MSME Competitive (Lean) Scheme 2022

(A component of MSME Champions Scheme)

MSME COMPETITIVE (LEAN) SCHEME

MCLS



Ministry of MSME, Govt. of India



□ MSME's are catalyst for Economic Growth

Objective of scheme is to make MSME sector more competitive through Implementation of Lean Tools and Techniques



The scheme strive for :

reducing manufacturing costs ; Space Management ; Efficient Utilization of Resources ; Inventory Management; Improved Process flow





To maintain margins / profit / surplus - necessity of a business

Cost - Tendency to move up

□ Margins -Consequently - go down





Increase the Sale price: Not possible as it depends on the buyers' need. (fully external factors)

☐ Increase the production /volume: Not possible due to shortage of space, want of resource; (internal factor) and customers' need (external factor)

Downwards thrust on Cost:

Only this is possible for a MSME (fully internal factor)

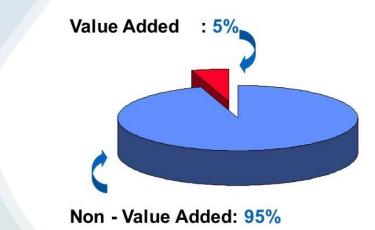
The best solution of this problem is Implementation of Lean Tools & Techniques

About Lean

- Reducing non value added activities (waste) to become competitive and profitable.
- Reducing fat to become healthy and handsome.
- Non value adding activities are the activities for which the customer is not willing to pay.







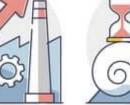


8 WASTES OF LEAN MANUFACTURING



DEFECTS







OVERPRODUCTION



NON-UTILIZED TALENT



TRANSPORTATION



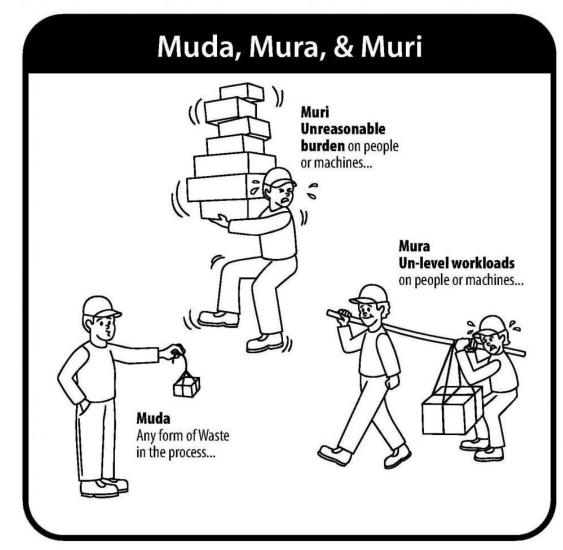
INVENTORY



MOTION



EXTRA-PROCESSING



Key Benefits of LEAN

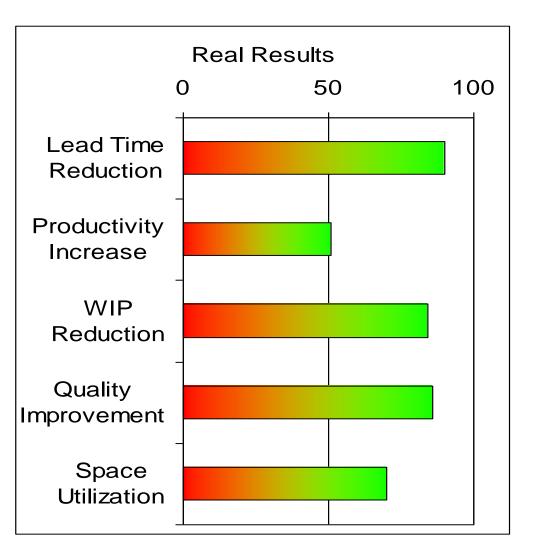




Benefits of Lean Manufacturing

Helps in –

- Cost reduction
- Cycle time reduction
- "Waste" minimization
- Elimination of non-value-added activities
- Resulting in a more "lean," competitive, agile, and marketresponsive company



Implementing Agency







The New

MSME Competitive Lean Scheme (2022)

Objectives of Scheme

To enhance the domestic and global competitiveness of MSMEs through application of various lean tools and techniques



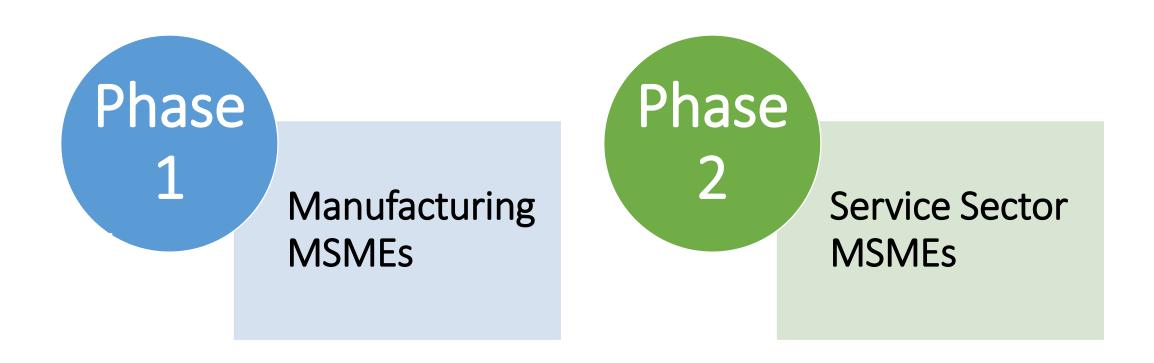
Objectives of Scheme







The MCLS scheme will be implemented in two phases.



