PM`s TROPHY SCHEME: 2014-15

LIST OF ENABLING PARAMETERS FOR INTEGRATED STEEL PLANTS

C.1   LEADERSHIP

C.1.1   How does the top management facilitate the process of development and achievement of vision, mission and values and align with the changing industry and market scenarios?

Note: Elaborate how the leadership communicates and enliven?

C.1.2   How have been the plant level top management initiating, managing and sustaining various kinds of business improvement initiatives? Kindly mention five important initiatives undertaken during the year 2013-14.

Note: May describe Plant-wide improvement initiatives

C.1.3   How does the plant level top management involve themselves in understanding the direct customer/ end user problems, needs and expectations and deal with them at the plant level?

C.1.4 (a)   How does the business ethics issues are addressed by the leadership across the organization?

C.1.4 (b)   How does the plant level top management support and engage in discharging organizational social responsibilities beyond the statutory requirements?

C.2   POLICY & STRATEGY

C2.1   How have you evolved strategic priority of the plant keeping in view overall policy & strategy of the organization, manufacturing strategy, plant & product characteristics and target market?

Note:

- May consider how the plant level top management prioritizes the product mix and the operating market for maximizing the revenue.
- *May also consider how the plant level top management exhibits their global outlook in strategy formulation.*
- *May describe how strategic risk management issues are addressed?*
- *May describe the initiatives planned/executed for long-term competitiveness such as merger, acquisition, forward/backward integration etc.*

C2.2   Describe the methodology of reviewing and updating policy and strategy at the plant level. Also describe how the plant evaluates the effectiveness of deployed policy and strategy at plant level. Give examples from assessment year 2013-14 to substantiate the same.

C2.3   How does the plant translate the policy and strategy into objectives / targets / matrices for department / division / process? How the objectives / targets / matrices are then deployed throughout the plant and monitored on a continual basis?

C.3   RESOURCE & MANAGEMENT

C3.1   Describe the process of identifying and developing / adapting new technologies and equipments for enhancing the plant performance. Please give examples relevant to the assessment year 2013-14.

C3.2   How does the plant capture customer's requirements and translate them into improvement initiatives? Describe the role of R & D in supporting such initiatives. Also describe the initiatives of R&D and the benefits realized during the assessment year 2013-14.

   Note: May also mention roles of other agencies, which act as partners for such R&D efforts

C3.3 (a)   How are IT resources being leveraged for achieving continual improvement in business performance?

C3.3 (b)   How does the plant capture the day-to-day employee experiences and share their knowledge? How have been the shared experiences used in enhancing plant performance?

C3.4   What internal & external communication systems are in place? How do you evaluate the effectiveness of such systems? Give examples from the assessment year 2014-15.

C3.5   Do you have a documented Supply Chain Policy? What are the practices you follow to implement the policy? How do you evaluate & improve upon?

C3.6   Describe the process of identifying and prioritizing cost reduction areas. Also mention the initiatives, which were undertaken during the assessment year in the area of cost reduction. Indicate their impacts in terms of savings expressed as a percentage of cost of production and give trends.

C.4   PEOPLE

C4.1 (a)   How the competency gaps are identified across various levels of the organization and what is the process of bridging it?

C4.1(b)   How the effectiveness of competencies development process is evaluated and improved upon?

C 4.2   How does the plant level top management determine employee morale / motivation, satisfaction and well-being?   Briefly describe methods, frequency and the specific factors used in this determination. Describe nature of the actions taken based on the feedback and corresponding improvement achieved. Give examples from the assessment year 2013-14.

C 4.3 (a) Describe the process of ensuring employee involvement and empowering them for improving their work environment.

C 4.3 (b) How does the plant level management reward and recognize the employees for their effective contribution to the organizational objectives?

C 4.4   What are the different activities undertaken by the plant level top management to take care of the personal, social and cultural requirements of the employees? How are these activities identified and prioritized?

C.5   PROCESS MANAGEMENT

C 5.1   Describe how the implementation of different system level standards such as ISO 9000, ISO 14000, OHSAS 18000 etc. been used in the plant to strengthen the product and service delivery mechanism? Explain with examples from assessment year 2013-14.

C 5.2   How the plant identifies the product and process variability? What are the initiatives undertaken to improve them. Give examples from assessment year 2013-14.

C 5.3(a) Describe the equipment maintenance policy. What are the different maintenance practices being followed in the plant? Give examples.

C 5.3 (b)   Explain how the plant evaluates the effectiveness of maintenance performance? State the parameters used by the plant to evaluate the maintenance performance? Furnish data for the last three years on the parameters separately for each of the department such as Blast furnace, steel melting, hot and cold rolling etc

Note : e.g. Some of the parameters can be related to maintenance cost, equipment availability, MTBF, production rate etc.

