THE GLOBAL AND MUTUALLY BENEFICIAL HUB

&

2W Continual Quality Improvement

(Case Study 6)

BY

AOEC

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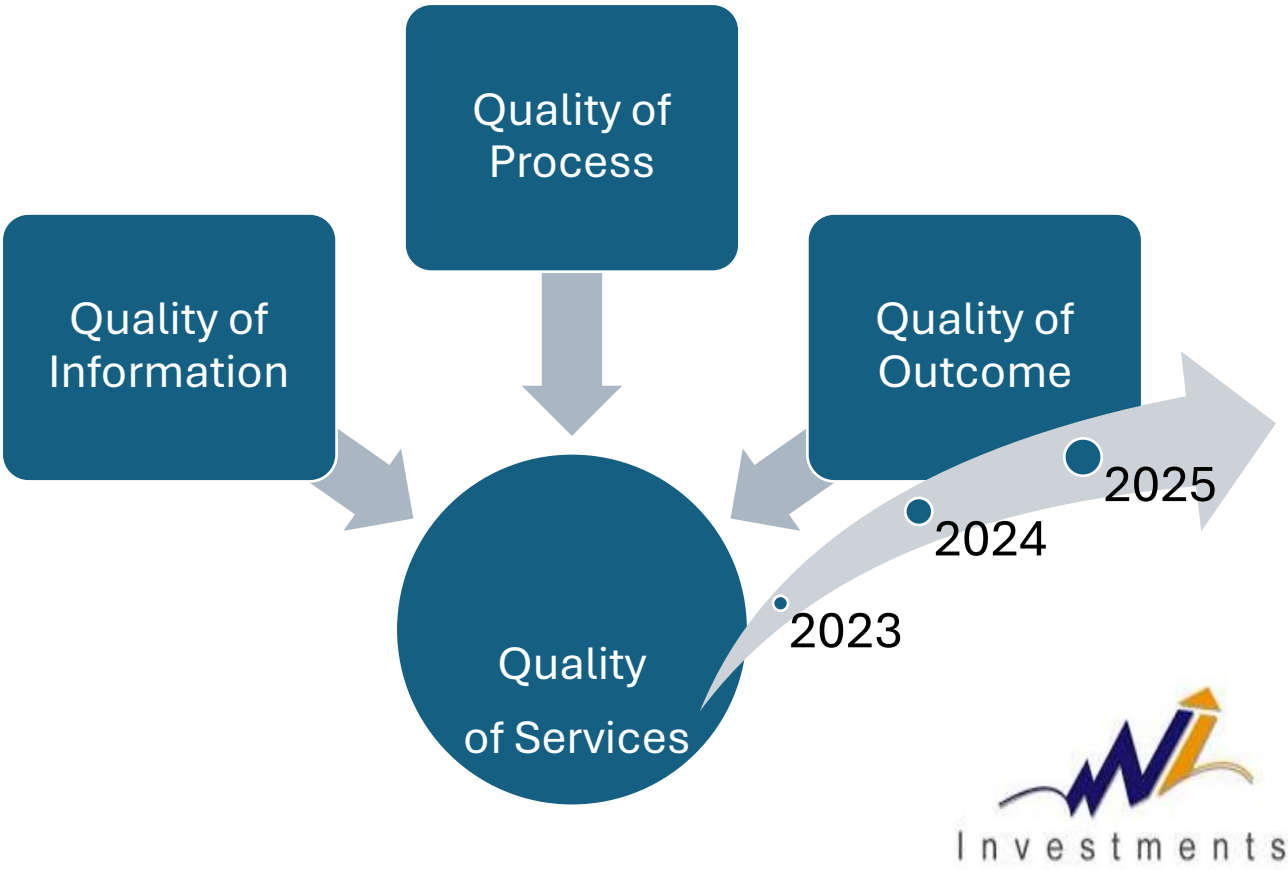
TGMB Brand Equity Vision



3. EXECUTIVE SUMMARY

The Case Study focuses on Continual Quality Improvement Via questionnaires and reviews.

Today most dealer networks for automobile brands deal with Manufactured/ CBU/Assembled products. These dealerships involve Showrooms, Service Centres, Service Workshops, Accident Repair Workshops, 24/7 Assistance, Warehouses etc. The investments are many.

For a brand and its need to enter, penetrate and grow in the market, SMART Brand Analytics is a solution finding that designs synergetic performance in automotive businesses.

Continual Quality Improvement (CQI) is the NEXT Step that holds all effort to design and implement synergetic performance together.

AOEC finds that a business can initiate projects to design CQI in its business practices. AOEC states that implementing such practices can make a business an Asset for its domain/sector.

AOEC finds that the automobile dealer network is a domain where CQI practices can help performance, profit making, return on investment and brand equity.

The Processes that help implement CQI via ZED as per relevance to the business are
(a) Design Management (not relevant directly for the automobile dealer network)
(b) Production Management (not relevant directly for the automobile dealer network)
(c) Quality Management
(d) Safety Management
(e) Environmental Management
(f) Energy Management
(g) Natural Resource Management
(h) Human Resource Management
(i) Intellectual Property Management
(j) Performance Management
(k) Improvement-Innovation-Learning
(l) Legal Compliance
(m) NEXT Steps for sustainable development and growth (proposed via Business Intelligence and SMART Business Analytics)

The Government of India (GOI) via Quality Control of India (QCI) has recommended that governing bodies like MSME Development Institute refer and use the ZED (Zero Defect Zero Effect) framework for improving quality assurance and performance.

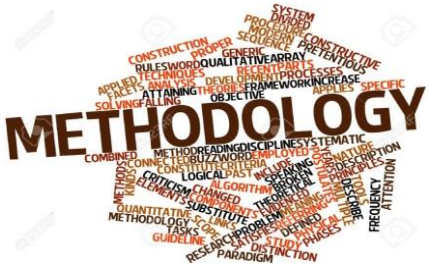
AOEC's Case Study series helps a business or dealer network incorporate Quality Control and CQI in the above areas. Please ask for more information by emailing us at venkataoec@gmail.com or by calling us on 919342867666

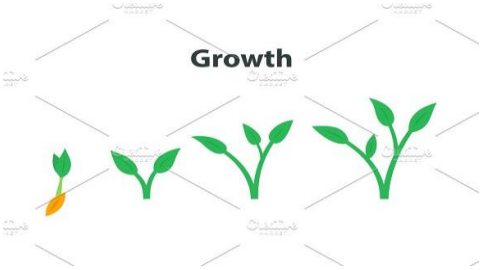
4. A NOTE FOR THE COMPANY ASSESSED

Name:

Nature of business:

5. OBJECTIVES OF THE CASE STUDY 2





<u>Analyze and support the important management methodologies being used for branding in</u>

(a) Dealership/Showrooms,

(b) Service Centre/Workshop related Customer Relationship Management, and

(c) Business Analytics for Brand Promotion/Penetration/Assertion

(d) Continual Quality Improvement for Brand development and growth

<u>Steps followed to evaluate these pain points and present recommendations</u>

1. Understand the impact on market position and business objective of the organization via the help of assigned members of the organization
2. Collect case study data by management level interactions, and interviews to develop evaluation methodologies for improved branding
3. Complete Evaluations via Statistical Tools (and the use of Datasets, Tableau and Excel)
4. Present Results via a Case Study Report

Remarks about how this can help:

5. THE CASE STUDY REPORT

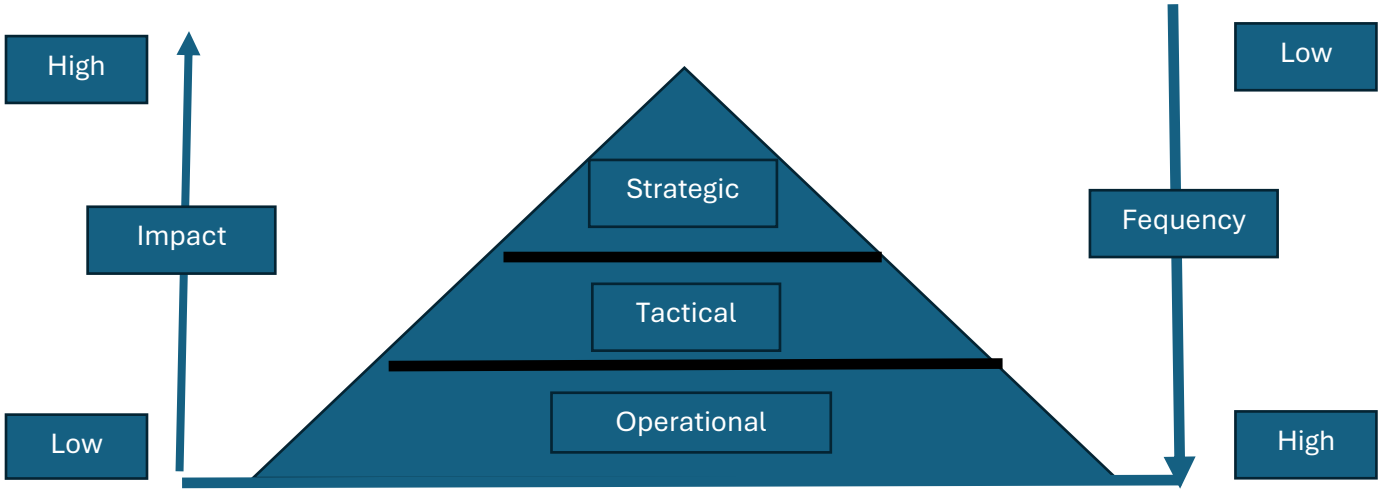
This Case Study report includes Key Opinion focus (for brand development and growth) such as