Coverage & eligibility

- All MSMEs registered with UDYAM
- Micro & Small Enterprises Cluster Development Program (MSE-CDP) Schemes.
- Units under SFURTI (Scheme of Fund for Regeneration of Traditional Industries) clusters



MSME Competitive (Lean) Scheme Levels

MSME COMPETITIVE (LEAN) SCHEME MCLS

MSME Competitive (Lean) Scheme can be attained in THREE Levels after registering and taking the Lean Pledge:





Level – 1 Basic Self learning through e-modules (2 Months) Level – 2

Intermediate

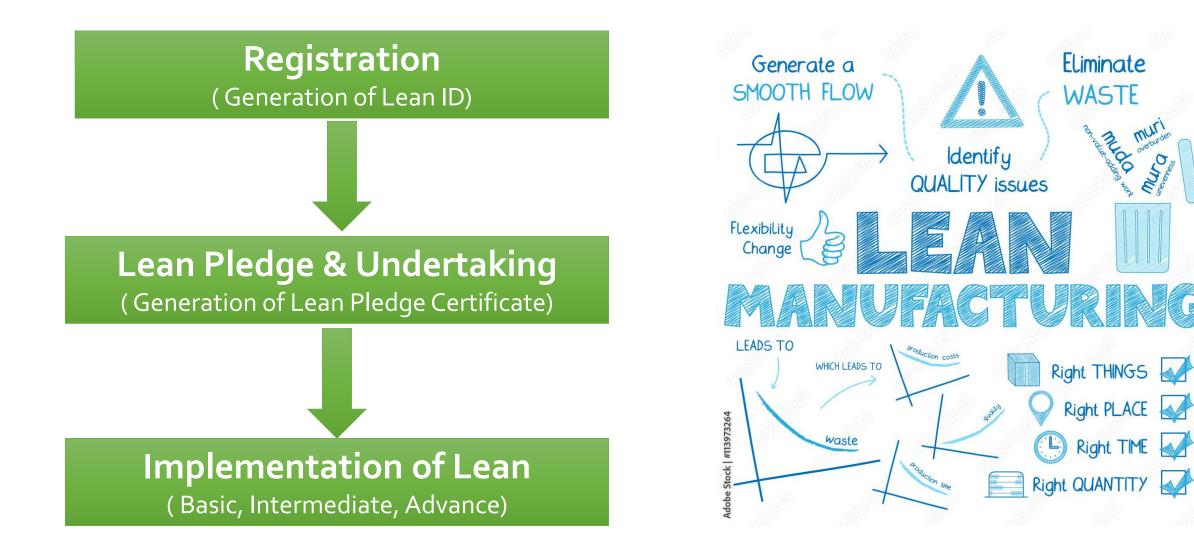
lean consultant will implement lean tools like 5S, kaizen, visual control etc. (6 Months)



level – 3 Advanced

consultant will implement advanced tools like VSM, SMED, POKA YOKE etc. (12 Months)







Financial Assistance

- 90% subsidy on implementation cost of consultant fees for the MSMEs.
- Additional 5% Gol contribution shall be given to the MSMEs registering through
 - Industry Association/ OEM
 - SFURTI Clusters ;
 - Woman, SC/ST owned
 - \circ $\,$ NER Located $\,$
- ₹ 5000/ per MSME shall be given to OEM/ Association after completing all stages of lean intervention.



Benefits

Units successfully completing MSME Competitive (LEAN) scheme get benefits in terms of exemption in parameters of the MSME Sustainable (ZED) Certification and subsidy attached with MSME Digital Scheme.

Implementation of Basic Level





Participation of Units : Individuals

Duration : 2 months

Mode : Online (E- Module)

• Free of Cost ; E- Certificate Post Completion of Program (Online Exam).

Monitoring of Basic Level





Based upon online assessment examination at the end of the Basic Level self-paced learning modules.

*Total duration will be 2 months.

Implementation of Intermediate Level





- Minimum onsite holding of 12-14-man days per unit of GoE;
- Grace period of 3 months for completion of work

- Participation : (Units)
- Nature of Group :
- Duration :
- Implementation
 Phases :
 - 1st Phase
 - 2nd Phase

2

2

3rd Phase

- Group of Enterprises (GoE)
- Heterogeneous / Homogenous
- 6 Months
- 3 Phases
- DSR & Action Plan (2 months)
- Implementation Phase (2Months)
- Final & Last Phase (2 Months)

Monitoring of Intermediate Level



1st Stage (DSR Stage)

2nd Stage

3rd Stage

Online by implementation agency (IA)

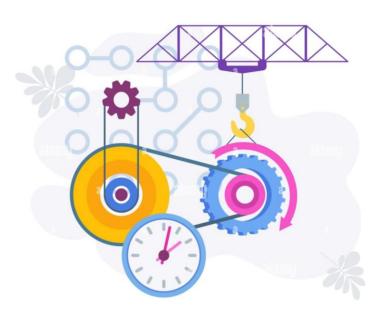
: Physical by Implementing Agency along with MSME Development and Facilitation Office (DFO) official.



*Total duration : 6 months.

Implementation of Advance Level





- Minimum onsite holding of 24-26-man days per unit of GoE;
- Grace period of 6 months for completion of work

- Participation : (Units)
- Nature of Group :
- Duration :
- Implementation
 Phases :
 - 1st Phase

5

- 2nd Phase :
- 3rd Phase :

- Group of Enterprises (GoE)
- Heterogeneous / Homogenous
- 12 Months
- 3 Phases
- DSR & Action Plan (2 months)
- Implementation Phase (5 Months)
- Final & Last Phase (5 Months)



Monitoring of Advance Level

1st Stage (DSR Stage)

2nd Stage

Online by implementation agency (IA)

3rd Stage

 Physical by Implementing Agency along with MSME Development and Facilitation Office (DFO) official.



*Total duration : 12 months.

