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# SPECIAL ISSUE ON SME











A Newsletter of International Certification Services



TRENDS OF SMALL AND MEDIUM ENTERPRISES IN INDIA

In India Small and Medium Enterprise (SME) is a generic term used to describe Small Scale Industrial (SSI) units and Medium Scale Industrial (MSI) units.

Any Industrial unit with a total investment in its fixed assets or leased assets or hire-purchase assets up to Rs 10 Million is considered as a SSI unit and similar investment up to Rs 100 Million is considered as a Medium unit. In addition, a SSI unit should neither be a subsidiary of any other industrial unit nor can be owned or controlled by any other industrial unit. SSI's are only 7% of GDP while SME's are nearly 90% of GDP of India. 99.7 of all enterprises in the world are SME's and balance 0.30% are large.

N. K. Maitra RM (West-II) ICS PUNE

In the 1990's two main subjects on Quality, capture the attention of most businesses in the world namely the ISO 9000 Quality Management Standard and the TQM- Total Quality Management which have helped in establishing the Quality improvement of products in many SMEs. The total activities was followed by Customer Focus and Satisfaction, Human Resources and Management, Statistical Process Control, Supplier Management, Designing for Quality, Quality management–ISO-9000 and Taguchi's Quality Engineering.

Quality is a World wide issue that requires 'Quality' to have the highest priority to achieve company survival. Its importance is increasing continually in today's highly competitive market in which customers are demanding higher Quality Products at Competitive Prices. ISO-9001:2008 Quality management System certification really helps these SMEs in redr to maintain consistent quality of end products as well as other services like Delivery Performance and Continual Improvement in their organizations.

### <u>SOME RULES FOR SMOOTH LIFE</u>

Life is complex phenomenon. We never know what will happen to us in next moment. Suddenly something entirely unexpected or unknown confronts us. We do not know what to do. Often we find ourselves in difficult situations. We have no experience to react in a particular, correct way. Here are some rules that may see us through situations:

- Don't let someone become priority in your life, when you are just an option in their life. Relationship works best when they are balanced.
- Never explain yourself to anyone. Because the person who likes you doesn't need it, and the person who doesn't like you won't believe it.
- When you keep saying you are busy, then you are never free. When you keep saying you have no time, then you will never have time. When you keep saying that you will do it tomorrow, then your tomorrow will never come.
- When we wake up in the morning, we have two simple choices. Go back to sleep and dream, or wake up and chase those dreams. The choice is yours.
- We make them cry who cares for us. We cry for those who never care for us. And we care for those who never cry for us. This is the truth of life, it's strange but true. Once you realize this, it's never too late to change.
- Don't make promise when you are in joy. Don't reply when you are sad. Don't take decision when you are angry. Think twice act twice.
- Time is like river . You can't touch the same water twice, because the flow that had passed will never pass again.



POSTER COMPETITION ON 8 QUALITY MANAGEMENT PRINCIPLES WAS BEING HELD AMONG GROUPS AT ONE OF THE **BPO** IN SRILANKA WHICH DEMONSTRATES THE INVOLVEMENT AND AWARENESS OF QMS



N. K. MAITRA (RM WEST-II) ISSUE THE ISO CERTIFICATE TO CLIENT.



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# MICRO, SMALL & MEDIUM INDUSTRIES

- We all know that
   Micro, Small & Medium Industries of India are the future hope of our country's development & recognition in the whole Globe.
  - development & recognition in the whole Globe.
     Personnel, Product, Performance & Progress is developed through our SME's and they merit Respect, Recognition & Reward.
  - Quality consciousness, Inculcated through tonned up system, have accelerated their development & there is no looking back.
  - Love & Respect for system, greatly help in our continual improvement in desired fields.

We all must try to reach each & every SME's for harvesting good result for all beneficiaries, obviously our nation included.

In association with SME of India Mumbai, ICS have successfully participated in such awareness programs in past & efforts are on to meet the noble objective. We also know that System is the sum total of behavior and the values of individuals (Top to Bottom) in an Organisation. SME have realized now & gearing up. We need to help them accelatate by Certification & other Services.

RAMAKANT PRASAD (VICE PRESIDENT) OF ICS GIVING PRESENTATION TO SME ON HOW ISO IMPLEMENTATION HELPS, TO SME OF INDIA, MUMBAI CHAPTER.