1. Business Intelligence (BI) via KPI(s) and SMART Business Analytics (BA) for Continual Quality Improvement (CQI)

2. Budget and Financial Ratios Management programmes / enablers

3. Dataset Creation

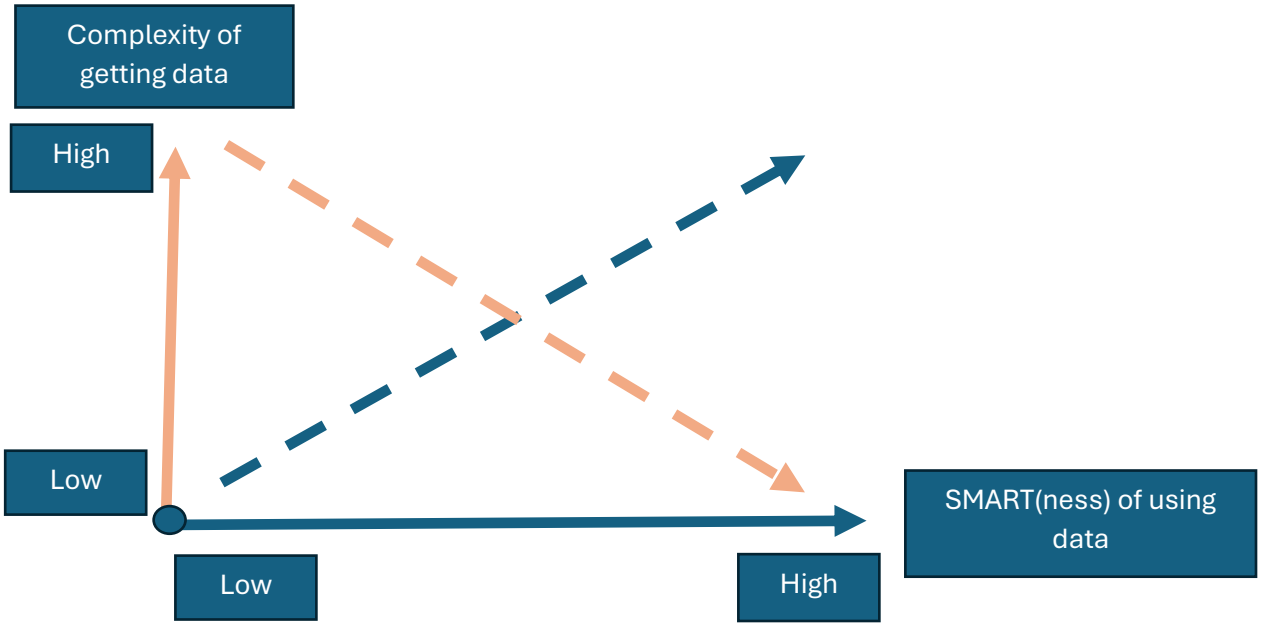
Some types of decision making expected via BI



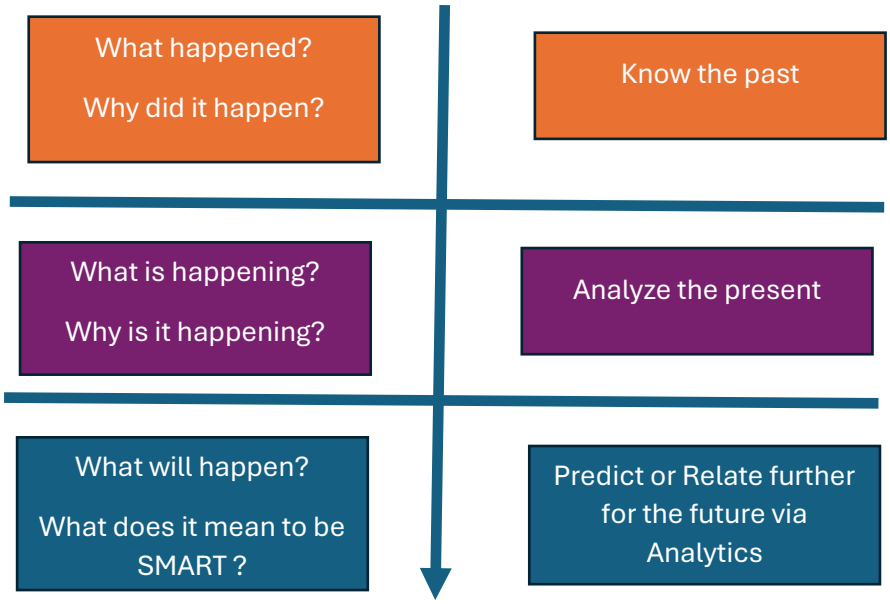
Some attributes of data quality required for CQI

1. Relevant for data collection and evaluation
2. Accurate for evaluation and decision making
3. Credible for reference, evaluation and decision making
4. Accountable for analysis and decision making
5. Valid for collection, analysis and decision making
6. With preferred Integrity or Linkages for analysis and decision making
7. Interpretable for linkage, analysis and decision making
8. Coherent for reference, analysis and decision making
9. Timely for analytics and decision making
10. Periodic or Continual for synergy, analytics and decision making
11. Proactive but mission-confidential for business improvement and profit making

Some aspects of data value important for CQI



BI and its association with the past, present and future



Improvements can be designed and tracked by the use of

- ✓ Metrics
- ✓ Key Performance Indicators (KPIs)
- ✓ Data Gathering and Interpretation using Surveys/Interviews/ Engagement methodologies
- ✓ Data Analytics using BI/BA data value concepts

The difference between BI and BA for CQI

Focus or Guides	Business Intelligence	Business Analytics
Answers the following questions?	What happened?	Why did it happen?
	Why did it happen?	Will it happen again?
	Who is accountable for what happened?	What will happen if SMART planning is done?
	How many areas of business are involved?	What else does the data tell the management that they did not ask or review earlier?
	How often is something happening?	What is the best thing that can happen? What is the value of CQI?
	Where did this happen? (location/network/ dealership/department/function)	How does this affect the market position and business objective?
Makes use of	Reports/KPI(s)/Metrics	Statistical / Qualitative Analysis
	Threshold Monitoring/Alerting	Data layering/mining
	Dashboards/Scorecards	Predictive modelling
	Analytical Processing	Designing of experiments/empirical studies/case studies to improve learning out of business data
	Adhoc querying	Multi-variate Testing
	Performance and QoS analysis	SD&G Analysis
	Financial health analysis	Financial Ratios specific cost management

Some Quality of Service (QoS) KPIs that need highlighting are

- ❑ **Performance & Business Analytics management**
- ❑ **Performance & SD&G (Sustainable development and growth)**
- ❑ **Performance & Energy management**
- ❑ **Performance & Environmental safety**
- ❑ **Performance & Accelerating EV/Hybrid adoption**
- ❑ **Performance & Risk mitigation / Contingency management**
- ❑ **Performance & Disaster sensitization and preparedness**
- ❑ **Performance & Customer connect solutions**
- ❑ **Performance & Supplier connect solutions**
- ❑ **Performance & Manufacturer connect solutions**
- ❑ **Performance & Return on investment**
- ❑ **Performance & Net worth**
- ❑ **Performance & Business Cluster synergy**

More Details:

KPI(s) are qualifiable or specific measurements of performance results, they can be used to measure and track business initiative/ process / product / service improvement.

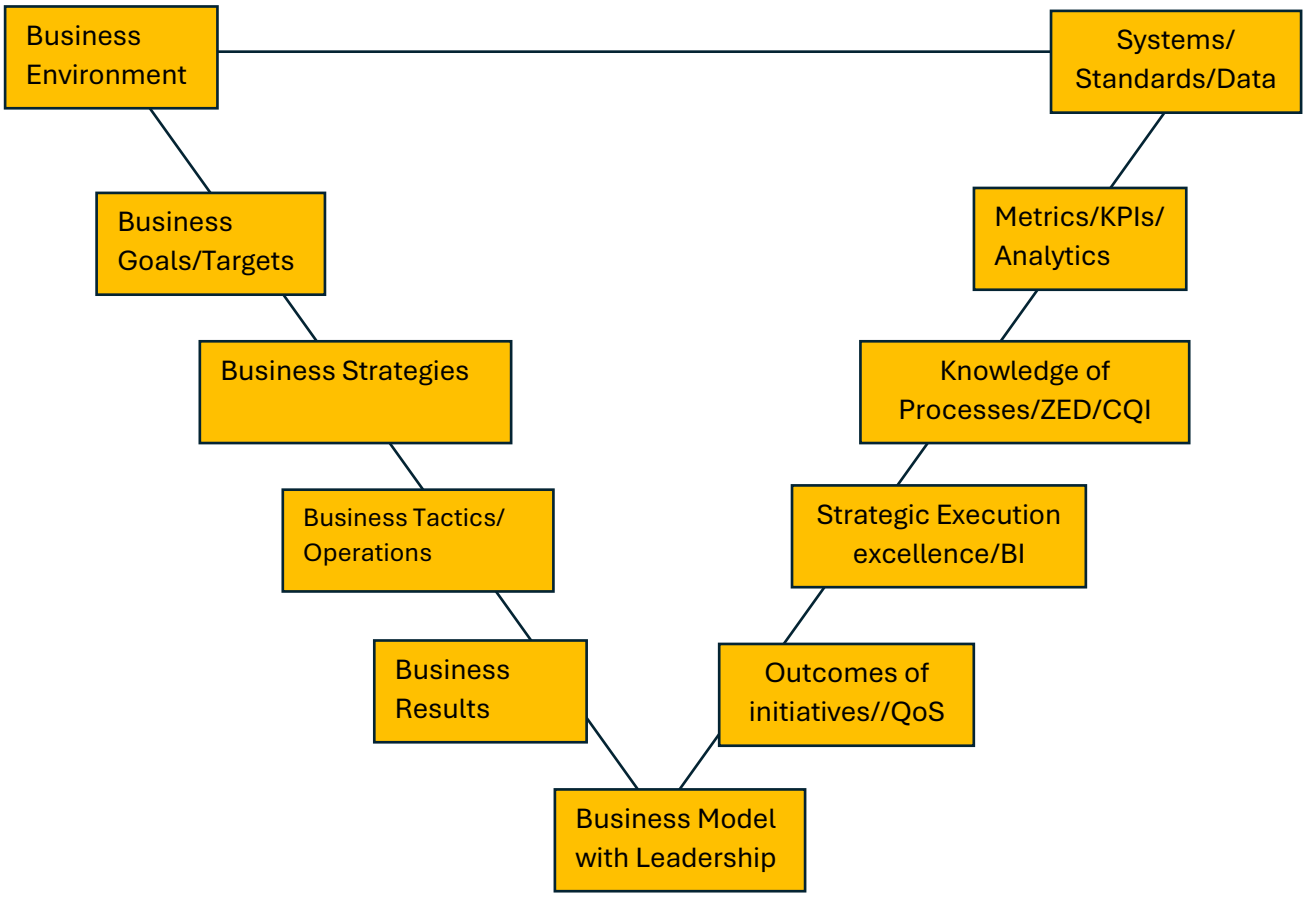
KPI(s) need to be

- ❑ Valuable for the business mission/decision-making and goals
- ❑ Realistic
- ❑ Relevant
- ❑ Measurable
- ❑ Monitorable
- ❑ Practically Achievable
- ❑ Bound by a Time Frame
- ❑ Sustainable when achieved

Potential sources for metrics

Corporate Vision, Mission, and Values
Business Performance Projections/Forecasts/Analysis or Guidance
Business Plans for Sales
Business Plans/Options for Marketing
Production / Manufacturing
Dealer networks
Operations and Services
Finance
Procurement/ Sourcing / Supply Chains
Quality
Technology and Innovation
Energy Management
Infrastructure and Facilities
R & D
Performance Management/Improvement
Human Resource Management and Talent Management
Legal / Regulation / SMART Compliance
Environment Management
Natural Resource Management
Society and CSR

Mapping metrics to business phases



Distinction that needs to be understood

Continual Improvement	**Continuous Improvement**
Phased and Structured	Unstructured and Flexible
Staircase effort (incremental on the basis of pausing, evaluating, understanding and analysing the effectiveness of actions where changes can be made at each step)	Straight line approach (along a desired path to achieve some desired results, with no pausing at steps to make unplanned changes)
No possibility of a failure	Possibility of milestone-based failures
Involves Periodic Reviews and Audits	Involves milestone-based or versioning specific reviews
Clear understanding of processes/ improvements being planned	Proposed improvement or desired result-based understanding
More difficult and time consuming	More flexible and adaptable
Uses Metrics/KPI(s)/Data Analytics	Uses Kaizen/Lean Six Sigma

Common Model to help deliver business and run operations

Tabulation of the model to help deliver business and run operations.