C 5.4 (a)   Describe the customer order fulfillment process. How do you evaluate and improve upon the effectiveness of the process? Give examples from the assessment year about the improvement in delivery reliability.

C 5.4 (b)   How have you leveraged the technology to provide real time accurate information to the customer? Also explain the process to ensure that if the customer enquiry is not resolved through the normal process, how is it resolved?

Enclosure – I (a)

RECOMMENDED GUIDELINES FOR ASSESSMENT OF ENABLING PARAMETERS

Criterion 1: Leadership

Definition

How leaders develop and facilitate the achievement of the mission and vision, develop values required for long term success and implement these with appropriate actions and behaviours, and are personally involved in ensuring that the organization's management system is developed and implemented.

Sub-criteria

Leadership covers the following sub- criteria that should be addressed.

1(a) Leaders are personally involved in ensuring the organization's management system is developed, implemented and continuously improved.

This may include:

- Aligning the organization's structure to support delivery of its policy and strategy;
- Ensuring a system for management processes is developed and implemented;
- Ensuring a process for the development, deployment and updating of policy and strategy is developed and implemented;
- Ensuring a process for the measurement, review and improvement of key results is developed and implemented;
- Ensuring a process, or processes, for stimulating, identifying planning and implementing improvements to enabling approaches, e.g. through creativity innovation and learning activities, is developed and implemented.

1(b) Leaders are involved with customers, partners and representatives of society

This may include:

- Meeting, understanding and responding to needs and expectations;
- Establishing and participating in partnership;
- Establishing and participating in joint improvement activity;
- Recognizing individuals and teams of stakeholders for their contribution to the business, for loyalty etc;
- Participating in professional bodies, conferences and seminars, particularly promoting and supporting Excellence;
- Supporting and engaging in activities that aim to improve the environment and the organization's contribution to society.

1(c). Leaders motivate, support and recognize the organization's people.

This may include:

- Personally communicating the organization's mission, vision, values, policy and strategy, plans, objectives and targets to people;
- Being accessible, actively listening and responding to people.
- Helping and supporting people to achieve their plans, objectives and targets;
- Encouraging and enabling people to participate in improvement activity;
- Recognizing both team and individual efforts, at all levels within the organization, in a timely and appropriate manner.

Criterion 2: Policy and Strategy

Definitions

How the organization implements its mission and vision via a clear stakeholder focused strategy. Supported by relevant policies, plans, objectives, targets and processes.

Sub-Criteria

Policy and strategy over the following given sub- criteria that should be addressed.

2(a). Policy and strategy are based on the present and future needs and expectations of stakeholders.

This may include:

- Gathering and understanding information to define the market and market segment the organization will operate in both now and in the future;
- Understanding and anticipating the needs and expectations ofcustomers, employees, partners, society and shareholders, as appropriate;
- Understanding and anticipating development in the market place, including competitor activity.

2(b). Policy and strategy are based on information from performance measurement, research learning and creativity related activities and are deployed through a framework of key processes:

This may include:

- Collecting and understanding output from internal performance indicators; ☐ Collecting and understanding the output from

learning activities;
- Analysing the performance of competitors and best in class organizations;
- Understanding social, environmental and legal issues;
- Identifying and understanding economic and demographic indicators;
- Understanding the impact of new technologies;
- Analyzing and using stakeholders' ideas.
- Identifying and designing the framework of key processes needed to deliver the organization's policy and strategy;
- Establishing clear ownership of the key processes;
- Defining the key processes including the identification of stakeholders;
- Reviewing the effectiveness of the framework of key processes to deliver policy and strategy.

2(c). Policy and strategy are communicated and implemented.

This may include :
- Communication and cascading policy and strategy, as appropriate;
- Using policy and strategy as the basis for planning of activities and the setting of objectives and targets throughout the organization;
- Aligning, prioritizing, agreeing and communicating plans, objectives and targets;
- Evaluating the awareness of policy and strategy.

Criterion 3: People

Definition

How the organization manages, develops and releases the knowledge and full potential of its people at an individual, team based and organization wide level, and plans these activities in order to support its policy and strategy and the effective operation of its processes.

Sub- criteria

People cover the following sub- criteria that should be addressed,

3(a). People's knowledge and competencies are identified, developed and sustained.

This may include:

- Identifying classifying and matching people's knowledge and competencies with the organization's needs;
- Developing and using training and development plans to help ensure people match the present and future capability needs of the organization;
- Designing and promoting individuals, team and organizational learning opportunities;
- Developing people through work experience;
- Developing team skills;
- Aligning individual and team objectives with the organization's targets;
- Reviewing and updating individual and team objectives;
- Appraising and helping people improve their performance.

3(b). People are involved and empowered.