Process Flow From Basic to Advance LEVEL

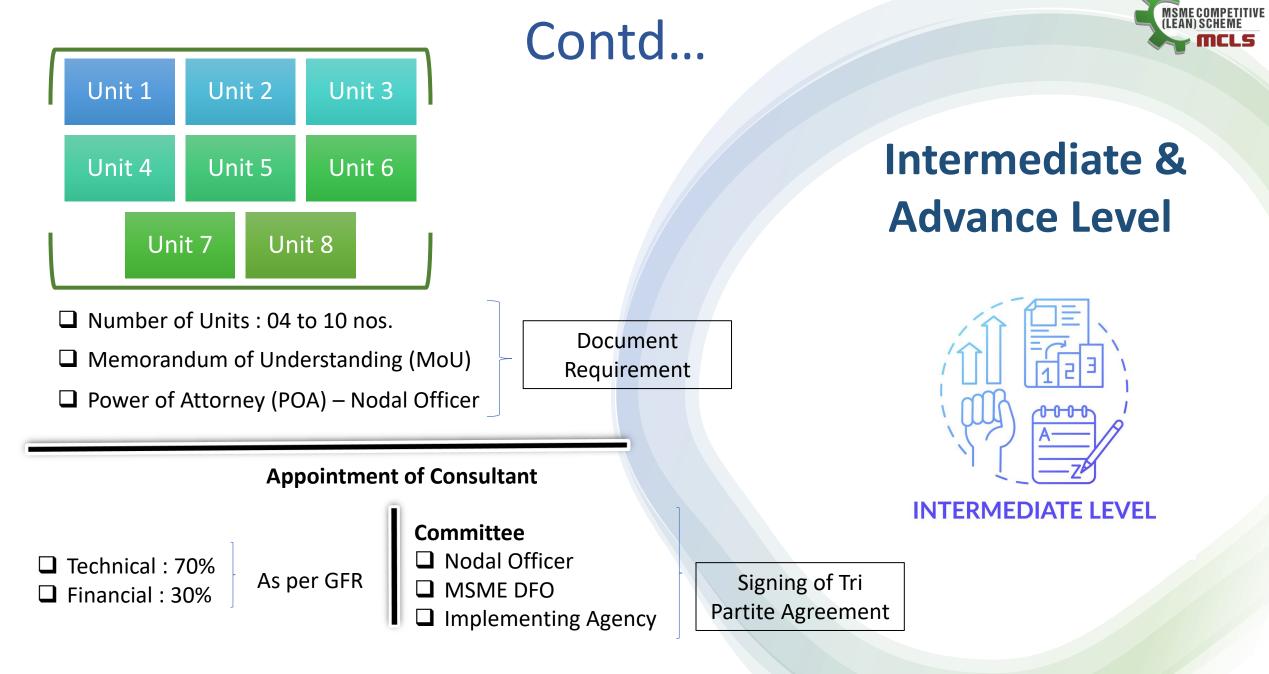


(Individual MSME Unit) All units complete the Basic Level E-Learning Modules after registering for the scheme at individual level.

E- certificate will be awarded on successful completion of exam.

Basic Level





MCLS

Advance LEVEL





Forms and format for capturing data in advance level will be different. Dashboard for Advance level will be same as Intermediate Level.

Stakeholders



MSME COMPETITIVE (LEAN) SCHEME MCLS **Financials**



	Basic Level	Intermediate level	Advance Level
Implementation Cost (Max. per unit)	Free	₹ 1,20,000 + Taxes	₹ 2,40,000 + Taxes
Beneficiary - Contribution		10% of Total Cost of Implementation i.e. ₹ 12,000 + Taxes per unit (Max.)	10% of Total Cost of Implementation i.e. ₹ 24,000 + Taxes per unit (Max.)

GOI Contribution

₹ 1,08,000 + Taxes (max.)

₹ 2,16,000 + Taxes (max.)

Scheme Components



Handholding for MSMEs to achieve higher scheme levels



Training programmes for stakeholders like MSME Officers, Assessors and Consultants



International Benchmarking and Learning Best Practices and Foreign Travels



Single window digital platform for MSME Competitive Lean Scheme



Nation-wide awareness programmes/ workshops for MSMEs



PR Campaign, Advertising & Brand Promotion



E-learning modules on Lean Tools and Techniques



E-Certificates to be given after successful completion of different levels.



Progressive implementation of lean tools and techniques





Only Consultant Organization may participate in the scheme

- At a time one consultant of an organization may handle one GoE only (Intermediate or Advance)
- Selection of Consultant will be through Technical and Financial Bidding process
 - Technical 70% weightage
 - Financial 30% weightage



New Scheme VS Old Scheme



	Previous Scheme	Present Scheme
Nomenclature	Mini Cluster	Group of Enterprise (GoE)
Members	6-10	4-10
Type of participating industries	Industries with similar product i.e. Homogenous Industries can make a group.	Heterogenous MSME units can form a group.
Special Purpose Vehicle (SPV)	SPV required	NO SPV required
Lean Implementation	Total period-18 Months	Basic-2 Months Intermediate-6 Months Advanced-12 Months
Govt. Contribution	80% on implementation cost of consultant Fees	90% on implementation cost of on cost of consultant fees by GoI 5% additional to MSMEs registering through Industry association/ OEM
Governance	Screening & Steering Committee (SSC)	Project Monitoring and Advisory Committee (PMAC)

Success Stories

		r			
	Problem	Measure Taken		Results	
Implementation	Tools were getting damaged on the bare floor and retrieval time was high.	Tool storage rack wa		Reduced chances of tool damage, reduced chances of accident, and became easily identifiable reducing retrieval time	
e		Faridabad Lean Imp	lementing Partners	-2	
d	BEFORE			AFTER	
Glimpse of Im	Tool storage	on bare floor		Istorage in racks	

_	Problem	Measure Taken		Results
Stripped wire quality proble	or preservation of es. It was causing ems resulting into hage of wires.	Proper preservation stripped wires	system made for	 Quality improvement Better preservation system for wires. Cost saving: 20X5X25=2500X12= 30000 Rs/Year
	BEFORE	Lumax-Tier 1, Kirti N	agar Indl. Area U	Init AFTER
terminal dam				

Screen Shot of Lean Implementation



Before

Used screens and unwanted dies are stored in dies storage area.

After

Used screen red tagged and Relocated. Unwanted dies disposed.





Before

In housed fabric stored in fusing machine area.