EDITORIAL MESSAGE FROM STATION MANAGER-ICS PUNE

Manish Puranik - B.E. (Mech.), Lead Auditor for QMS, EMS. Approved Trainer for IRCA Lead Auditor Training Course - QMS

Dear Friends,

Manish Puranik Station Manager ICS Pune International Certification Services have been trying it's best since last one decade to serve Industry and Community at all levels. While going through this journey we had always tried to add value to Customer's existing system by our relevant knowledge and experience. Throughout the last decade we have certified organization from very small set up to a very large set up with support of all people like you.

As this issue specifically focusses on SME I would like to share few thoughts.

The business of small scale enterprises to a greater extent depends on the customer to whom they serve and has become very competitive. The customer every time asks for price reduction irrespective of rise in overheads including raw material. For a new company who wants business enters into the competition with lower rate which becomes difficult for existing supplier to supply which may end up in discontinuation of a customer. If the SME is dependent on one customer then it's a big threat and hence we always recommend all our valuable clients not to depend on one customer and one sector

In such situations, QMS teaches all of us how to make our organization more self sufficient for sustaining the threats of business. It is very important for an Entrepreneur to think of reduction in overheads and make his organization cost effective. One can achieve all this by using various techniques given in QMS ISO 9001 : 2008 like continual improvements, target based objectives for each process, training and multi-skilling of employees, customer focussed system, reduction in rejections etc. But to gain these benefits there has to be management will i.e. the one who wants to implement QMS should earn the certificate by involving and improving awareness of people at all levels.

In the end I will only say that to make your organization system dependent rather than person dependent by empowering people with responsibilities and authorities and making them more accountable.

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Ramakant Prasad Vice President ICS Pvt. Ltd. 1 Newsletter of International Certification Services

Quality Mantra

### ISO AT SMALL AND MEDIUM ORGANIZATIONS:



Long back when people were not knowing taste of tea, people took pains to exhibit taste of tea. Afterwards, people got taste and then they use to drink it. So happened for computers that computer was like Mercedes car so only couple of people were having it, but now it is sold like hot cakes.

February 2011

Quality management system is now a days known to every one, but we started our consultancy, more than a decade back, it was a nightmare. Instead of doing consultancy, we were doing concept selling. It was our job to prove that this will help you and your organization. Now we can rarely find an organization who is ignorant about ISO 9001.

Surendra Patwardhan Nowadays ISO 9001 is becoming popular. Up to 1994 version it was popular in manufacturing industries, but now 2000 and 2008 versions, it is even more popular in service industries.

<u>As per Mr. Rochefoucauld</u>—it is not enough to have qualities, we must also have management of them. And it is true that we need to have systems in place which will support to quality of your product or service.

Initially ISO 9001 was cup of tea for only big industries, not it has been with small and medium industries also. Due to competition market trend demand from large industries and many more, ISO 9001 is also popular in small and medium industries.

As a consultant, I have been associated with many small and medium industries. I have closely observed both sides of he coin.

### I would like to narrate the same and share with you. There have been positive points as follows -

- 1) Quality concept of quality has been known to everyone like –jack and Jill rhymes. This is the biggest benefit that people are now talking the language of quality. you will find even a small organization is aware of all quality concepts.
- 2) Business growth-due to adoption of various techniques, entrepreneur got good business sense. He can plan his job, can finalise policy and objectives and could direct his people to march towards it. In turn, business growth was achieved.
- 3) Customer confidence- first principle of 8, is customer focus, which eventually help in focusing stated and implied needs, this helped confidence of customer to grow.
- 4) P-D-C-A- MANTRA- Schewheart was the inventor of this concept, and was packed successfully by Edward Deming. this concept has worked like miracle and helped organization to be more organized. There are many other benefits like good production practice, low rejections, trained people, well maintained equipments, laid down procedures, less dependency on employees die to standardization etc.

But there is definitely other side of the coin. There are some notable problems small and medium scale companies are facing.

While closely working with companies we came across those problems and as a consultants we need to have panacea for all diseases industries have.

Let me share those hurdles which commonly any small or medium scale organization have and also try to see how we can overcome those -

1) Skilled Manpower- organization is always having lack of skilled manpower. We have done some companies having manpower from 2 to 10. for those companies – one man army concept – is very popular. He can not hire good people due to financial constraints. This is accepted. But we can train people for their own job. Standard does not ask for highly qualified people, so you can make them aware of their own work and get work done by them. Alternatively, you may appoint a person having adequate skills and shall also be used for other functions like inspection etc.

2) MONEY MATTERS- sabse bad rupaiya- it is true that money is needed, but luckily ISO 9001 does not call for additional funds. calibration or maintenance is not to be done for ISO but to ensure correctness and performance. We can see the benefits of ISO like reduced rejections, reduced customer complaints are going to give you good business for which you need to invest.