This may include:
- Encouraging and supporting individual and team participation in improvement activities;
- Encouraging and supporting people's involvement through in-house conferences and ceremonies;
- Providing opportunities which stimulate involvement and support innovative and creative behaviour;
- Empowering people to take action;
- Encouraging people to work together in teams.

3(c). People and the organization have a dialogue.

This may include:
- Identifying communication needs;
- Developing communication policies, strategies and plans based on communication needs;
- Developing and using top down, bottom up and horizontal communication channels;
- Sharing best practice and knowledge.

3(d). People are rewarded, recognized and cared for

This may include:
- Aligning remuneration, redeployment, redundancy and other terms of employment with policy and strategy;
- Recognizing people in order to sustain their involvement and empowerment;
- Promoting awareness and involvement in health, safety, the environment and issues on social responsibility;
- Setting the levels of benefits, e.g. pension plan, health care, child

care;
- Promoting social and cultural activities;
- Providing facilities and services, e.g. flexible hours, transport.

Criterion 4: Partnerships and Resources

Definition

How the organization plans and manages its external partnerships and internal resources in order to support its policy and strategy and the effective operation of its processes.

Sub – Criteria

Partnerships and resources cover the following sub-criteria that should be addressed

4(a). External partnerships are managed.

This may include:

- Identifying key partners and strategic partnership opportunities in line with policy and strategy;
- Structuring partnership relationships to create and maximize value;
- Forming value adding supply chain partnerships;
- Identifying and evaluating alternative and emerging technologies in the light of policy and strategy and their impact on business and the society;
- Managing the technology portfolio;
- Exploiting existing technology;
- Innovating technology;
- Harnessing technology to support improvement;
- Identifying and replacing 'old' technologies.

4(b) Technology is managed.

This may include:

- Identifying and evaluating alternative and emerging technologies in the light of policy and strategy and their impact on business and the society;
- Managing the technology portfolio;
- Exploiting existing technology;
- Innovating technology;
- Harnessing technology to support improvement;

- Identifying and replacing old technologies.

4(c). Information and knowledge are managed.

This may include:

- Collecting, structuring and managing information and knowledge in support of policy and strategy;
- Providing appropriate access, for both internal and external users, to relevant information and knowledge;
- Assuring and improving information validity, integrity and security;
- Cultivating, developing and protecting unique intellectual property in order to maximize customer value;
- Seeking to acquire, increase and use knowledge effectively;
- Generating innovative and creative thinking within the organization through the use of relevant information and knowledge resources.

Criterion 5: Processes.

Definition

How the organization designs, manages and improves its processes in order to support its policy and strategy and fully satisfy, and generate increasing value for its customers and other stakeholders.

Sub- criteria

Processes cover the following sub- criteria that should be addressed:

5(a). Processes are systematically designed and managed.

This may include:

- Designing the organization's processes, including those key processes needed to deliver policy and strategy;
- Establishing the process management system to be used;
- Applying systems standards covering for example, quality systems such as ISO 9000, environmental systems, occupational health and safety systems in process management;
- Implementing process measures and setting performance targets;
- Resolving interface issues inside the organization and with external partners for the effective management of end-to-end processes.

5(b). Processes are improved, as needed using innovation in order to fully satisfy and generate increasing value for customer and other stakeholders.

This may include:

- Identifying and prioritizing opportunities for improvement, and other changes, both incremental and breakthrough;
- Using performance and perception results and information from learning activities to set priorities and targets for improvement and improved methods of operation;
- Stimulating and bringing to bear the creative and innovative talents of employees, customers and partners in incremental and breakthrough improvements;
- Discovering and using new process designs, operating philosophies and enabling technologies;
- Establishing appropriate methods, for implementing change;
- Piloting and controlling the implementation of new or changed processes;
- Communicating process changes to all appropriate stakeholders;
- Ensuring people are trained to operate new or changed processes prior to implementation;
- Ensuring process changes achieve predicated results.

5(c). Products and services are designed and developed based on the customer needs and expectations.

This may include:

- Using market research, customer surveys and other forms of feedback to determine customer needs and expectations for products and services both now and in the future and their perceptions of existing products and services;
- Anticipating and identifying improvements aimed at enhancing products and services in line with customers' future needs and expectations;
- Designing and developing new products and services to address the needs and expectations of customers;
- Using creativity and innovation to develop competitive products and services;
- Generating new products with partners.

5(d). Products and Services are produced, delivered and serviced.

This may include:

- Producing or acquiring products and services in line with designs and developments;
- Communicating, marketing and selling products and services to existing and potential customers;
- Delivering products and services to customers;
- Servicing products and services where appropriate.

5(e). Customer relationships are managed and enhanced.