After

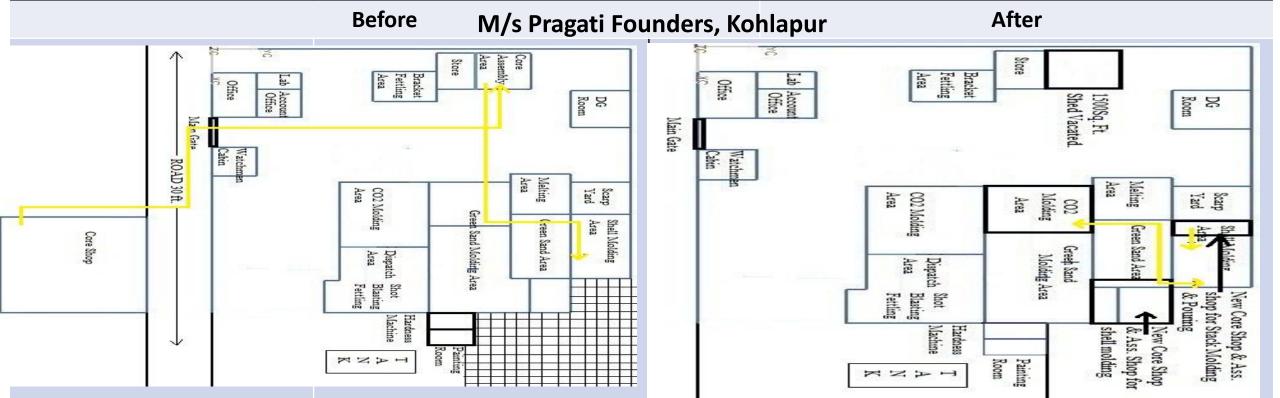
Unwanted materials at fusing area relocated to separate rack.



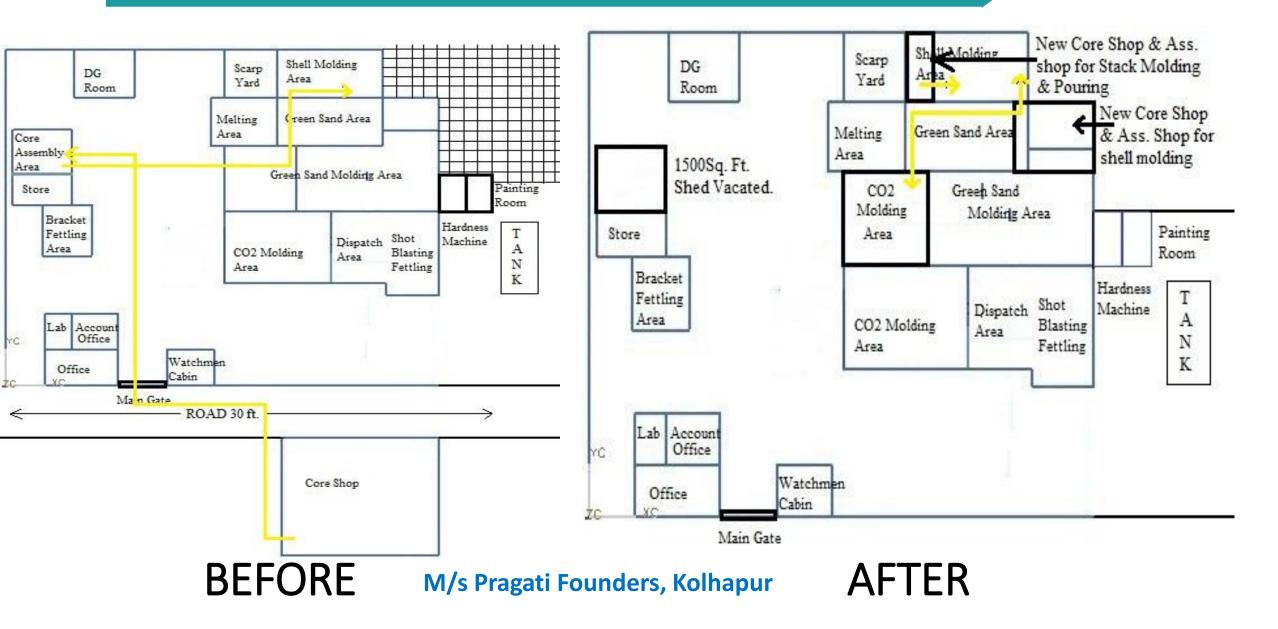
Glimpse of Implementation



Opportunity	Measures Taken	Benefits
'Core Shop' and 'Core Assy.	With 5S and VSM, vacant area created in	1. Rent cost saving = Rs. 14000
Shop' located away from	main shop. Core shop and core assy. Area	2. Foreman+ 2 helpers cost saving = Rs. 25,000/-
'Pouring area'.	shifted there.	3. Transport trips reduced = Rs. 9000/- saved
1. Total travelling dist. = 128	Total travelling distance reduced to 30 mtrs.	4. Savings by applying single piece flow = Rs.
mtrs.		16000/-
2. Two helpers+ foreman		5. Defects reduced = Rs. 2000/- saved
employed = Rs. 25000 per		6. Total Rs. 66,000/- savings/month * 12 =
month		<u>Rs. 7,92,000/- lakh p.a.</u>
3. Rent cost = Rs. 14,000		7. Space saving = 1500 sq. ft.



Material Flow Change



M/s Pragati Founders, Kohlapur P & L statement

Company goes from -3 % (Loss making) to a 12 % profit with lean implementation

P. No. 40, Shri Laxmi Sah, A. Vasahat Ltd HATKANANGALE -415109, Pragati Founders Pvt.Ltd. Frofit & Loss A/c Monthly SEP2017 MAY2017 JUNE2017 JULY2017 AUG2017 APRIL2017 Particulars Income Raw Casting Sales Return -191409 Change In WIP Total Expenditure **Opening Stock** Add: Purchase Material Less: Closing Stock Cost Of Raw Material Consumed 68.42 60.36 64.68 84.85 67.43 66.73 **Direct Expenses** 114851.00 78709.00 80083:00 84726.00 108604.00 84115.00 **Fettling Charges** 69695.00 55667.00 47924.00 48628.00 53718.00 65159.00 Shot Blasting Machining Charges Carriage Inward Electricity Charges Core Shop Electricity Charges FOUNDRY Total **Direct Labour** Cupola Labour Foundry Labour BONUS Salary Employer Con Pff Moulding Labour Total Cost of Sales : -866228 **Gross Profit** 14% 10% -16% 3% 12% **Gross Profit Ratio** 4%

