

Combating Pandemic with Appropriate Solutions



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Change in product mix, changes in customers & end-use industry

The impact of the countrywide lockdown in the early months of the covid era has preliminarily created a high demand for packaged goods over the previous year

This resulted in increased production and sales volume of flexible packaging film, which was followed by heavy expansion by existing players adding new production capacities.

This was preliminarily driven by a strong demand for packaged foods over the past year, which offset the impact of nationwide lockdown during the initial months of the period. The paradigm shift in consumption trend can be attributed to the pandemic. Demand drastically changed in the food business as the pandemic shut down all the restaurants and food services. Consumers moved to heavy grocery purchase due to which packaging demand increased, demand rose sharply for not only packaging of groceries but also for the healthcare products, e-commerce transportation. This resulted into higher production and sales volume of flexible packaging film followed by heavy expansion by existing players adding new production capacities

Furthermore, we are always striving to innovate and develop appropriate technology that lowers the impact on our business. We developed new machines to manufacture PP melt blown non-woven fabric, N95 & 3 ply mask manufacturing lines, extrusion coating and laminating lines for packaging and raffia and tarpaulin manufacturing lines

Has your company innovated to bring Covid—19 special products to the market?

Yes, we were able to contribute in our own way with engineering solutions to meet immediate requirements in the fight against COVID-19 by launching India's first integrated, yet modular, non-woven fabric (Fabrex) and automatic n95 mask (respirators) making lines (Mascon) with regulatory compliance using an efficient and hygienic manufacturing process.

We extended our 'excellence in extrusion' to design and build the melt-blown fabric making extrusion machine, to

complete its 'fabric side of the solution'...the first company in India to do so...with machines to create a composite non-woven fabric solution! The challenges faced by the engineering team were only compounded by the global lockdown. Taking this challenge as an opportunity, we also developed a path-breaking fully automatic N95 mask making machine capable of producing 1 mask every 2 seconds (i.e. 1,800 masks per hour). The automation ensured that these masks are hygienic and produced with minimum wastage as well as minimal human intervention.

The industry has a choice, they could either procure the entire fabric-to-mask solution from Rajoo or just the mask making machine, depending on their needs. The solutions offered are universal! Also, available are machines for the 3-ply masks. The machines are being made available as Rajoo readies itself to execute supplies for a spike of demand.

Has there been a change in your go-to-market strategy for this period?

Yes, indeed. For us at Rajoo, gone is the era to build specifications for competitive advantages, it's now time to identify just the "appropriate technologies" and its mix, to add value to the client business. Over specifications only add on to customer costs and not his business

The agenda of 'excellence in extrusion' globally stems from our unique philosophy of providing 'Appropriate Technology' for business. Further, we extended our market reach by penetrating overseas market intensively.

What will be realistic measures for MSME to improve cash flow?

A strong cash flow is the consequence of activities that function smoothly and efficiently. Any company's financial flow is its lifeblood, and if it stops moving, it enters severe mortis. As a result, it is critical to get control of your cash flow, Hence it is crucial to take control of your cash flow by analyzing the following criteria;

- ♦ **Improved Inventory**, ensure an inventory check on non-moving material, as such material can tie up a lot of cash and could affect your cash flow.

- ◆ **Maintain clear & regular communication with suppliers**, which gives a better chance of landing better terms with them.
- ◆ **Improved invoicing procedures**, increased pricing can help to increase your cash flow
- ◆ **Delaying the non-essential and non-priority projects** to some future date is also a way in which the crisis could be mitigated.
- ◆ It is likely that some of the funding sources may be temporarily unavailable for the projects which are not relevant to this end. Thus, the MSMEs can delay or postpone such projects which do not put into jeopardy their immediate existence.
- ◆ The finance currently available in MSMEs may only be utilised to create and implement projects that have a direct and immediate impact on the company's survival.
- ◆ In the middle of the pandemic, several MSMEs have rebranded their products and marketed themselves as a health care start-up. This is another way for businesses to obtain funds for their operations or Instead of completely revamping, companies can also release pandemic-fighting goods alongside their usual offerings.

While following any or all of the aforementioned measures should assist you in increasing your company's cash flow, you'll also want to ensure that you're making the correct judgments in terms of marketing, customer service, product or service development, and new customer acquisition. That is why it is essential to evaluate and update your business strategy on a frequent basis to ensure that you anticipate trends and difficulties before they have an influence on your profitability.