3) Additional Equipments- this is a myth. There are no additional requirements of equipments as such. What you shall do is, pl. do the maintenance properly which in turn gives un interrupted supply.

4) Too Many paper work - this is the biggest myth. If you go through 4.2.1 of ISO 9001-2008, you will find that there are no huge requirements. In fact you may maintain soft copies also, with due cautions. Also ISO does not expect any thing out of your scope of work. One may prepare documents to suit his way of work. You may combine formats and procedures to make it user friendly.

5) Difficult language of the standard- it is not expected to know standard by contents, but you should know by intents. Although M.R. should know it, it is not that difficult. Again it is an open book exam, You can copy officially.

There are many more to share, but for today these- das are bus- are sufficient. We may discuss it further whenever we meet. But you will agree that intension of ISO 9001 is to provide techniques for sustainable growth of an organization, and we can do it at right time, right place and with right spirit, we will achieve it.







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Quality Māntrā



Vinay Anturkar

### SME ENTREPRENEURS AND QUALITY

SMEs form the backbone of the Indian manufacturing sector and have become engine of economic growth in India. If one looks at the shear statistics, Small and Medium Enterprises (SMEs) play a vital role for the growth of Indian economy by contributing 45% of industrial output, 40% of exports, employing 60 million people, create 1.3 million jobs every year and produce more than 8000 guality products for the Indian and international markets. SME's Contribution towards GDP in 2009 was 17% which is expected to increase to 22% by 2012. In fact, SMEs are the major link in the supply chain to corporate and the PSUs.

M. Tech. (Prod. Engg.), However, as the title suggests, there are some issues when these two terms/ entities i.e. Chartered Engineer, "However, as the title suggests, the Lead Auditor (ISO 9000), SME and Quality, come together.

FIPE, FIE

Most of the SME entrepreneurs are first or second generation entrepreneurs having learned the skill to manage the enterprise in their own way. Most of them have hardly undergone any formal training on how to manage quality.

Also, until very recently, the SME entrepreneurs had no or little focus on quality- the real product or customer requirements. Having said so, the area of major attention- and rightly so- for any SME entrepreneur has been financial issues like fund flow, follow up with government agencies, marketing, labour related issues (Labour problems, Absenteeism, Attrition and limited availability of skilled manpower). This is obvious because these are core issues to stay in and run a business.

If you look at the above areas of concerns for any SME entrepreneur, you will find that all of them are directly or indirectly linked to quality. Despite this, the "Quality" takes front stage only-and that too for short time onlywhen some serious customer issue is cropped up like heavy rejection/rework or serious customer complaint etc.

With the advent of globalization, the situation is fast changing. Competition is becoming stiffer and stiffer. "Quality" ALSO has become an area of prime importance for any SME entrepreneur as a BASIC requirement to STAY in business.

Thanks to the rise in the level of general awareness about quality due to introduction of various Quality Management Systems. All these (Through the well known "Eight Quality Principles") clearly tell the management (read- SME entrepreneur) that LEADERSHIP is a must for implementing an effective Quality Management System. One has to demonstrate through his/her own actions/intentions that he/she really cares for

**QUALITY.** The Principle of Leadership expects the management (entrepreneur) to create and maintain the internal environment (conducive to quality) by providing people with the required resources, training and freedom to act with responsibility and accountability and an atmosphere which will be inspiring, encouraging and recognizing people's contributions.

The SME entrepreneur should give thought to the following strategy to inculcate/ implement and maintain a strong sense of quality within his/ her enterprise. The enterprise then will definitely be recognised as a "Quality Enterprise"

- **1.** As a first and foremost step- Develop in himself/herself, a STRONG belief in "Quality" as the requirement and "Systems Approach" as the means
- 2. Undergo to the extent possible some formal training programmes on the tools and techniques for Total Quality Managements like 5 S, Kaizen, SMED, SPC etc. and try to physically see/ visit organizations/ enterprises having benefited through such activities and QMS
- 3. Ensure proper documentation and record/ data generation system. Enforce actions through proper Data Analysis only.
- 4. Provide- at a minimum- on job training to employees.
- 5. Develop a simple and effective MIS (Management Information System) suitable for the size and nature of his/her enterprise. This will help him/her delegate many activities to the available resources with limited skills/competence.
- 6. Keep eyes open for new technologies.