This may include:

- Determining and meeting customers day to day contact requirements;
- Handling feedback received from day to day contacts including complaints;
- Proactive involvement with customers in order to discuss and address their needs expectations and concerns;
- Following up on sales, servicing and other contacts in order to determine levels of satisfaction with products, services and other customer sales and servicing processes;
- Seeking to maintain creativity and innovation in the customer sales and servicing relationship;
- Using regular surveys, other forms of structured data gathering and data gathered during day to day customer contacts in order to determine and enhance customer relationship satisfaction levels.

Enclosure - I (b)

SUPPLEMENTS TO THE GUIDELINES FOR ASSESSMENT OF ENABLING PARAMETERS.

a) Data Collection

Data will be collected through a questionnaire. Each of the questions will relate to a select area of address covered in one of the sub- criteria mentioned under enabling parameters under **Annexure I**. Responding organization is required to answer the question with necessary supporting evidences. An answer should include quantitative or qualitative or both kinds of data.

Those data to be furnished may relate to process or output aspects of each of the enabling criteria / sub-criteria.

b) Evaluation

Response on each of the questions will be evaluated based on the process maturity model. The evaluation will follow a graded ranking method where markings will be made in two stages - course and final ones.

c) Illustrations

(Criteria, sub-criteria and areas to address mentioned below are quoted from **Annexure- I**, Recommended Guidelines).

Example -I

Criteria	-	Leadership
Sub-criteria	-	Leaders develop the mission, vision and values and are role models of a culture of Excellence.

Areas to address: Developing and organization's mission and vision.

Questions :

a)   Please state the vision for the enterprise.
b)   How have you arrived at the vision?
c)   How do you ensure the continuing relevance of the above vision?

Example-II

Criteria   -   Leadership

Sub-criteria   -   Leaders are involved with customers, partners and representatives of society.

Area of address   -   Supporting and engaging in activities that aim to improve the environment and the organization's contribution to society.

Questions :

a)   What is your organization policy for corporate social responsibility?
b)   What are the institutional set ups for delivery of the intended responsibility?
c)   What is the nature of activities undertaken especially with identified criteria?

Example-III

Criteria   -   Partnerships and resources

Sub-criteria   -   Building, equipment and materials are managed.

Area of address   -   Managing and maintenance and utilization of assets to improve total asset life cycle performance.

Sub- Area   -   Facility maintenance planning and control.

Questions

a) Describe your maintenance policy.
b) Describe the process of maintenance planning and control.
c) Describe the process of improving maintenance practices.

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3.0   SCORING SYSTEM AND GUIDELINES

3.1   The self-assessment approach for scoring applicant's responses to the questions related to different criteria items is based on the maturity of the management system. Such maturity levels have been well recognized in various process management related areas such as quality improvement (known as Crosby's Maturity Level), Strategic management area (e.g. Hayes & Steelwright's Model of Manufacturing Maturity) and recently through Integrated Capability Maturity Model in the Information Technology. Maturity model of process evaluation has been in use for Japanese quality Awards.

3.2   The same concept will be used in assessing different aspects of the business system. The approach aims to help in the development of an action plan based on the current level of maturity.   Information regarding the enablers has been captured through two types of questions i.e. *How Type* and *What Type*.

3.3   *How type* of questions shall be assessed in the following manner:

Level -1	Level -2	Level -3	Level -4
Occasional and problem based approach. Success depends on individual efforts and heroics. Documentation/ procedural guidelines are available to repeat earlier success. Efforts to improve process performance may be limited, reactive and corrective in nature.	Regular and periodic efforts to improve the existing well defined practices/processes with an aim to optimize the system requirements	Practices/processes are well integrated across the plant . The Process performances are monitored, measured, analyzed and improved upon to improve upon the customer satisfaction and value.	A well-designed methodology managing process improvement (both incremental & radical change) has been established and the plant has optimized its organizational structure, culture, and system around on going change. The plant has demonstrated successful implementation over a sustained period.
0 to 2	3 to 5	6 to 8	9 to 10

3.4 *What type* questions shall be assessed in the following manner:

Level -1	Level -2	Level -3	Level -4
Simple One time activity Meeting immediate requirements of the limited number of stakeholders	Periodic activity, meeting requirements of major stakeholders	Regular management of complex activity.	Regular management of complex activity. Long-term impacts on large number of stakeholders
Fluctuating results	Almost steady state	Increasing trend by small amount	Significant improvement in trend
0 to 2	3 to 5	6 to 8	9 to 10

3.5   Scoring

In assigning a score to an item, an examiner first decides the level, which best fits the overall item response for the particular question.

Overall " best fit" does not require total agreement with each of the statements for that scoring range.

Actual score within the range depends upon an examiner's judgment of the closeness of the item response in relation to the statement in the next higher and next lower scoring range.