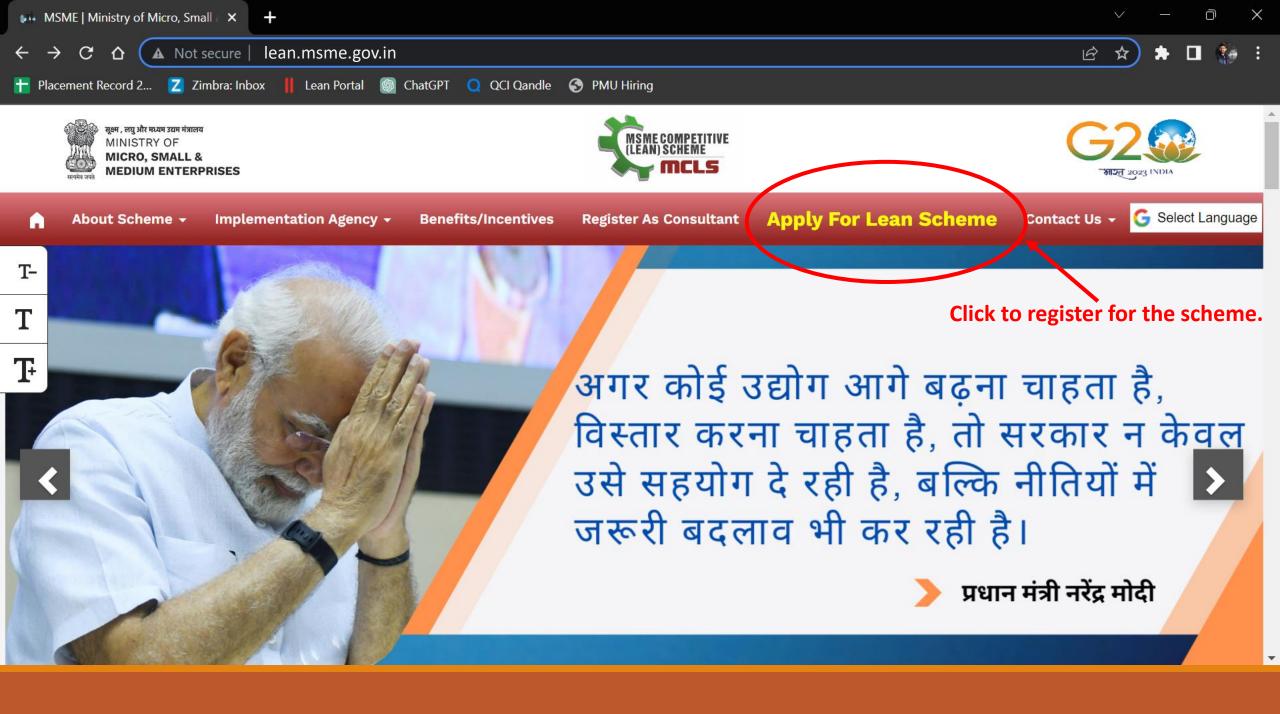
PRAGATI FOUNDERS PVT. LTD

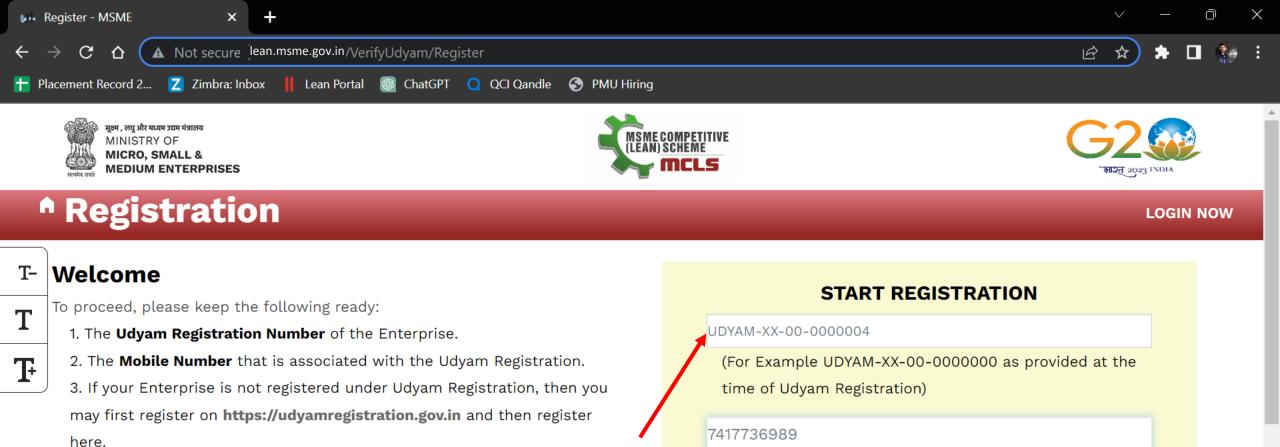




How to register for the scheme

To register log on to, www.lean.msme.gov.in





Enter your UDYAM Registration Number

Regist

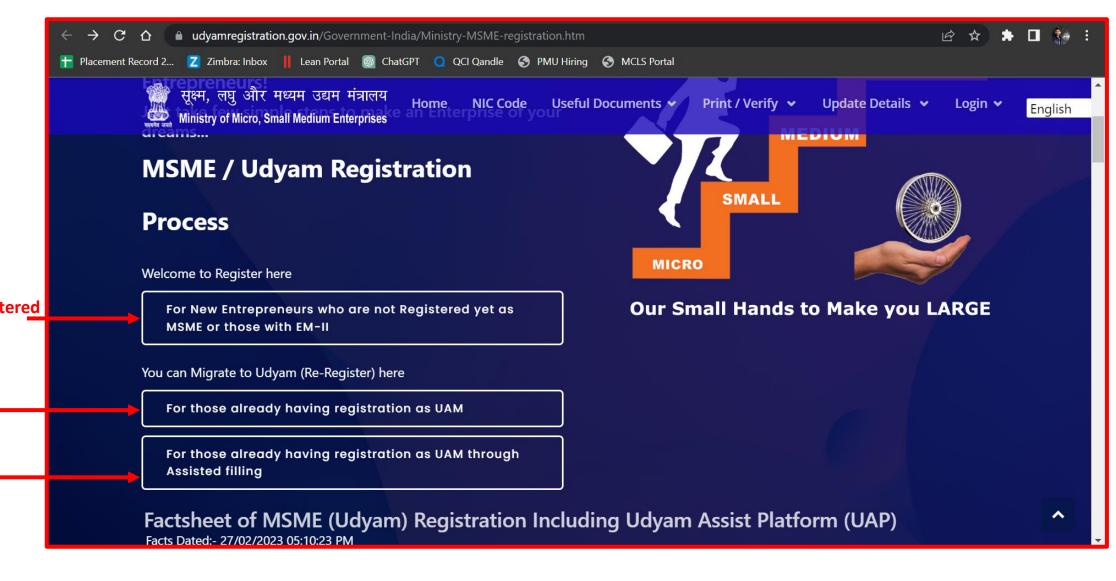
(Enter your Udyam Registered Mobile Number:(For

