

A Case Study

on

WINCO VALVES PVT. LTD.

By

Prof. Rajni Shah (Assistant Professor) with following students of
MBA

Jenish Patel
Himani Sadhu
Rajesh Kumbhar
Piyush Chhayani
Utsav Makwana
Anjum Chaudhri
Nitin Ramani
Ungar Pooja
Sumit Patel
Vishal Badwal
Nirali Patel
Hardik Nadani
Kinjal Vaghela
Pranav Vairagibava
Jigar Desai

under

Vikalp – Case Study Forum

L J MBA

2013-14

About the Visit (EXPLORE)

As a part of Explore (Industrial Visit), we were directed to visit any Small-scale enterprise or an enterprise registered as an SME or MSME. The motive of the Industrial Visit is to help the students to implement the theoretical knowledge into practical experience and thus reveal the understanding of the ideas, concepts and skills gained through curriculum. The visit also helps the students to plan, organize and engage in active learning experiences both inside and outside the classroom. In accordance with the same, to get the first-hand information about the operations of the company, a group of students (Fourteen in number belonging to Section A – Noon, Semester-II) went to visit a Micro enterprise called Winco Valves Pvt. Ltd. We went by our private vehicles and reached the venue located at Rakanpur near Ahmedabad by 10:00 am. The owner and employees (who mainly comprised of skilled labor) were already at work. Having notified the owner earlier of the visit, we were welcomed by the owner. After tea session, he took us to the conference room and gave brief introduction about the company.

Then we started with the office, and went ahead to the plant where initially, we saw the Casting Foundry, where the Scrap materials were stored and melted and Shaped in form of semi finished products. From the Casting Foundry, these semi finished products were taken to the Drilling Foundry where the machines were kept. Each of the machines was meant for different purposes i.e. different processes and also various designs in different shapes. Once, the final product was ready in assembly department, it was taken to first Quality Checking Department and from that to packaging department and stored there. Although the factory premises were not very huge, the processes and departmentalization was as good as a medium scale enterprise.

After having seen the entire factory and having understood the processes, the students chatted casually with the employees. One of the students also ventured to take the place of one of the laborers on the machine and had a first-hand experience for the first stage of making the fire safety equipments. Then, we interacted with the Owner on various production, finance, marketing and human resource related issues. Having finished the meeting, I thanked the owner for his co-operation and we left the company around 12:30 pm. The two and half hours was an entertaining and yet educating experience for the students and they looked forward to many such

visits in the future. Students got an insight into the technicalities and managerial functions of a company and some food for thought if they wish to be entrepreneurs.

About the Industry and Company (VIKALP)

About the Fire Safety Equipments Industry in India and Gujarat

With rapid industrialization and escalating governmental regulations, the fire safety equipments market in India is poised for growth. The fire protection market in India is highly fragmented and majorly dominated by unorganized players with regional presence. Most of these companies are either family owned or proprietary concerns. There are only a handful of players in the organized market with pan India presence in this industry which leaves huge growth opportunities for international companies to enter this market before it gets organized or crowded and capture the market share with quality products.

Over the last decade, India has witnessed a substantial increase in terms of awareness about fire safety and security. The rapidly expanding IT and retail markets across the country have significantly contributed towards the growth of the fire & safety equipment sector, and this trend is likely to continue over the coming years. As large refineries, petrochemical complexes, biotechnology ventures, pharmaceutical, automobile, steel, oil & gas exploration projects need to comply with various mandatory safety regulation, these segments has been contributing hugely to the growth of the country's fire & safety market. According to "India Fire & Safety Equipment Market Forecast & Opportunities, 2019", the fire & safety equipment market in India is expected to grow immensely over the coming years. The market is set to experience radical growth over the coming years as a result of increasing customer awareness regarding fire safety, security and asset management coupled with implementation of strict state level norms on fire safety.

Gujarat has no it's leg behind in terms of providing safety with the help of fire fighting equipments. The Gujarat state government has also brought into effect the regulations of the Gujarat Fire Prevention & Life Safety Act from February 22, 2016 making it mandatory across the state. However, the market potential is still largely untapped due to lack of awareness,

stringent regulations and a common perception of fire safety equipment being perceived as an unproductive outlay.