Did social distancing norms impact plant operations?

Yes, it did in the first couple of months. It is imperative to follow the social distancing norms while working. Work from home is an option for white color staff.

The pandemic has changed the work culture and has compelled us to work remotely and embrace digital ways to improve business operations and employee performance. Work from home has been a novel experience for everyone as it has altered the working processes right from a meeting to a live demonstration of machine. All of this has now been shifted to virtual platforms.

Although the pandemic has shifted the perceptions of remote working however, it cannot be the long-term solution for all. There were massive losses in working hours however urgent action was taken to avert job losses.

With the government announcing relaxations to the nationwide lockdown, we started heading to work places to ensure that manufacturing process does not stop during uncertain times.

In the current

situation, we have taken several preventive measures to ensure social distancing and good hygiene at the workplace for our employees eliminating all possibilities for the spread of COVID-19 following the state protocols.

Frontline manufacturing staff can't take their work to the relative safety of their homes. Plant leaders therefore looked for e ways to operate through the immediate crisis by formalizing and standardizing operating procedures, processes - anticipated potential changes and model the way the plant should react well ahead of the fluctuations to enable rapid, fact-based actions.

All while preparing for a potentially much longer period of heightened uncertainty regarding demand and supply, and a lasting need to maintain enhanced hygiene and physical distancing.

To achieve this, we have also deployed a comprehensive set of policies and guidelines, including enhanced hygiene measures, provision of additional personal protective equipment (PPE) where necessary, physical distancing, and modifications to existing governance and behaviors. Protecting employees' mental health has also emerged as our high priority and also extending support to their near and dear ones.

Has your Planning department decided on changes in production planning?

The transition to the new normal has necessitated a shift in the measurements and objectives we employ to improve production performance. Management systems that are now only concerned with productivity and quality, with a higher emphasis on flexibility.

By adopting a new digital technologies for simulating operations with different staffing levels and production situations helped us in many aspects of operational planning, from evaluating the impact of changes to plant layout to determining the mix of skills that on-site teams will need. We also developed wider employee skill sets in order to minimise dependency on external contractors.

By adopting manufacturing operations that are safer, more productive, and more robust, we have successfully delivered and commissioned machines adhering to safety norms which has helped us to alleviate the repercussions of pandemic



Mascon-Automatic N-95 Face Mask Making Machine

Furthermore, rescheduling non-priority projects to a later date is another method, we have followed to mitigate the crisis.

Will you revise your inventory norms and sourcing policies?

Whether there is a pandemic or not, we use effective inventory management to help control non-moving goods and maintain lean inventory. We have always focused on inventory as a primary function, recognising that inventory has an impact on cash flows, sales, as well as the books of accounts and profitability, and have managed to introduce and improve inventory management

We are also focusing on adopting the Just in Time concept, which requires continual examination, analysis, and decision making to regulate and manage inventory levels.

We have simply addressed a few of the factors that are being followed and will go a long way toward ensuring that the inventory is lean and clean, with a common component being to Review Inventory on a regular basis and update stocking patterns and standards.

Because one size does not fit all, it is critical to incorporate thorough inventory planning. Once you understand the inventory types and the unique features of the materials, along with the lead times necessary to get them, you can categorise the stock into A, B, and C. Then, build the inventory stocking parameters while keeping in mind the specific's unique characteristics and the hit frequency in terms of historical data, which may change for each inventory item.

If standard norms are implemented to all materials, it may result in overstocking of non-moving goods.

It is also important to periodically study the past data and extrapolate the same to identify slow moving and obsolete items. The dead stocks should be flushed out and active catalogue items should be made available.

We have also amended our sourcing policies by identifying additional vendors capable of supplying quality and quantity.

Will you be considering higher automation to reduce dependence on labour?

Yes, indeed. Our objective is to increase productivity by ramping up capacities and adopting newer work practices.

Labour work-force is not reduced but made more productive by using automation in manufacturing methods and also continuous monitoring and control using digitisation tools.

What challenges do you continue to face with regards to migration of labour, monitoring of employees, and COVID-19 protocols?

We did face challenges in the beginning but were able to cope with it by encouraging the migratory labour to continue to work duly supported by us from all aspects.

Will you downsize offices and give more work from home even after the pandemic In extreme condition we did allow employee to work from home.

We have no plans of downsizing our offices since they have always been lean. Our white collar and sales team works on a hybrid model- both present physically and WFH.