Example 999999999) as mentioned in the Udyam

PROCEED

Registration)

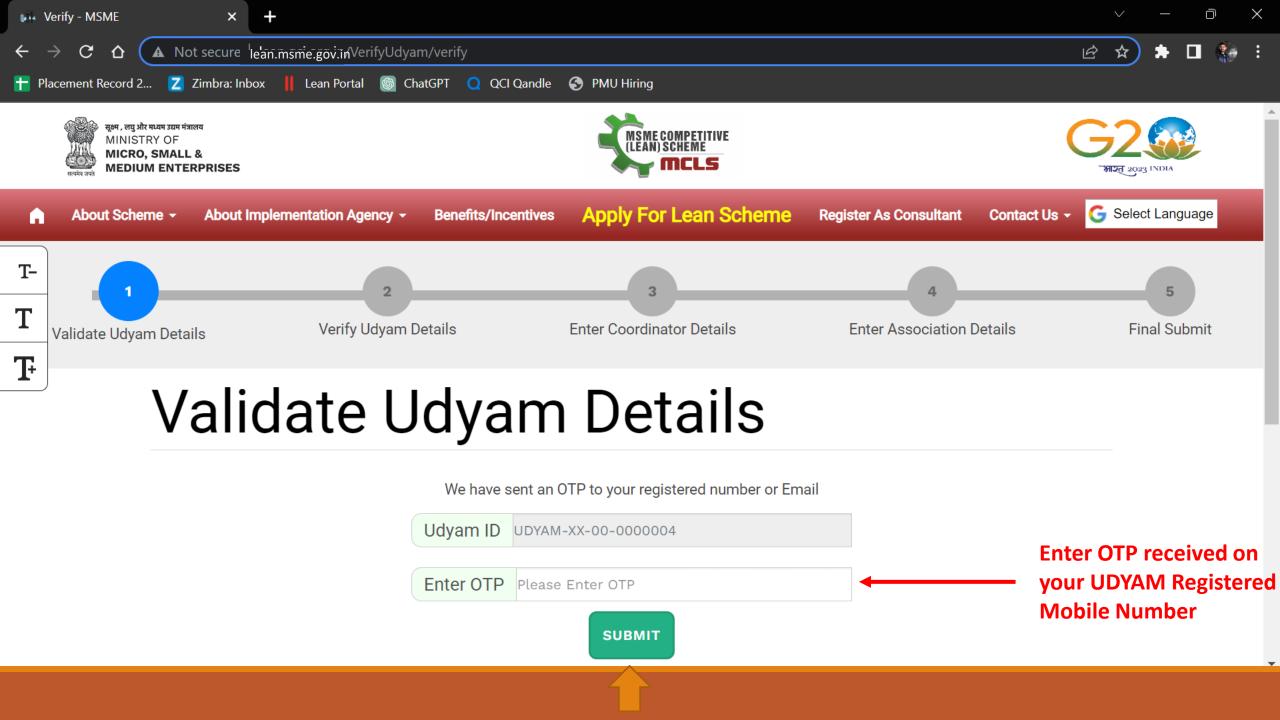
Enter your UDYAM Registered Mobile Number In case you don't have UDYAM Registration No., you can visit this link to get UDYAM Registration No. https://udyamregistration.gov.in/Government-India/Ministry-MSME-registration.htm