About the Company

Winco Valves Pvt.Ltd. was established in 1981. It manufactures a vast range of Fire Fighting Equipments under the “WINCO” brand. Winco has evolved as a reputed manufacturer over the years and have constantly added the new products which resulted in a vast range. At the time of inception the aim was to field in Gun Metal Hydrant Valve, coupling, Short Branch pipe Nozzle etc. for Fire Fighting & Fire protection systems. That led to venturing into manufacturing of a complete range of Fire fighting equipments in Gun metal, Stainless Steel, Aluminum alloy, such as Single Hydrant, Double Hydrant, Short Branch pipe, Coupling, Water Monitor, Hose Box , Hose Reel. Every effort was made to adhere the relevant National and International Standards. The products are widely used in Chemical & manufacturer industries, Refineries, Petrochemicals & Fertilizer plants, Pharmaceuticals, Oil Exploration, Thermal & Nuclear plants, Steel Plants, Food Beverage & capital goods industries, Effluent Treatment & Sewerage plants, Water Treatment, Cooling Water & Water Supply plants, Mining industries, High rise Buildings, Commercial complexes etc.

The Company is an ISO 9001:2008 and CRISIL SE-1B Rated Company, Ahmedabad based rapidly growing and leading manufacturers of famous “WINCO” Brand Fire Fighting Equipments. We also manufacture specialized items according to customer’s samples and critical requirements. Our array of equipment is manufactured as per BIS (Beauro of Indian Standards) specifications and is offered with ISI Mark, It is used in airport, hospitals, hotels, power sector, Oil and Gas Refinery and other establishments. We received repeated orders for our products due to their features of simple installation & usage.

Within a short span “WINCO” have made its Image in the market for its Quality Products & Services. Our Fire Fighting Equipments are widely used in various companies like Indian Oil Corporation Ltd., Essar Projects Ltd., Oil and Natural Gas Corporation Ltd., Larson & Tubro Ltd., Power Grid Corporation of India, etc., and so many other Private Sectors and Public Sectors throughout India. We possess a pool of talent in form of workforce that ensures to exceed our

client's expectations. They are highly experienced and strive to provide only the faultless products to our clients. It's only because of their efforts that we have acquired tremendous success in the industry. We possess a robust infrastructure which assists us in completing the bulk demands of our clients.

It is the Quality Policy of "WINCO" to provide complete range of World-Class Fire Fighting and Equipments which meet or exceed the stated and implied needs of our customers and which meet national and international standards. In coming years, "WINCO" shall constantly strive to improve its performance through implementation of goal-oriented quality management systems, continuous improvement and hard work.

Working of Winco Valves Pvt. Ltd.

As company manufactures number of fire fighting products it has different sections of production processes.

First, basic process section of production of fire safety equipments is "Casting" of raw materials. A foundry is a factory that produces metal castings. Metals are cast into shapes by melting them into a liquid, pouring the metal in a mold, and removing the mold material or casting after the metal has solidified as it cools. The most common metals processed are aluminum and cast iron. However, other metals, such as bronze, brass, steel, magnesium, and zinc, are also used to produce castings in foundries. In this process, parts of desired shapes and sizes can be formed.

Second Section is "Drilling" is a cutting process that uses a drill bit to cut or enlarge a hole of circular cross-section in solid materials. The drill bit is a rotary cutting tool, often multipoint. The bit is pressed against the work piece and rotated at rates from hundreds to thousands of revolutions per minute. This forces the cutting edge against the work piece, cutting off from the hole as it is drilled.

And other three Sections are assembling of all equipments for final product, Quality Testing and Packaging. The company focuses more on quality testing and till date no issues were recorded about the quality of equipments.

The company follows both the types of methods Traditional as well as Modern for manufacturing fire safety equipments according to the requirements. Traditional method gives less output than modern method. Modern Method requires implementation of related machineries which demands high investment but gives more output and safety. But it reduces the demand of employees for different processes. While traditional method gives less output but provides employment to more people.

Products & Services

Main Five Types of products are Fire Hydrant Valve Single Control, Fire Hydrant Valve Double Control, Fire Hose Delivery Coupling, Short Branch Pipe Nozzle, Stand Post Type Water Monitor and other basic different product parts are Fire Hose Box and Fire Hose Reel Making Material like Mild steel, Stainless Steel, Aluminum, Fire Hose Reel , Fire Bridge Connection Two Way/ Four Way , Air Release Valve, Double Male Coupling, Double Female Coupling, Hydro Form Nozzle, Form Making Branch Pipe FB 15X, 10X, Diffuser Nozzle, Revolving Nozzle, Jumbo Curtain Nozzle

SWOT Analysis of Winco Valves Pvt. Ltd.:

Strengths

- Experienced Business Units
- Wide range of products
- Ability to deliver high quality products at a competitive price
- Huge customer base in domestic as well as foreign market
- Strong research and development helps in delivering High Quality Products at a competitive price.