Governance Interactions	**Processes**	**People and Organization**	**Culture**	**Measure and Metrics**	**Tools and Technology**
Decision making policies	Work planning	Organization model for business units	Culture awareness and adherence for Customer sentiments & Customer satisfaction	Incentives Or Metrics	Whether needed for efficiency and/or performance
Decisions making processes	Work estimations	Centralized or independent decision making	Accountability at various levels	Metrics to KPIs to motivate or measure performance	Decisions on Systems and Tools needed
Governance interactions	Work execution	Centralized or independent Roles, responsibilities and reporting lines	Motivation for way to work	KPIs and Analytics	Work guidelines for using Systems and Tools
Operating guidelines	Work interactions	HR systems	Drive to work for common goals	Getting KPIs to work	Work instructions for using Systems and Tools
Operations management	Information flow	Performance management	SOP to deliver	KPIs and effectiveness	Results

Common Standard Operating Procedures (SOP) followed

It is recommended that a SOP planner be designed with the following sections depending on the nature of business and its business model. The list that follows is quite common in dealership businesses.

- ☐ Customer Relationship Management (CRM) SOP
- ☐ Supplier Relationship Management (SRM) SOP
- ☐ Dealership SOP
- ☐ Head office SOP
- ☐ Showroom SOP
- ☐ Business Operations (Ops) Centre SOP
- ☐ Customer Service Centre SOP
- ☐ Sales SOP
- ☐ Accounts SOP
- ☐ Billing SOP
- ☐ IT SOP
- ☐ Back-office SOP
- ☐ Stores and Spares SOP
- ☐ Warehouse SOP
- ☐ Front-office SOP
- ☐ HR SOP

Customer satisfaction KPI(s)/ Performance metrics and expectations from the organization

This could relate to broad expectations such as

1	Management knowledge
2	Management attitude
3	Discipline
4	Human Relationship
5	Responsibility
6	Positiveness and Stress Management
7	Cost consciousness
8	Job Competency and/or Technical knowledge
9	Communication
10	Creativity
11	Leadership
12	Team building (for management staff)

☐

7. Our Online References

Our TGMB Hub framework solution can also provide scope for Global and Mutually Beneficial research, competition, acclimatization, and progressive problem evaluations for sustainable development and growth.

Contents: Some previews of management frameworks to help nurture the brand or organization's unique tagline and accelerate towards a unique "Global and Mutually Beneficial" (TGMB) experience.

Work in progress

Proof of concept URL for *Business Tableau (or Tab or Showcase*:

https://aakkashkvautoengg.wixsite.com/businesstab

Proof of concept URL: https://aakkashkvautoengg.wixsite.com/transformviability

Additionally

Please ask for the proof-of-concept URL(s) for automotive brands that we have identified

1. Honda
2. Hyundai
3. Kia
4. Maruti Suzuki
5. Porsche
6. Toyota
7. We are work in progress for other brands

APPENDIX I - Approach for Continual Quality Improvement

1. Does your organization rely on any long-term planning? Yes/No/Partially
2. Does your organization have any methodology to constantly monitor and regularly analyze your organization's environment, delivery model and system influencers for Quality of service? Yes/No/Partially
3. Does your organization have a clear idea of all its interested parties, business units, on-site organizations, their individual impact on the performance, as well as plan of how to meet their needs and expectations in a balanced way? Yes/No/Partially
4. Does your organization continually engage interested parties to keep them informed of the organization's plans, activities, and intent for the future? Yes/No/Partially
5. Does your organization plan approaches to establish mutually beneficial relationships with consultants, partners, business clusters, suppliers, and other interested parties? Yes/No/Partially
6. Does your organization identify associated short-term and long-term risks and deploy overall strategies to mitigate them? Yes/No/Partially
7. Does your organization project anticipated future resource needs (including competencies expected of its people, business units or other on-site organizations)? Yes/No/Partially
8. Does your organization plan for and establish processes to achieve the organization's strategies and does it ensure these processes are capable of **responding quickly to changing circumstances**? Yes/No/Partially
9. Does your organization regularly assess conformance of services to quality levels, SMART Brand Analytics and compliance with plans and procedures? Does your organization take appropriate corrective and preventive actions? Yes/No/Partially
10. Does your organization establish and maintain processes for restorative innovation and continual improvement? Yes/No/Partially
11. Does your organization ensure its people have sufficient opportunities for learning for social benefits and also to maintain the quality levels and vitality of the organization? Yes/No/Partially
12. Is your organization in a position to make decisions in all cases based upon factual evidence? Yes/No/Partially
13. Does your organization have a well-formed approach to assess and understand the current performance, with root cause details of all problems in the past, or for exit business-association-cases, or as relevant, in order, to avoid their recurrence? Yes/No/Partially
14. Can new or modified processes be established in a timely manner, with any necessary planning and resources being provided to support them? Is your organization agile? Yes/No/Partially

15. Does your organization have a well-formed approach to ensure all communication is meaningful, timely and continual? Yes/No/Partially

16. Does your organization ensure resources (infrastructure and non- infrastructure) are used effectively and efficiently, by ensuring processes are in place to provide, allocate, monitor, evaluate, optimize, maintain and protect these resources? Yes/No/Partially

17. Does your organization plan for any scarcity setting in the availability of its resources?

Does your organization actively pursue ways to improve their utilization? Yes/No/Partially

18. Does your organization have a well-formed approach to control financial investment by reducing non-conformity costs, unethical practices, process failures, facility utilization costs and also by eliminating wastage of materials or time? Yes/No/Partially

19. Does your organization have a well-formed approach to share case studies, information, knowledge and experience within the organization/bio- cluster? Yes/No/Partially

20. Does your organization perform self-assessments, audits, and other gap analysis periodically for SMART Brand Analytics? Does your organization show trends of recording and using such results effectively? Yes/No/Partially

Note

For a business owner, the selected 20 questions all need an answer of Yes to indicate conformance for Sustainable Development with SMART Brand Analytics and continual Quality assurance

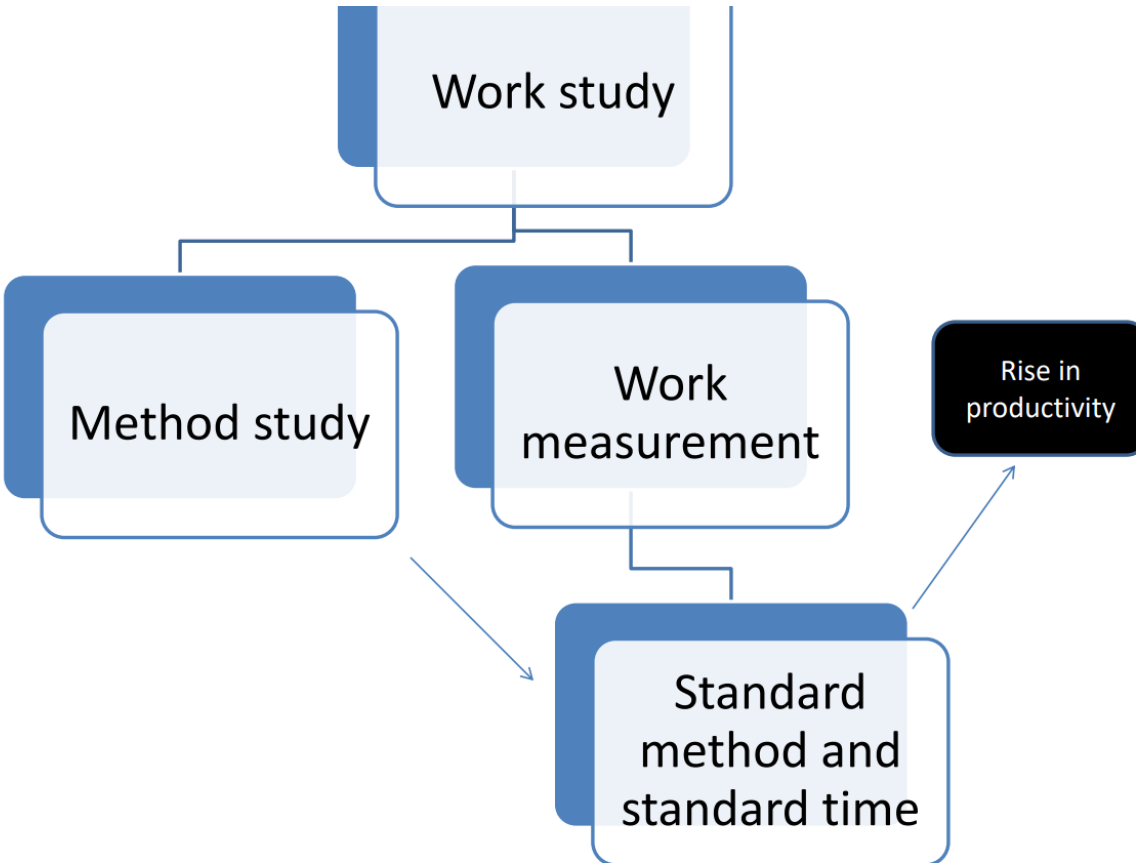
Steps important for improvement in the Automobile industry

- Engaged leadership for capturing opportunities for improvement, evaluating them, implementing them, measuring them and sharing the knowledge / learning
- Compliance With Standards
- Practice Process Discipline
- Process and operational efficiency
- Maximum and Sustainable resource utilization
- Teamwork and organizational culture
- Definition of value from the Customer's Point of View
- Common understanding of Performance Budgeting and Cost of Quality
- Incorporation of PROCESS / WORK METHOD VARIATION studies
- Holistic Problem solving
- Leveraging of Improvement specific Management methods/tools/techniques

WORK STUDY

According to ILO

"Work study is a term used to embrace the techniques of method study and work measurement which are employed to ensure the best possible use of human resources and material resources in carrying out a specified activity.



Method study – Evaluate most economical working method. •

Work measurement – Determining time of carrying out the work by most economical method

Work study helps to reduce waste through standardization of qualitative and quantitative element of the job

OBJECTIVES OF WORK STUDY

• Improve the basic process by research and development.