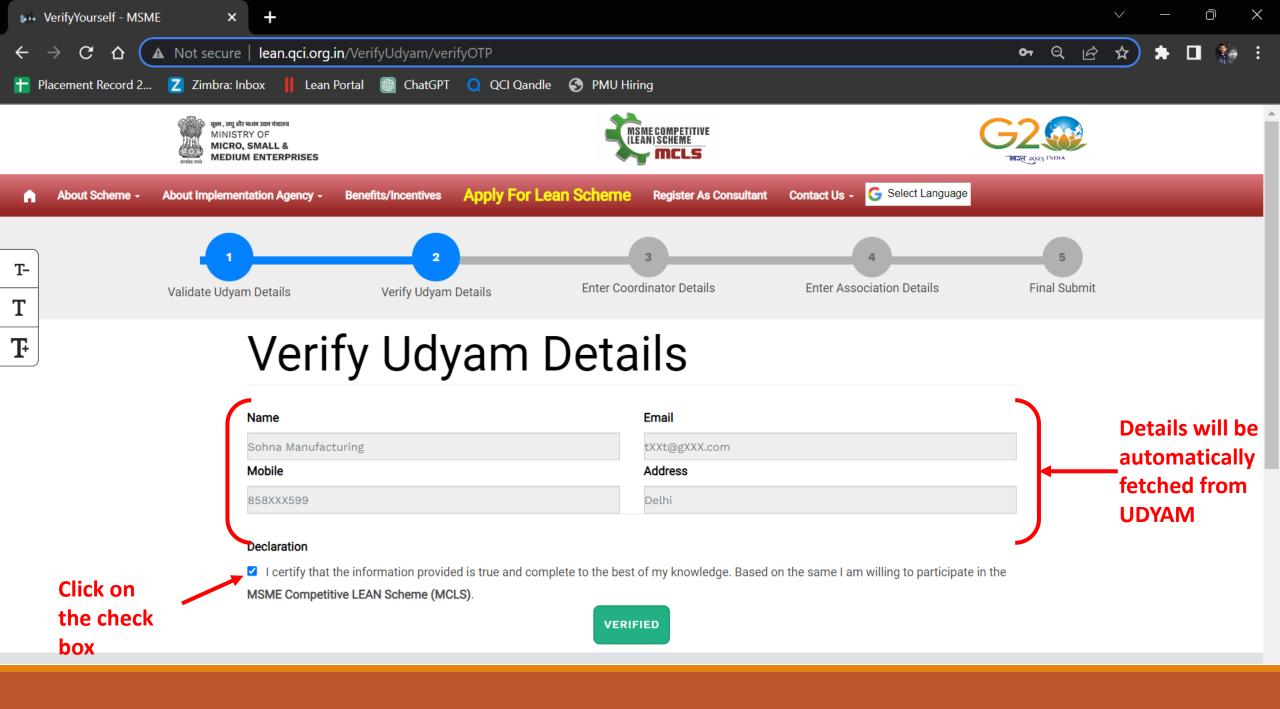


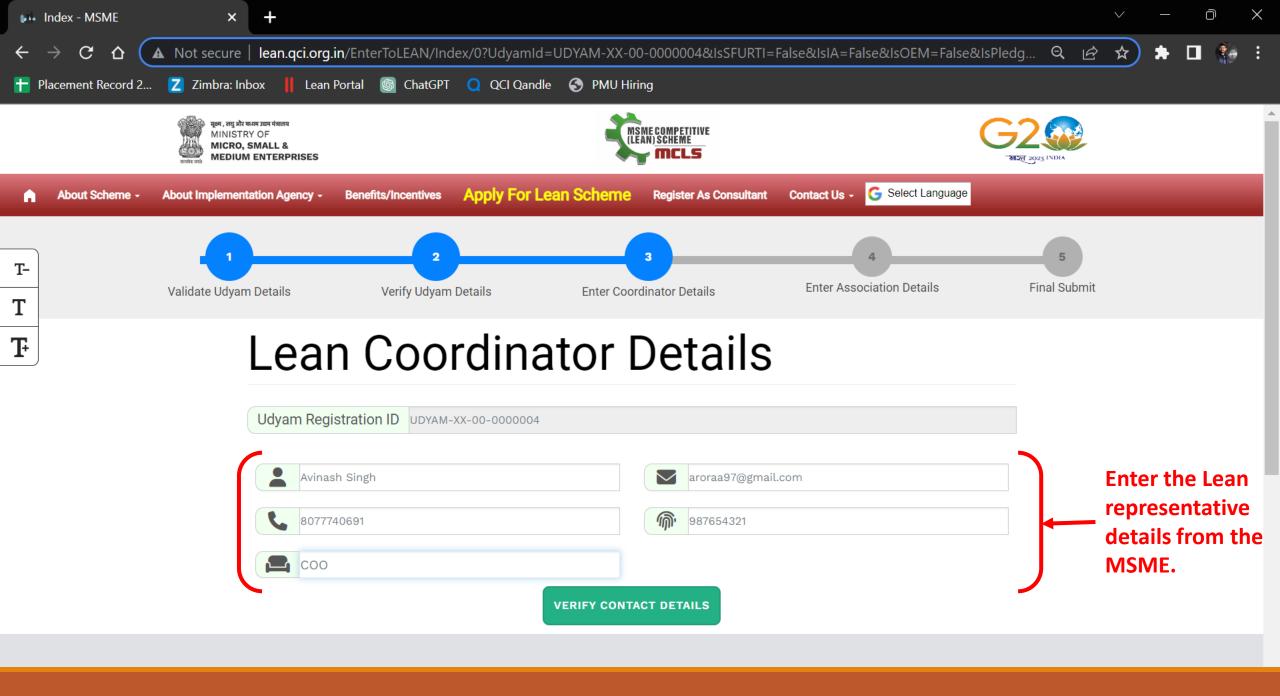
For users not registered with MSME

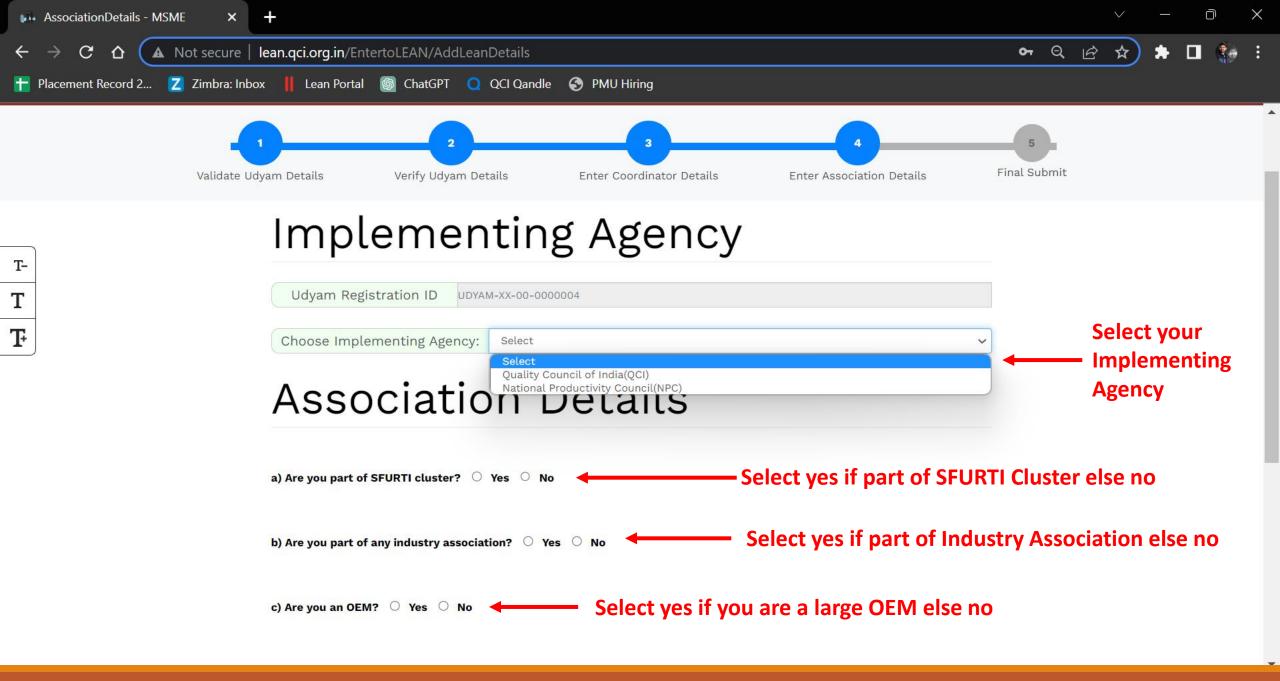
For users having UAM No.