Weaknesses

- Cost Structure
- Competitive Market
- Small business unit
- The company lacks effective marketing infrastructure
- Requires huge investment in Research and Development as well as in modernization

Opportunities

- Growing Economy
- Awareness about Fire-Safety in Unorganized Sector
- Technology based changes to follow Fire Safety Industry Revolution
- Separate Fire-Safety act to make it compulsory for the safety of priceless human lives.
- Research and development

Threats

- Price Changes
- Financial Capacity
- Government Rules and Regulations
- Tax Changes
- Highly competitive market
- Competition among players
- Uncertain market and economic conditions

PESTEL Analysis Winco Valves Pvt. Ltd.

Political

The political direction locally, nationally and internationally can be subject to change. Changes may influence the direction contained within this Strategy and the ways in which we are able to deliver it; and the finance and resources to do so. The government policies and regulations relating the company's industry and Clients Company's industry can largely affect the future of its business. For example, Fire Safety Equipments sector has seen a extensive growth in the last few years and has been at the top of the political agenda reason being the survival of the human lives at any cost.

Economic

When the economy does well, all businesses do well in rising waves. But when the economy faces significant financial constraints there are risks of higher unemployment, poor standards of living, and an increase in health and social well being related issues. Thus rising and recession

both play measure role in the economy of India as well. Businesses are dependent upon each other for the survival and help themselves to sustain in any situation. Same way with the industrialization and related safety norms are important aspects to take into consideration.

Social

Nowadays companies are more interested in social responsibility as it helps to boost up the brand name. Second major benefit is in the form of taxation. The company also contributes towards social responsibility in form of free medical treatment facilities to employees, employment for handicapped, ban on child labor. Because of such type of facilities, employees who are working in the organization also have benefits and ultimately, it leads to employee satisfaction and thus fewer turnovers.

Technological

The improvements in technology relating to fire safety equipment provide an opportunity to take direct action to keep communities safe. However, with budget constraints it is important to ensure that our services are provided in a targeted way, based on risk and need. Winco Valves Pvt. Ltd. being manufacturing company of fire safety equipments is driven by modern method which uses machines with latest technology to meet the changing requirements of a growing economy. At the same time the company has to keep pace with the developments happening in its business areas, else it will be knocked out by the competitors.

Legal

The Fire and Rescue Service continues to work in an extremely challenging and dangerous environment and like all employers must adhere to Health and Safety legislation. Company has attained ISO - 9001 certification for quality management and manufacturing unit has been upgraded to the latest ISO-9001: 2000 version. The company is also having ISO 5290 (1993): Specification for landing valves. The company has to adhere to the scores of legal rules and regulations, the acts, particularly the Companies Act 1956, The Factories Act, the Environmental Protection Act, Sales of Goods Act etc

Environmental

Proper disposal of waste materials and chemicals is also a major concern for which the company has put up Chemical storage and disposal plants.

Challenges faced by the Company:

- In highly competitive market, survival is to maintain quality at competitive price.
- Because of the industry revolution and modernization, requirement of huge investment
- Changes in export-import norms
- Steady growth in terms of GDP
- Less awareness about the safety system and implementation

Scope

- Segmental Analysis - Fire Fighting Equipment, Fire Detection Equipment and Fire Protection Equipment Market
- Changing Market Trends & Emerging Opportunities
- Pricing Analysis and Policy & Regulatory Landscape
- Strategic Recommendations

Customer overview

This business works on both Direct Order Fulfillment and “Make to order (Customization). So an advance contract is made with the customers and production is scheduled accordingly. Indian Oil Corporation Ltd., Essar Projects Ltd., Oil and Natural Gas Corporation Ltd., Larson & Tubro Ltd., Power Grid Corporation of India, Many Shopping Malls which utilizes the full capacity of the company are the customers of the company.

Employees Say

The employees are governed by the Factories Act and the same rules in case of wages, working hours and safety are applicable to them. The employees who worked on the machines have to be careful about their safety. However, the management assures that there have been no problems related to safety with their employees.

Conclusion

The company although small in size, works at full capacity and has international clients. The competition is very high but as the company has established its image of being a quality-conscious company. So without many extra efforts on marketing and promotion, the company can sustain in this competitive arena. The company aims to expand its production for different fire fighting equipments.

Interview Courtesy: 1.Mr. Bhavik Mehta 2. Mr. Hemendra Mehta