• Improve the methods of operations.

• Improve manpower efficiency

• Standardize the product.

• To motivate the workers

BENEFITS OF WORK STUDY

• Increased productivity.

• Reduced manufacturing / production costs.

• Improved work place layout.

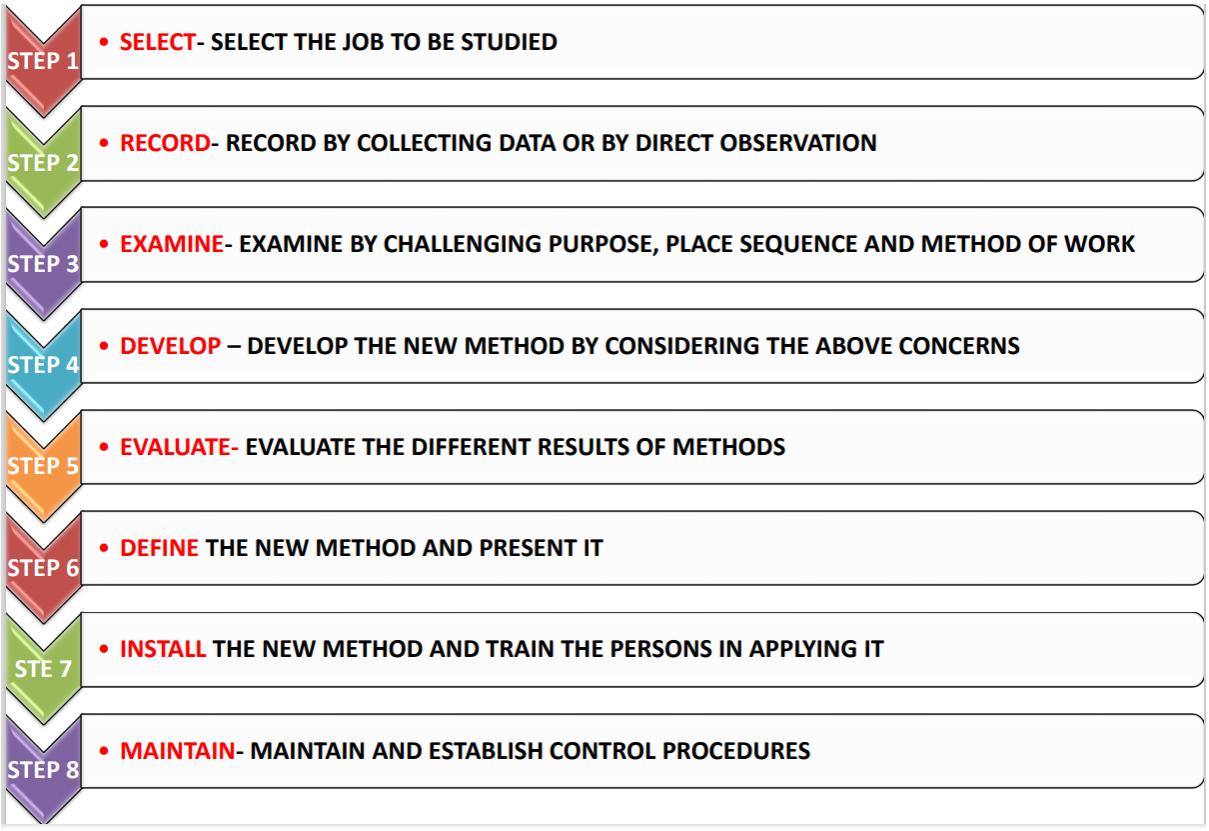
• Improved work flow

• Basis for sound incentives scheme.

• Provide better job satisfaction to employees.

• Reduce material handling costs

PROCEDURE (CONVENTIONAL) – WORK STUDT



METHOD STUDY

• According to BRITISH STANDARD INSTITUTE

“ Method study is the systematic recording and critical examination of existing and proposed ways of doing work as a means of developing and applying easier and more effective method and reducing costs”

OBJECTIVE OF METHOD STUDY

• To study the existing /proposed method of doing any job, operation or activity.

• To improve utilization of resources.

• To eliminate wasteful and inefficient motions.

• To standardize work methods of process, working condition, machinery, equipment and tools.

• To develop improved method

BENEFITS OF METHOD STUDY

• Improve layout of office/working area of factory.

• Improved flow of work.

• Improved safety standards.

• Better working conditions.

• Economy of expenditure.

• Improved design of plant and equipment.

• Most effective handling of materials

• Effective utilization of human effort.

METHOD STUDY - PROCEDURE

The procedure is same as work study.

• Select

– Economic consideration.

– Technology consideration.

– Human consideration.

• Record (record of all facts relating to existing methods)

– Select a Recording techniques

• Process charts

• Diagrams (flow diagram/string diagram)

• Examine

– Questioning the purpose

- What is achieved
- How is it achieved
- Sequence
- Place
- Person

• Improve work /develop

– Develop the improved method by generating several alternatives and selecting best method

– Factors to be considered in evaluating alternative • Cost of implementation

• Feasibility

• Produce ability

• Reaction of employees

• Acceptance to design, planning, control sales department

• Evaluate

– Compare the cost effectiveness of the selected method with current method of performance.

• Define

– Present the new method to management, supervisors and workers.

– Provide “operation instruction sheet”

• Install

– Test the method for short period and then install

– Provide training to employees in the new methods.

– Get active support of all members before installing.

• Maintain

– Periodically check and verify the new methods at regular intervals.

– It is important to see that improved method is not gradually changed back to the original method through force of habit

TECHNIQUES FOR METHOD STUDY

• Process chart

– Outline process chart

– Process flow chart

– Two handed chart

– Multiple activity chart.

– SIMO chart.

• Diagrams

– Flow diagrams

– String diagrams

– Cycle graph

– Chrono cycle graph

PROCESS / WORK METHOD VARIATION

PROCESS VARIATION

1. Variations in processes, systems, materials, products etc necessitate Quality analysis and control. There is commonly a conflict between the following 2 influencing facts

a. Variation and non-uniformity is inevitable

b. Production and the use of materials & products is most potentially economical when there is no variation in their quality

2. Very commonly we know that variations can never be eliminated but the study of the sources of variation and thereon reducing & controlling variations is important for uniformity in quality and reliability.

SOURCES OF VARIATION

1. Sources of variation in a production system are mainly due to people, work methods, machines, equipment and materials.
2. There can also be variations in the operating environment that affect people, work methods, machines, equipment and materials.
3. Suppose these variations need to be controlled, the key questions that need answering are what variations are present in the operating procedures and processes used.
4. As we cannot enforce fixed environmentally related factors of variability, what can be done as a key policy is - ensure there is minimum variation in processes and their stability.

PROCESS CAPABILITY ANALYSIS (CONVENTIONAL)

1. To enable minimum variation in processes and their stability, organizations conduct process capability analysis.
2. Process capability analysis is an effort to document a process' capability.
3. The mechanism includes

3.1 Defining the conditions in which the analysis must be done

3.2 Defining the key process / product characteristic expected

3.3 Defining the Sample set and Sample units

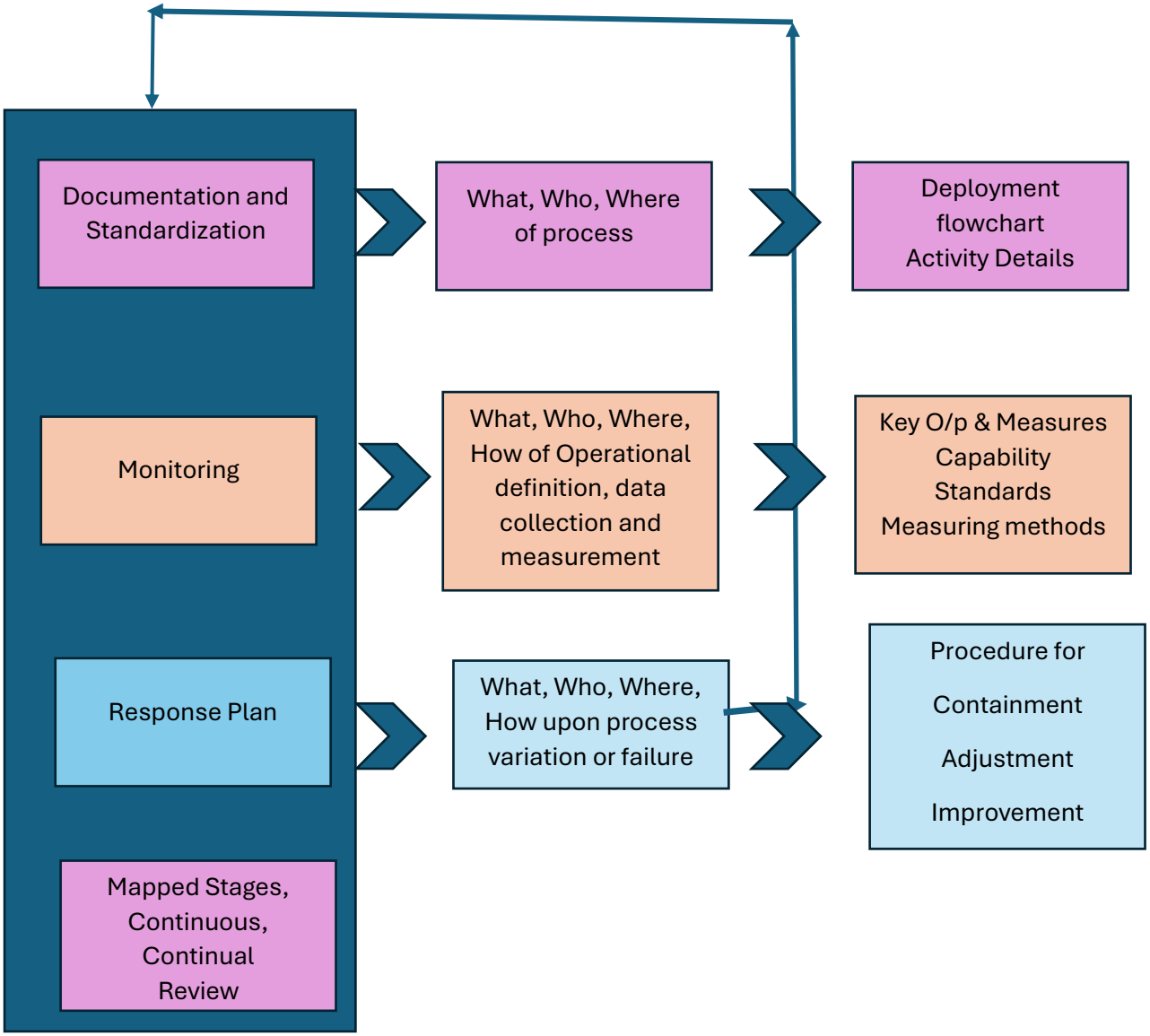
3.4 Defining the Sampling size and frequency

