maturity Model Need

TCM –Maturity Model Need

- Increased competition necessitating more focus on cost management and cost reduction related issues
- Structured study of Company's existing Cost management System and its grading by a competent third Party
- Drawing a roadmap for improving the Cost management culture and to create cost awareness across value chain
- Need to strength the link between existing Cost management system and Business Model for enabling increased use of costing data for strategic decision making

Experience

Experience

❑ Choosing of Unit

- Limitation in sharing information as a Defence company
- Multiple products (around 350) ranging from small components to large systems
- Many product unique in terms of technical specification etc
- Choosing a representative unit for trial study so that it can benefit the company as a whole
- Chosen two units on following basis
 - ❖ Components - since more exposed to civilian sector
 - ❖ Hyderabad Unit-representative of major defence business which is exposed to private competition
 - ❖ Each of the above units have a turnover of above `500 Cr.

❑ Conducting of Study

- Top Management taken into confidence for conducting of trial study
- Company has a well defined costing system supported by IT infrastructure (SAP). Providing basic data was not an issue
- Motivating and sensitising Cross functional team to take part in discussions and answer questionnaires was done.
- Study conducted smoothly and on time
- Feedback from CII team encouraging

Experience

□ Major Learning

- Requirement to create cost culture and cost consciousness across value chain
- Increase the use of cost information for strategic decision making and risk management
- Take into consideration cost related issues at design and development stage
- It helped to understand the best practices & Structures followed by other Companies
- Action plan to move to higher level of the Maturity Model.

Thank You