

Krishna Rajaram Ashtekar Jewellers – Multiplies their outlet, using Lean.

BACKGROUND:

Krishna Rajaram Ashtekar Jewellers, Pune situated in heart of Gold and Silver Jewellery market is an eighty-year-old establishment. Mr. Rajaram Ashtekar established reputation for customer service over a period of 80 years. He was one of the pioneers to use Hallmark certification, thus assuring quality on each item sold. Over the years the business expanded to two show rooms separated by a distance of just 50 metres.

Since his passing away in 2000, the business was managed by his son Krishna Rajaram Ashtekar and subsequently in 2007 to his grandsons who are currently managing the business, along with other non-related businesses of Ashtekar Group in Pune.

Till 2009, the business processes were improvised with the help of ERP software which facilitated accounts and stock keeping. At that time the company faced issues related to excess inventory, stock outs, employee attrition, heavy absenteeism to name a few.

The owners wanting to cater to expanding market demand were looking for guidance on that journey. Kanzen Institute was invited to streamline various processes.

OUR APPROACH

The focus given to three processes, namely **Customer handling process, Order processing till cash collection and back end processes**. Various Lean principles were to be used for process improvements.

Traditionally, customers buying jewellery typically spend couple of hours in the show room, half of which time was observed to be 'wasteful' under lean paradigms. These were attributed to sales advisor not being ready to exhibit items immediately due to searching, mixing, unknown stock outs or packing material non-availability or sometimes just lack of clarity related to transactions involving exchange of old gold against fresh purchases. The ever-changing government regulations always made matters worse.

IMPROVEMENT ACTIONS:

1. Customer handling process – Keeping in mind the customer expectations related to product quality and variety, we started with some basic 5S activities. All the jewellery was closely scrutinized and every plausible defective item was removed from the counters. This was red box equivalent process which continues till day. The quality assured items were arranged, labelled and stored in specially procured containers so that searching and retrieval time was drastically reduced. Some logical discipline on storage on display trays resulted in quick retrieval of right item in right weight range.

The sales process requires dozens of supporting tools such as measuring tools, extension pieces, screws, catalogs, gift packing accessories etc. Any missing item would result in prolonged wait. The 5S discipline helped significantly on this front.

2. Order Processing -Once the jewellery is selected, order confirmation, calculations and commercial processes also showed possibilities of waste elimination. Formats were modified and massive training organised to eliminate mistakes. The bill calculation process was modified using error proofing techniques making job of the cashier faster. Simplified processes with use of check lists and yes no tick boxes

As an upstream extension in improving this process, in the HR selection process, only those candidates who demonstrated great efficiency in using calculators were to be considered for personal interviews.

3. Back end processes. - Back end processes on close observation showed gaps in internal customer orientation. This again had an effect on customer waiting time. The following actions taken to reduce the time in backend process.

- Reduced intermediate weighing and recording muda by building a trustworthy team and quality assurance processes.
- Introduced Kanban where ever possible, resulting in simplified vendor management.
- Simplified processes and then digitised it. Less load on software developers.

OVER ALL OUTCOMES:

The following are the outcomes of implementing lean in Krishna Rajaram Ashtekar Jewellers, Pune

- Reduced working capital
- Improved market share with more show rooms in more locations.
- Number of showrooms expanded to seven as of 2018.
- Speed of setting up new show room from concept to inauguration. Showroom as a new product. Use of wealth of knowledge available in each new project. The latest show room always has advantage of learning from mistakes from the past. Everyone is eager to shift to newest outlet.
- Created environment where people are not afraid to surface problems. The problems get heard on daily basis with responsibility to report on problem status.
- People enjoy their multiple roles through high involvement in making improvements.
- People have reported improved quality of personal life.