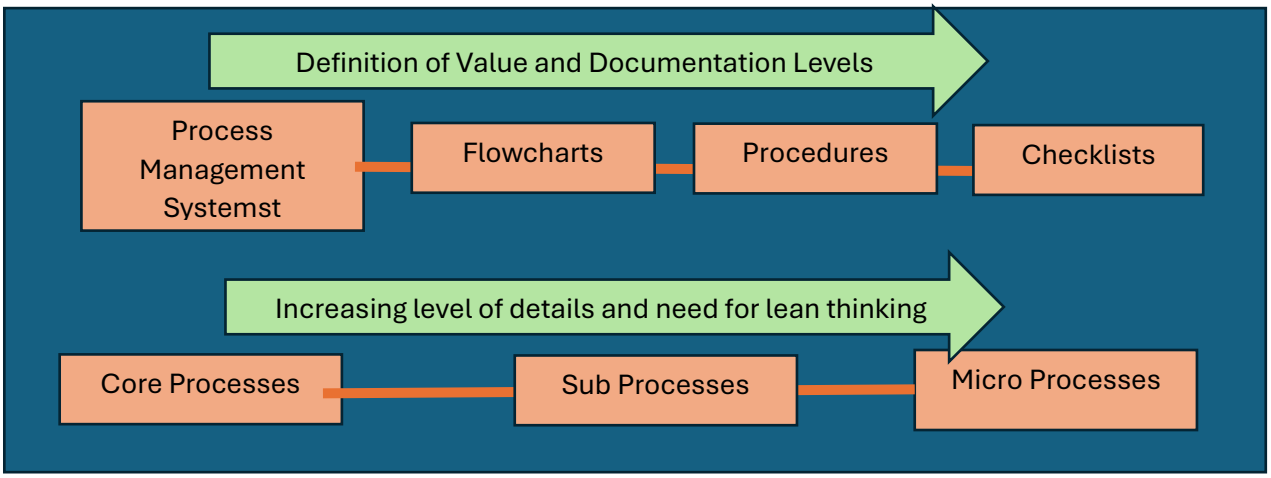
3.5 Calculating the statistic results like mean, standard deviation, concepts like control limits

3.6 Deciding on the Control charts that will be plotted

3.7 Interpreting the Control charts for process capability, variation etc

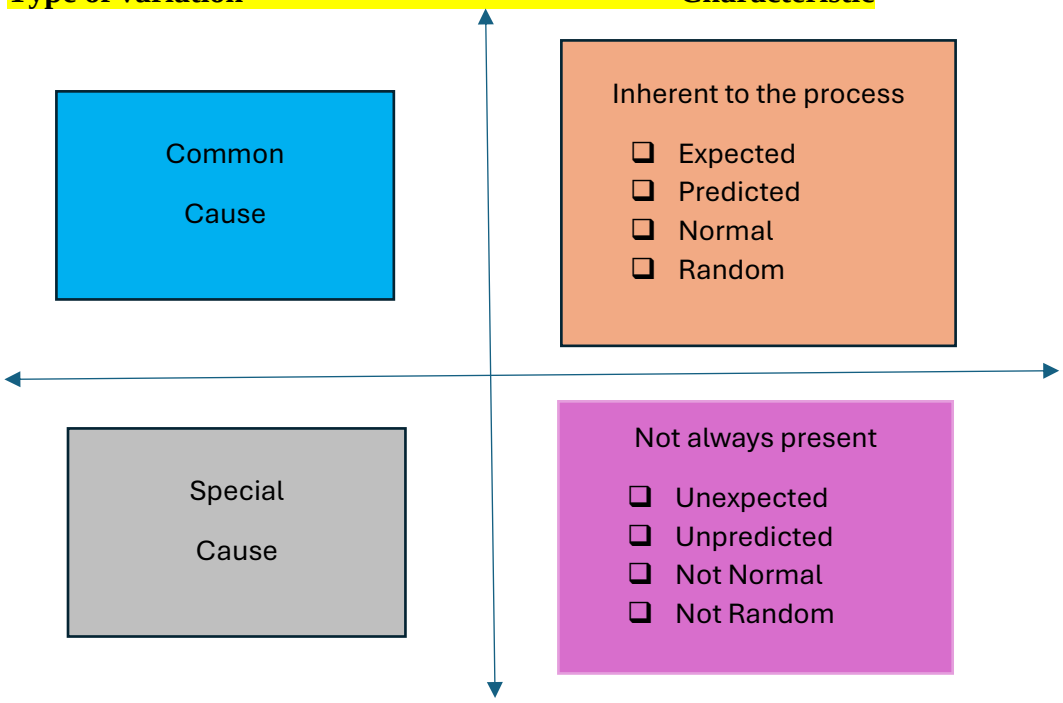
Process Management with a disciplined flow of interactions





Variation – Common causes versus Special causes

Type of variation **Characteristic**



Questions while planning operational definition and data collection

1. Why collect data

2. What to collect

3. How to collect

4. Collect data on the basis of operational definition

5. Ensure consistency and stability

Questions to consider while selecting a solution from many options

1. Use of the Payoff matrix that evaluates benefits against efforts

2. Use of Screening against "Must be" for compliance, policies, regulations, Customer CTQs, Business CTQs

3. Use of N/3 Voting that helps rationalize, justify, or reject solutions as it permits a group of members to choose from 1/3 of the many options, tally votes for each choice, generate or update important solution list, combine all similar choices with consensus, and to repeat this cycle if needed

4. Use of the Citeria based matrix that tabulates solutions with reference to established criteria with columns like Solution 1, Solution 2, …, Assigned Weightage, No of Votes. Where established criteria involve ease of use, inter-site availability or implementation, use of information on a real time or planned basis, preparation of indicators, graphs or reports, auto resolution or manageable resolution of unresolved issues, filtering of results or regulated access to outputs and associated data generation.

APPENDIX II – GENERAL BUDGETING SYSTEM

What is budgeting?

It is a financial plan for a defined period of time, usually a year, where the plan includes

- □ Approximate costs during a period (if applicable)
- □ Approximate revenues during a period (if applicable)
- □ Future financial conditions (if applicable)
- □ Planned sales volumes and revenues (if applicable)
- □ Resource estimations (if applicable)
- □ Costs and expenses (if applicable)
- □ Assets (if applicable)
- □ Liabilities (if applicable)
- □ Cash flow (if applicable)

How is a budget used?

It is used for analysing & interpreting calculations and for comparing them to make future decisions.

How does a budget help?

It is essential for managing, spending, avoiding debts, and for properly allocating resources. It may include a budget surplus.

How does a budget influence managers?

(a) It enables and controls managers to consider how the business, market and operating conditions may matter and then helps decide what steps should be taken.

(b) It helps managers compare and consolidate problems before they occur

(c) It helps coordinate the activities of the business by enabling managers to examine relationships between a specific department's functions and those of other departments

(d) It helps control resources

(e) It helps communicate plans to specific departments/managers via a cost centre framework

(f) It helps motivate managers to strive to achieve budget goals

(g) It helps managers perform visibly and accountably

What are the objectives of a budget?

A budget provides a basis for

(a) Examining the achievements of a business with respect to the industry, market and forecasts

(b) Checking and approving the various expenditures of different departments

(c) Evaluating managerial policies from time to time

(d) Developing programmes for systems development, process development and service operations development

(e) Deciding the basis, estimates and baseline for expenditures from funds allocated for a period

(f) Knowing & assessing the efficiency and economical hindsight of the business

For the organization, the steps to prepare a budget may need some finalization to achieve the business vision, mission and costs management expected

What are the steps to preparing a budget?

Step 1: Formation of a budget committee and costs centre framework

Step 2: Creation of standard budget forms that include estimations of funds, income, expenses, where the forms will need to be approved or revised by all associated departments

Step 3: Drafting and submission of reports from the accounts departments (for the past 2 years) showing the comparison between costs of service operations, income and expenses

Step 4: Preparation and submission of a forecast by each department

Step 5: Analysis of business and market conditions with forecasted, past and present data

Step 6: Formalization of departmental budgets by the budget officer and sharing of these budgets with departments for their strategic approval or revision

Step 7: Preparation of service operations plans and policies using reports submitted by the various departments

Step 8: Revision and correction of service operations plans and policies by the budget committee in consultation with finance and other departments

To gain a better start, we look at some excerpts to highlight what goes in planning a budget, where we review some templates used for different kinds of budgets, where an experienced advisor said the main templates of interest are the Cost of operations budget and the Capital Expenditure (or Capital allotment) budget with due attention for the Cash budget and the Master budget. It was also felt that including in some templates a comparison between the budgeted amount and the current utilized amount is very important.

Common Capital structure and cash flow (excerpts)

Fixed Capital
Working Capital
Partner's/Board's Stake holding Funds
Cash
Deposits
Securities
Credit facility / Overdraft
Interest accruals

Important Financial ratios as applicable to the business (excerpts)

We find stating whether the health of these financial ratios is Good, Unsatisfactory or Not Applicable helps plan ahead, or develop business vision and operating policies.

Ratio	**Health**	**Formulae**
Profit (ROIC)		Return on invested capital = Net profit / invested capital
Profit (ROA)		Return on total assets = Net profit / Total assets
Liquidity Ratio (Current Ratio)		Current Ratio = Current assets / Current liabilities
Liquidity Ratio (Quick Ratio)		Quick Ratio = Current assets – inventory / Current liabilities
Activity Ratios (Inventory Turnover)		Inventory turnover = Cost of goods sold / inventory
Activity Ratios (Days sales outstanding)		DSO = Accounts receivable / (Total sales/360)
Leverage Ratios (Debt to Assets ratio)		Debt to Assets ratio = Total debts / Total Assets
Cash flow position		--------

Indicators of Health in Balance Sheets (excerpts)

Capital (Fixed and Working)
Assets
Liabilities
Income
Expenses
Profits and Margin of profits
Cash flow
Contingency funds/Reserves
Debts, Out-standings, Bad debts
Overrun expenses
Legal claims

To get a budget to work, Continual Quality Improvement and cost management are important elements. We preview some details on cost management to get started.

Cost management via a Cost Centre framework (excerpts)

The Cost Centre is a framework that helps a company or budget committee create categories and sub-categories of budgets to suit the nature of business.