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### 7. Understand and insist at all levels "Process Approach"

Quality Mantra

8. Promote improvements. Encourage employee participation through kaizens/ Suggestion schemes and with proper recognition system

The SME Entrepreneur can then graduate from being a "Fire Fighter" (of maintaining Quality) to a Champion of "Improvements" with ampletime available for improvements





Raju Thuse

### Few Words on Quality Thuse electronics

Quality word can be looked as Quali = Qualification ty = eeeee (smile of comfort zone). Quality is a parameter of goods or services that necessarily qualifies the vendor to receive a smile of customer's comfort zone. This is a generic description of quality. But to be precise, it is a meeting point on a graph where specifications of goods or services meets with the actual finding by the recipient/ customer.

To achieve this, one has to live quality at every point of one's life, starting from getting up in the morning from bed till you go to bed at night. Quality is NOT restricted to only work or profession. It has to be practiced in respect of one's health. This includes practicing good health by doing exercise, eating and drinking hygienic stuff. If you live quality, it MUST automatically reflect in your output at work.

### QUALITY THOUGHT

- C ustomer Satisfaction is our motivation force. JL
- U nderstanding their needs & Value addition therein is our business
- **S** peedy Solutions compatible with Global Standards is our Aim.
- T echnological expertise & Multi Skill keep us ahead of competition
- penness to learn from each other, makes us a perfect Team.
- **M** aking things Right the First Time, Every time is our Endeavour.
- E ffectiveness is attained through Continual Improvement.
- **R** espect comes from High Performance at all Levels and at all times.



Power of ISO 9001:2008

Yeshwant M.Gokhale

## Q.M.S.STD.

This has almost become part and parcel of our Life. Was given charge of implementing this System way back in 1989 when it was just 1987 Std. prevailing. That was just a trial run for everybody. One thing got emerged as there was traditional audit culture existing in Accounts i.e. related to Finance System not in any other departments. When the internal audit started that itself created very interesting situations. And the Third party certification audits have created a total different atmosphere. Traditionally Q.C. Dept was only accountable for Quality, other Depts. had lot of important work to do that type of feeling was accepted throughout Industries. The first breakthrough was achieved by ISO is Quality is everybody's responsibility.

Now after 23 yrs the System has matured so much as not only in Manufacturing but in Service Sectors also very important one as Hospitals, Institutions, Construction and Software related Companies. All employees seem to like this unified approach towards Quality. The present Standard has brought about very wider concept of Quality that it should fulfill all requirements not only as desired by Customer but applicable regulatory and statutory requirements pertaining to Product or Service including in-house and out source processes which were undertaken in building Quality. Lot of exploration is required in understanding this Powerful System so that Effective Implementation will give the desired Results.

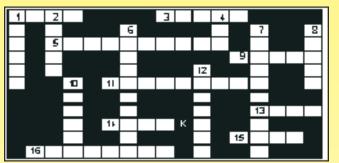
The impact of this will not be felt in the Organizations where two parallel Systems are run one for ISO and the other the regular one. Even then I assure you that the power of this System is so strong that it percolates slowly where the implementation is weak just for Certification. The places where more importance is given for adopting this, as way of life the Companies and the staff have been greatly rewarded in consistence growth and improvements also have been able to deal with Market Fluctuations may be due to Recession or Slack.

It is accepted fact that discipline is exercise of Mind to that respect This System has really changed the Mind Set of People who practice it. This certainly builds Character. So enjoy the Power of ISO 9001 and be Number One.



# Quality Mantra

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### CORPORATE JOKES

### 1. I'M THE BOSS.

The boss was complaining in one staff meeting the other day that he was not getting he respect from his staff.

Later that morning he went to a local sign shop and bought a small sign that read "I am the Boss"

He then taped the sign to his office door.

Later that day when he returned from Lunch, he found that someone had taped a note besides the sign that said" Your wife called, and she wants her sign back"

### 1.BOSS Vs WORKERS

- When I take long time, I am slow, When my Boss takes long time he is thorough.
- When I don't do it, I am lazy, When my Boss doesn't do it, he is too busy.
- When I do it without being told, I'm trying to be smart,
- When my Boss does the same it is initiative.
- When I please my Boss, that's brown nosing, When my Boss pleases his boss, that's, co-operating.
- When I do good job, my Boss never remembers, When I do wrong thing he never forgets.

### MONTHLY HOROSCOPE FORECAST IS BASED ON YOUR VEDIC SIGN. ARIES

February 2011 would be an excellent month as you will be high on sense of purpose, luck and confidence. This month will see you complete most of your projects and successfully too. You will remain in control throughout. You need to be careful about over exerting your authority, which could rub up people the wrong way. This month would see you more as a doer than a thinker.