The proposal is to use a Cost Centre framework to create different categories of budgets:

(1) According to time (as applicable today)

- ☐ Long-term
- ☐ Short-term
- ☐ Current
- ☐ Rolling

(2) According to function (as applicable today)

- ☐ Sales budget
- ☐ Marketing budget
- ☐ Production/Delivery system budget
- ☐ Equipment and Spares Purchases budget
- ☐ Consumables Purchases budget
- ☐ Sales outlet Expenses budget
- ☐ Business Operations Centre Expenses budget
- ☐ Customer Service Centre Expenses budget
- ☐ Warehouse Expenses budget
- ☐ Cost of operations budget
- ☐ Capital expenditure budget
- ☐ Cash budget
- ☐ Revenue budget
- ☐ Performance budget
- ☐ Project budget
- ☐ Master budgets

(3) According to flexibility (as applicable today)

- ☐ Fixed budgets
- ☐ Flexible budgets

APPENDIX 3 – BUDGET FOR CQI

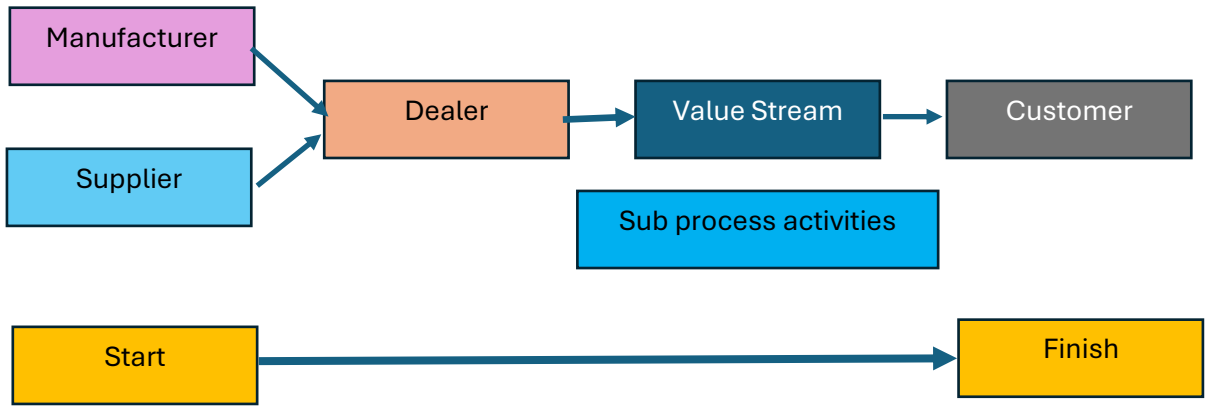
Common improvement methods

- Kaizen
- P-D-C-A cycles (Plan-Do-Check-Act)
- 5 Whys and Root Cause Analysis
- Continuous Improvement (CI) board and/or Kanban cards

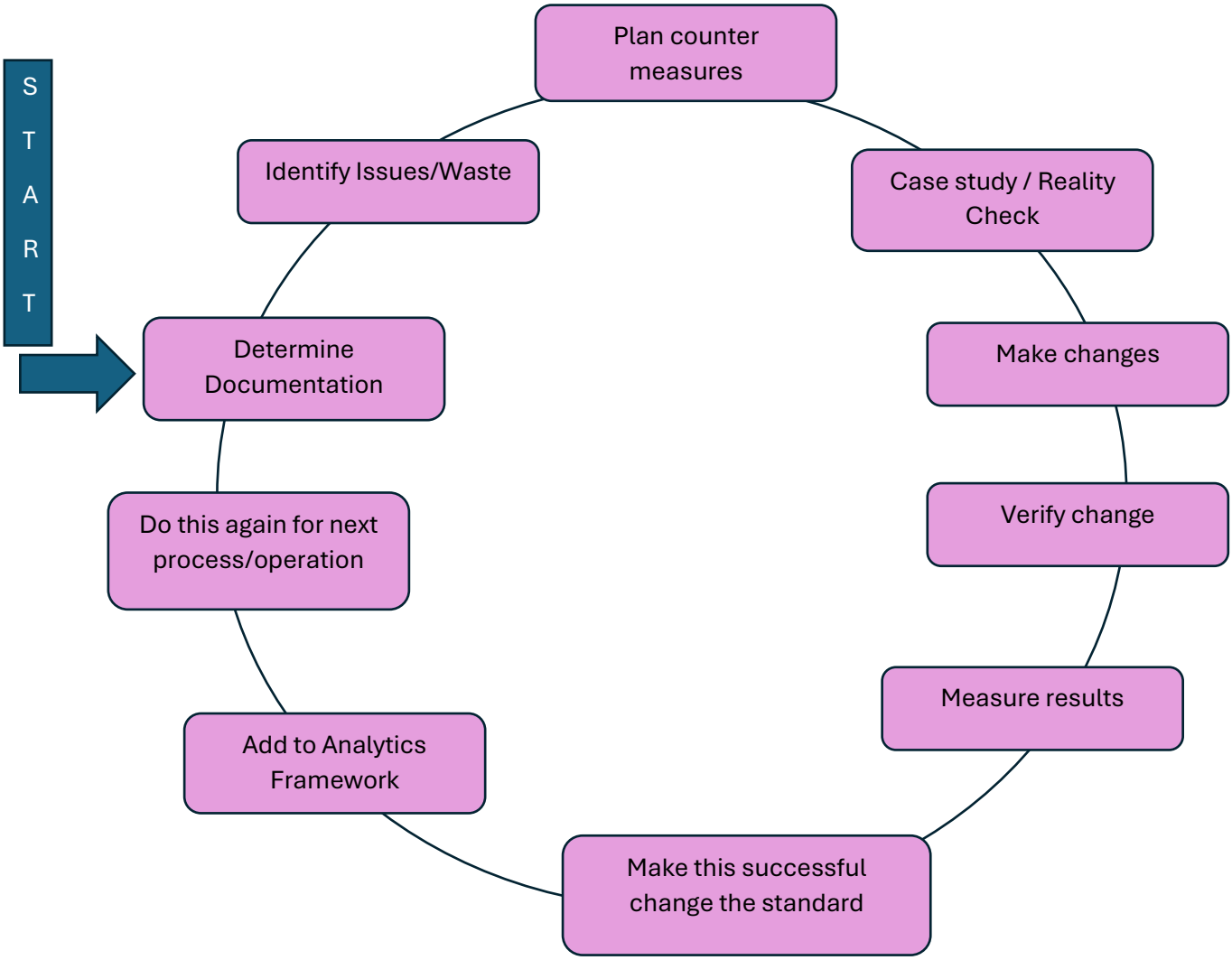
New CI Idea	CI Idea Issued	CI Idea Implemented
Assessment, audit, and other problem analysis	Owner assigned	Use of tools/techniques
5 Whys/ TMS studies	Due Date decided	Solution implemented
New Solution proposed	Solution Issued	CQI Budget feedback

Rapid improvement tools

- A3 paper based ideation
- 5S (sort straighten shine standardize sustain)
- Standard Work (TMS based variation studies)
- Catch ball or Call to attention (Assign team, Pass down "purpose, goals, background, challenges" for improvement to other interested stakeholders for opinion, help and action)
- DMAIC (Define measure analyze improve control)
- 5 Whys (Ask Why for 5 repeated times)
- Gemba walks (Walk by managers to identify opportunities for improvement)
- Hoshin Kanri (Policy development to focus on action, improve organizational alignment, develop CQI / Performance forecasting and budgeted strategy, increase engagement in improvement)
- Kanban cards for visualization of workflow, limiting of work in progress, maintaining steady flow in process/material and incorporating of continuous improvement
- Demings cycle (PDSA – Plan, Evaluate or Do, Study, Act)
- Value Strean Mapping (Interested stake holding, Assemble a team with resources, Process a problem, Current state map, Define required state for improved value or for reducing waste such as non-value added transportation, inventory, motion, human intellect or involvement, waiting, over capacity allotment, over production, over processing, defects)



Kaisen Cycle highlight



KANBAN DETAILS for a Service Cente/Workshop

Production Kanban: authorizes service of vehicle

Withdrawl Kanban: authorizes movement of material/parts/components

Kanban Square: marked area to hold material/parts/components

Signal Kanban: Signals status of service at work location

Material Kanban: Used to order material in advance of process for service of vehicle

Supplier Kanban: moves between the Service Centre and Supplier

CQI budget – A preview only

All improvements need time, resources and money so can be budgeted for

Company: **Department:**

Year: **Quarter: Q1/Q2/Q3/Q4**

Type of operations: Sales outlet/Business Ops Centre/Customer Service Centre/ Warehouse

City: **Area:**

Items	**Budgeted Amount**	**Additional Expenses**	**Total**
Micro & Macro Factors			
Cycle time			
Defect reduction			
Error reduction			
Waste reduction			
Improved safety			
Cost reduction			
KPI incorporation/improvement			
Make or Buy decisions and Process selection			
Process development			
Service operations development			
Systems development			
Capacity and Aggregate Planning			
Customer satisfaction/engagement			
Employee engagement/teaming			
Supplier selection/engagement for MRP/Inventory management/QA			
Environmental management for standard work			

Applicable Remarks:

Template is suitable/unsuitable/not applicable

APPENDIX 4 – PERFORMANCE BUDGETING

Company: **Department:**

Year: **Quarter: Q1/Q2/Q3/Q4**

Type of operations:

City: **Area:**

Performance influencers relevant for the business:

- □ **Forecasting (costs and accuracy)**
- □ **Capacity and Aggregate Planning (costs and accuracy)**
- □ **Make or Buy Decisions and Process Selection (costs and accuracy)**
- □ **Costs management through Time Motion studies**
- □ **Inventory management (costs and accuracy)**
- □ **Supply chain management (costs and accuracy)**
- □ **Materials Requirement management (costs and accuracy)**
- □ **Cost of Quality in Production**
- □ **Cost of Quality for Products**
- □ **Cost of Quality for Services**
- □ **Customer Focus in Quality management (costs and benefits)**
- □ **Kaizen and Continuous improvement (costs and benefits)**
- □ **Process improvement (costs and benefits)**
- □ **Six Sigma methods (DMAIC) (costs and accuracy)**
- □ **Six Sigma methods (DMADV) (costs and accuracy)**
- □ **Environmental management (costs and benefits)**

Performance indicators relevant to the business:

- □ **Economic rate of return for a given period (say a year or a quarter)**

EROR = (Cash flow + Changes in PV or present value)/PV at the beginning of the period

- □ **Book rate of return for a given period (say a year or a quarter)**

BROR = (Cash flow + Changes in book value)/Book value at the beginning of the period

- □ **Market share**
- □ **Return on Total Assets**
- □ **Average annual market share growth for the past 3 years**
- □ **Average annual sales growth over the past 3 years**
- □ **Average annual growth in return on total assets over the past 3 years**

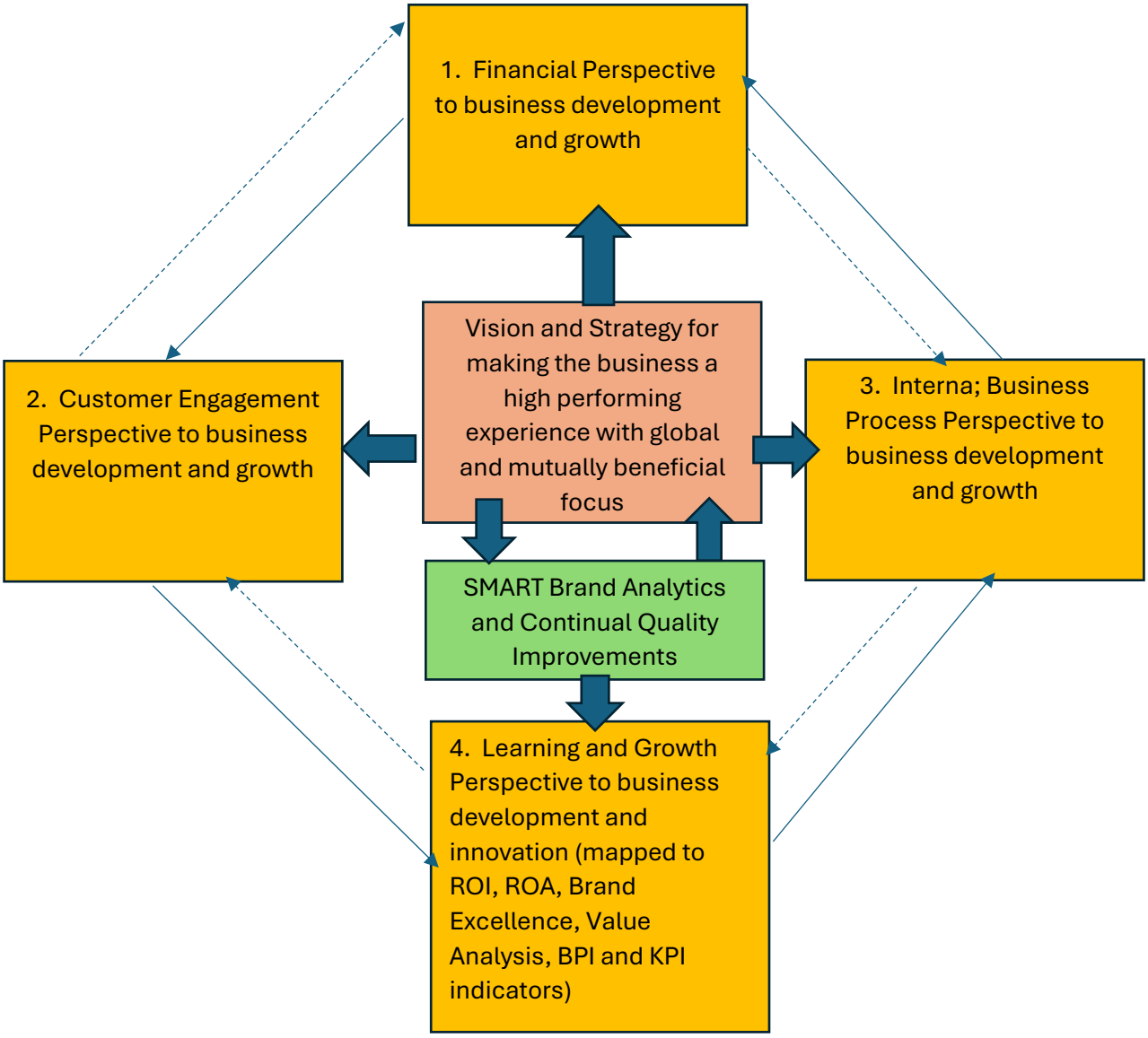
Items	50% capacity		60% capacity		75% capacity		100% capacity	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
Variance Analysis								
Direct Materials Variance								
Direct Labour Variance								
Overhead Variance								
Sales Variance								
Contribution Margin								
Sales – Variable cost of Sales								
Balanced Scorecard costs								
Customer Focus								
Internal Business Focus								
Learning and Growth								
Financial Growth								
Responsibility Centres								
Cost Centre Framework								
Value Analysis								
Value Engineering								

Applicable Remarks: Template is suitable/unsuitable/not applicable

APPENDIX V - CQI Scorecard highlight

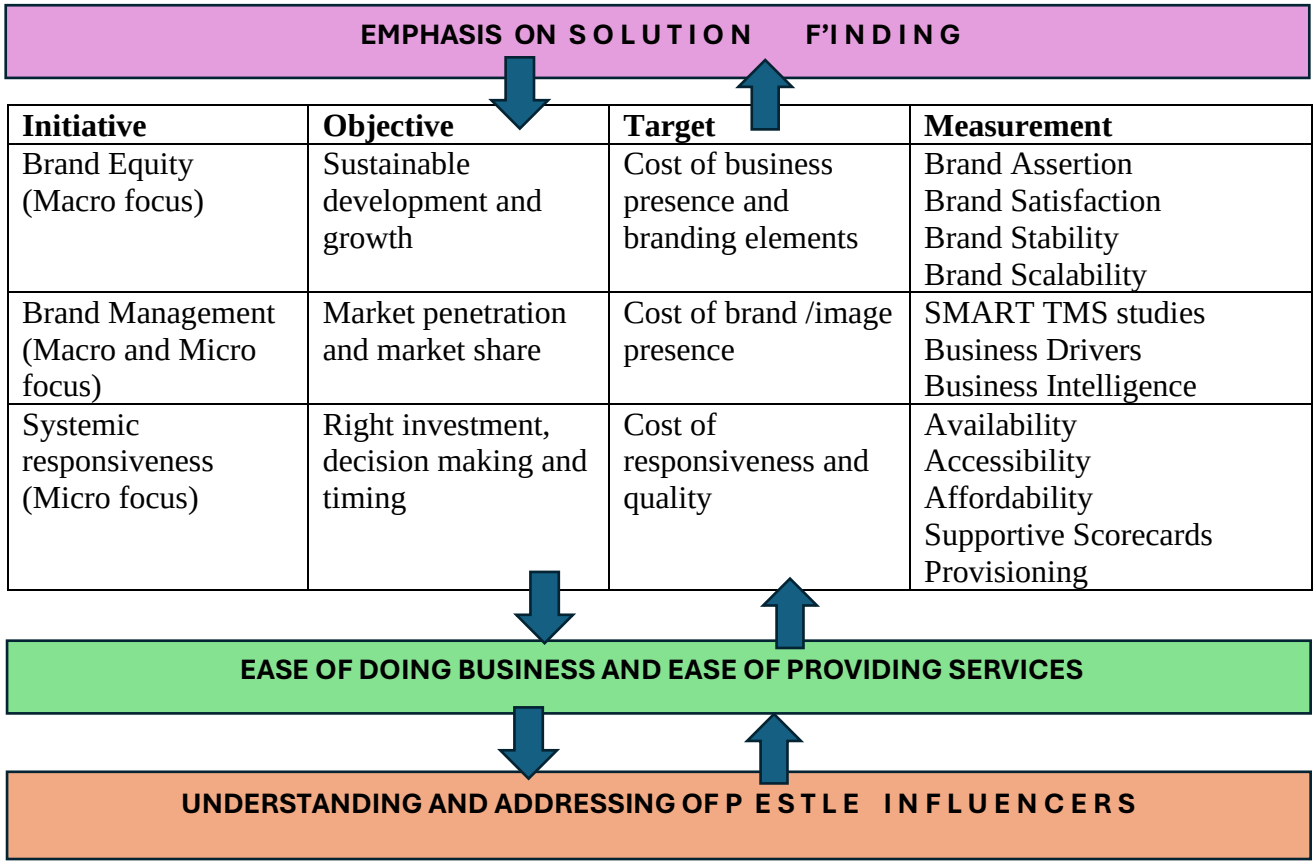
The CQI Scorecard revisits the Balanced Scorecard structure often used. The 4 perspectives of the Balanced Scorecard are 1. Financial perspective, 2. Customer perspective, 3. Internal business process perspective, and the 4. Learning and growth perspective.

The CQI Scorecard includes the Approach for Continual Quality Improvement into the 4 perspectives to help the business innovate and transform management systems to be more Global and Mutually Beneficial in investments for Quality of Services and Quality of Outcome where per say there is more vision to Empower to Enable to Engage perspectives.



CQI Scorecard functional elements

For continual quality improvement, a planning framework must be developed to acknowledge the macro and micro focus that needs to be unitedly accepted by all management levels