### TAURUS

A positive month where you will go from strength to strength as the month progresses. You will be very busy and active throughout, although you will feel low on confidence & self esteem at times. This could hinder your ability to drive home the advantage. Psychological progress and advantage would come up after the  $25^{\text{th}}$ February 2011, when you will feel at the top of the world.

### GEMINI

This month could see struggles and some amount of uncertainty. You will find yourself low on confide oce and self esteem till the 17<sup>th</sup> February 2011. Your intuitive powers will be high however. Some ideas that come out of the blue could be very apt and bring in gains in the long term. Beyond the  $18^{\text{th}}$  February 2011, fear could build up overall due to uncertainty. You should keep your chin up and wait for next month. Life & things in general will pick up tremendously for you.

### CANCER

Positive trends would prevail this month, although you will find the level of opposition to your ideas. would rise now. This month will see you more aggressive than usual. Latent anger could rise after the 16<sup>th</sup> February 2011 and so you should keep your temper in check. You will find gains and growth due to sudden intuitive ideas after the  $18^{
m th}$ February 2011.

### ACROSS

- 1 Measure of Distance travelled 3
- Something around 100
- 5 Used for stirring tea 9 Quarter of a gallon.
- 11 Longer distance in CGS
- 13 Size of a scale
- 14 Smallest Particle of matter
- 15 24th part of a day
- 16 To denote weight of any substance

### **LEO**

An average month for you. You will be very energetic and dynamic in all you do. However diffusion of your attention and opposition to ideas could be high, which could keep you away from your goals.Mind would remain disturbed and negative at times. Any major decisions pending at your end should be kept on hold till May 2011 at least. Major investments and family related decisions should be on hold too.

### VIRGO

You will have an eventful and interesting month. You will be immensely creative in the first half of the month, while the second half would see you give action and shape to your creative thoughts. Your ability to make things happen and creative a dynamic environment would be high after the 15<sup>th</sup> February 2011. Rise in hurdles possible due to family & health issues. Keep pressures on yourself to a minimum.

### LIBRA

This will be average in terms of results and progress, although you will be happy and undergo some exciting times now. This month will see you travel, socialize and work in increasing your stature and position. Expenses and financial pressures would be high during this month. Domestic matter will remain under stress till the 14<sup>th</sup> February 2011.

### **SCORPIO**

A very positive month for you, with gains and happiness from various sources now. The high point of the month would be your ability to network well and communicate well. This will be the driver of your growth in the next months to come. Creative work and new ideas would be rewarded well too. will remain in a vibrant phase. You will be able to expand your position well and open up new channels of growth now.

### SAGITTARIUS

An average month for you, as you will be active and progress oriented but could remain fixated and inflexible at times, which could be a reason for missed opportunities. You will remain stable and home oriented now. Popularity will rise as you will interact with a large number of people. Your personality will be magnetic this month. Socially a successful month. will be in a positive and gainful phase.

### CAPRICORN

This month will see your temperament fluctuating as your thoughts would be unstable. It is a period of high activity as many events will happen concurrently around you, due to which you could be unsettled. Thoughts and actions would be at a low mostly. You should wait till the 25th February 2011 for better results and all round growth.

### **AQUARIUS**

A positive month awaits you. You will be very active but unfocussed at times. A natural tendency to be low on confidence will prevail. You should avoid major decisions this month and work in focused and dedicated manner. Good amount of success will come due to your hard work & wisdom.

PISCES This month will see distractions & challenges, although you will have the good sense & counsel to handle all these situations. Opposition to your ideas will remain throughout. Joint areas of life such as marriage, relationships, partnerships & associations would some under pressure too, due to unreasonable attitude of your partner. You need to be mature & patient to handle such matters.

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### DOWN

February 2011

- 60th Part of hour. 1
- 2 Volume of liquid
- 6 Smaller Lengh in CGS
- 7 To denote area
- 8 To denote distance or height in CGS 10 Measurement of eight gallons.

12 Measurement of temperature



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ICS NASHIK & ICS TECHNOLOGIES CELEBRATE THE REPUBLIC DAY ON 26 JANUARY, 2011 AT NASHIK



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Please send us your valuable comments & suggestions on "suggestions@icsasian.com". To subscrite for a free subrcuption send us a mail with subject "subscribe for "QUALITY MANTRA"" at suggestions@icsasian.com

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