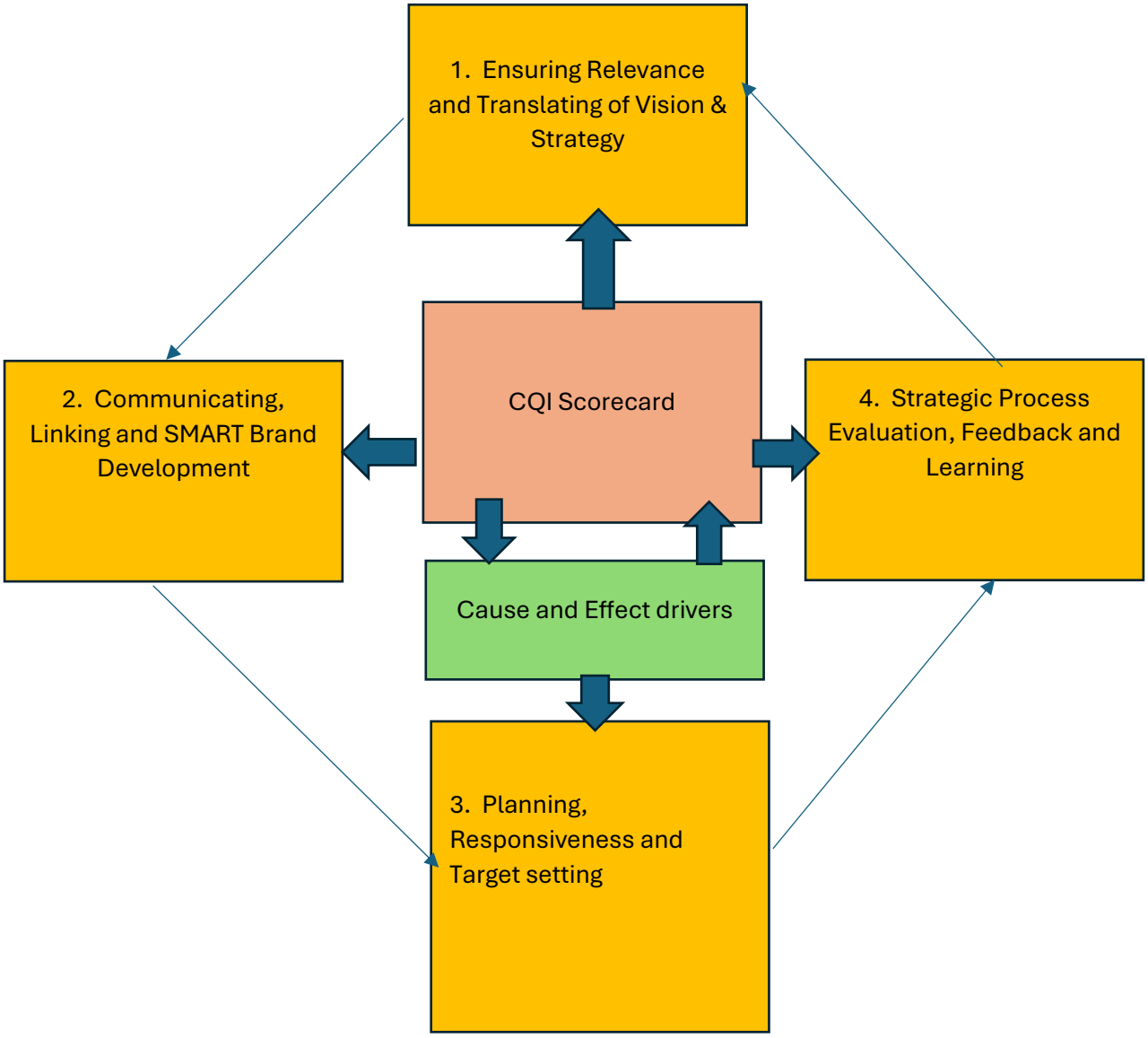


If the insight of a CQI Score card interests your organization, please mail us at venkataoec@gmail.com and aakkashkvautoengg@gmail.com or call us at 91 9342867666 for more details.

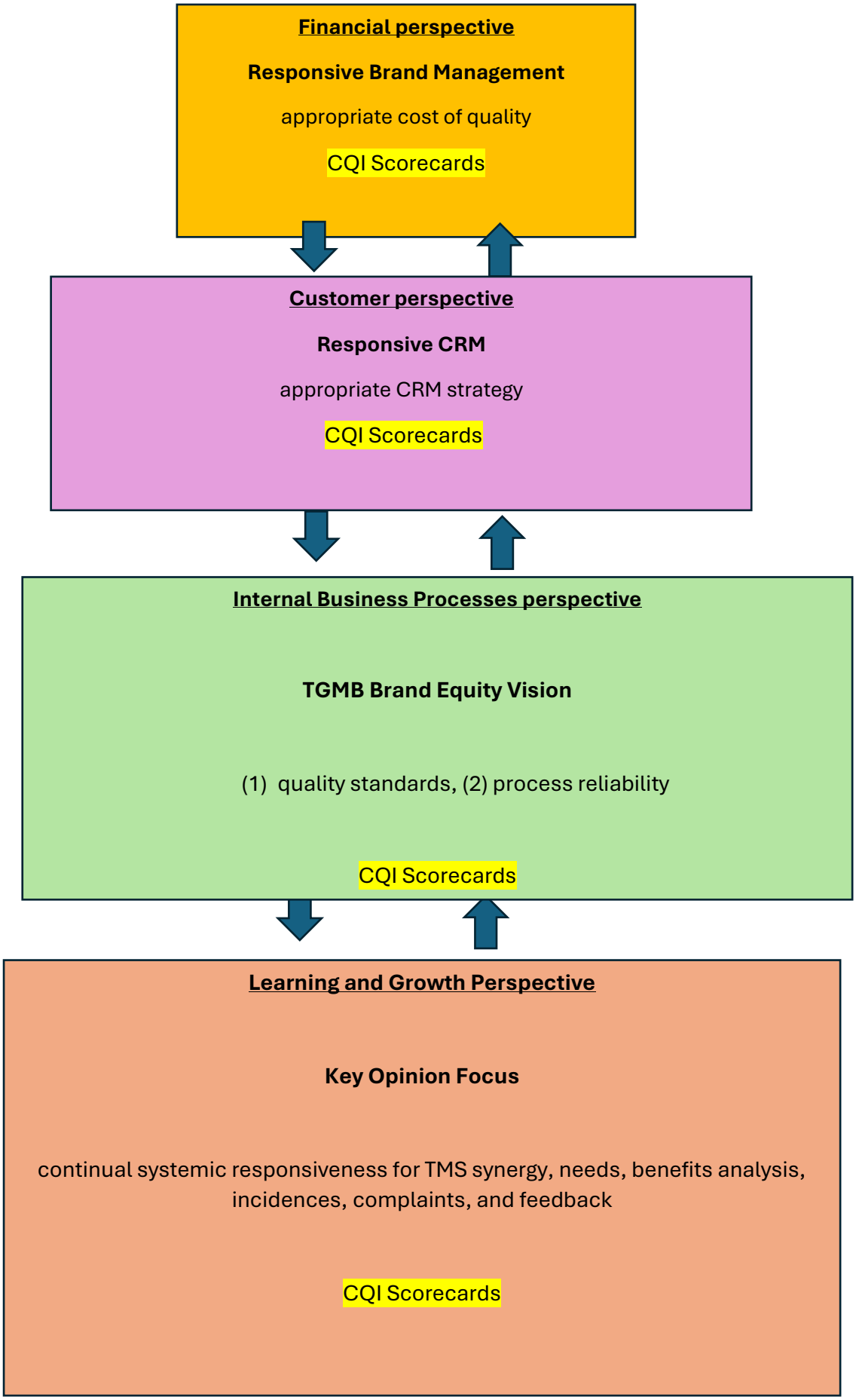
We ate attaching our quotation for taking up this case study and implementing a Continual Quality Improvement platform for your dealership related brands, products and services.

We look forward to achieving more results with your team.

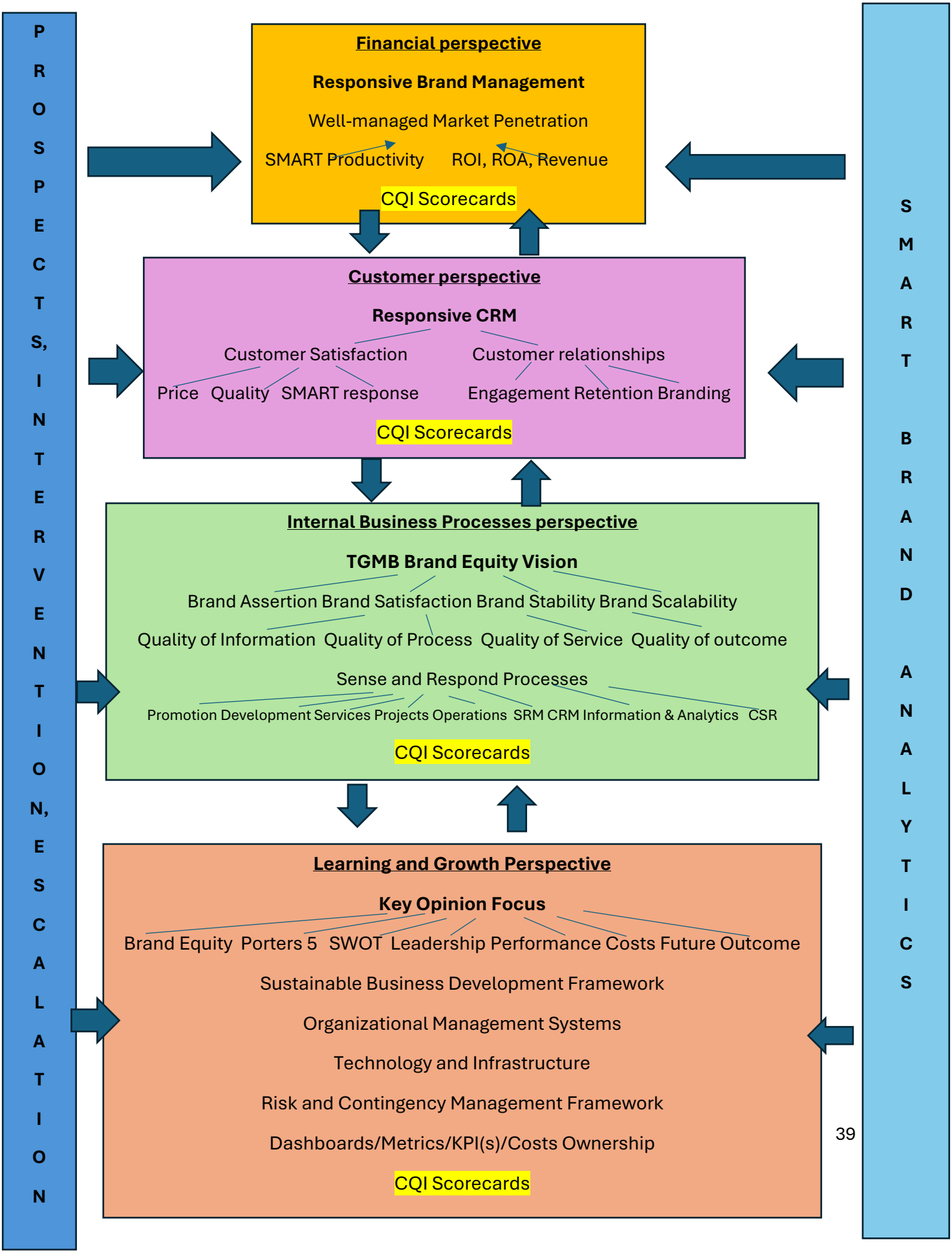
4 Steps to designing a CQI scorecard for SMART Brand Analytics and continual Quality assurance



Cause and Effect drivers for the CQI scorecard perspectives



Strategic map depicting the CQI scorecard perspectives in strategic brand management hierarchy



APPENDIX VI - List of case studies for automobile dealer networks

Closing note for the first 6 case studies

We hope your management finds this information important for improved brand development & growth.

We are attaching our consolidated quotation / invoice for the services being offered.

We look forward to taking up a consolidated case study or a selective case study specific to your dealership or business.

The NEXT steps are about making an automobile brand Global and Mutually Beneficial.

Our series of case studies help incorporate strategic data evaluation and analytics for this vision and value building. Please ask us for more details if required.

Case study 1: Brand Equity Case Study

Case study 2: Proactive Emphasis on Sustainable Quality to improve brand equity

Case study 3: Market Penetration Analysis to improve branding

Case study 4: Service Centre Improvement

Case study 5: SMART Brand Analytics (this document)

Case study 6: Continual Quality Improvement

For helping business development and growth in 2024-2025, we have also developed a vital scope highlighter called - An Empirical study of the impact of budgeting on the operations and performance of a firm.

NEXT Case study

Our next case study will be designed around the subject called Developing Key BI Accelerators with Knowledge & Training Strategies. We will send more details on this in the weeks to come.