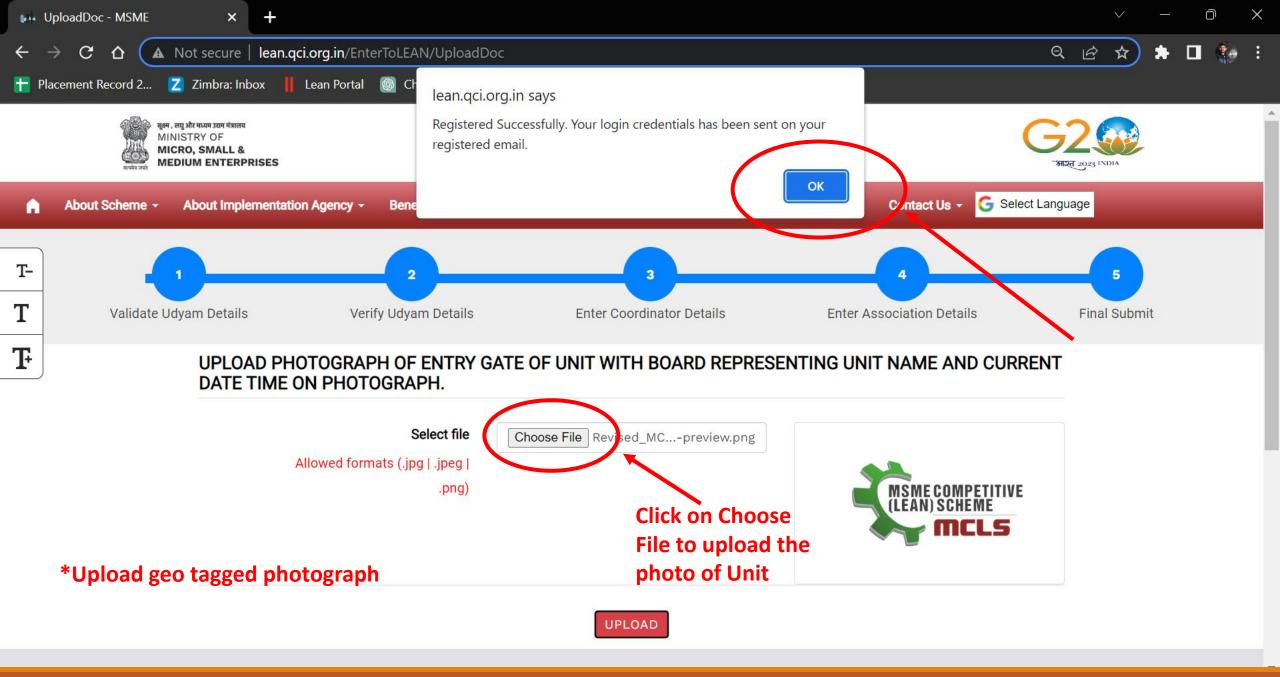
For users having _ UAM No. through assisted filling.



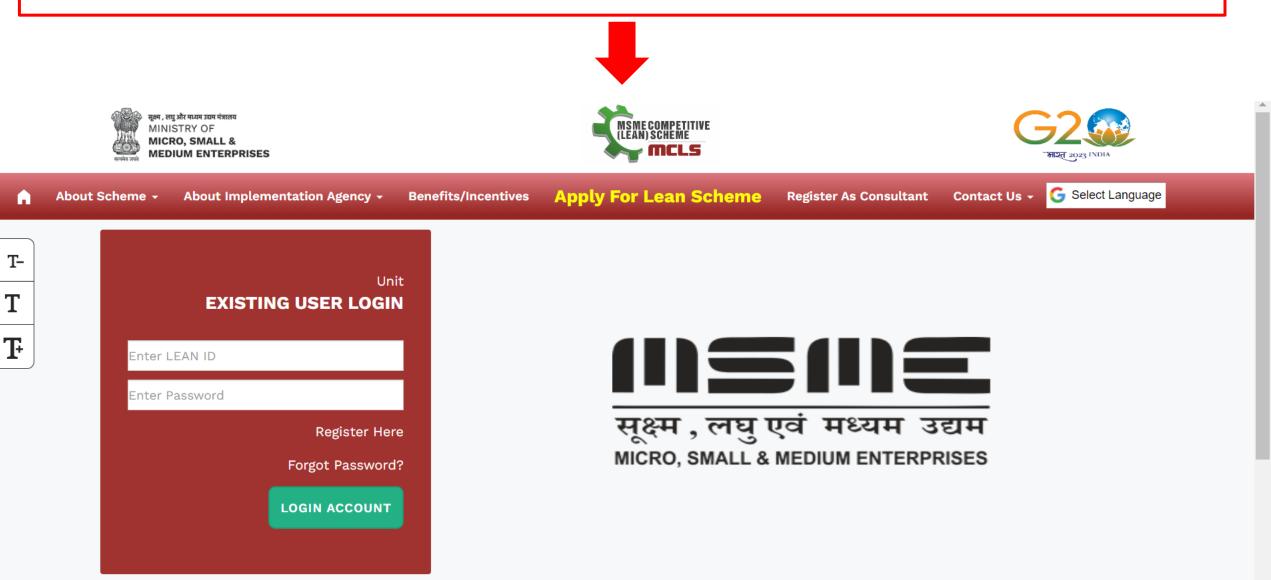


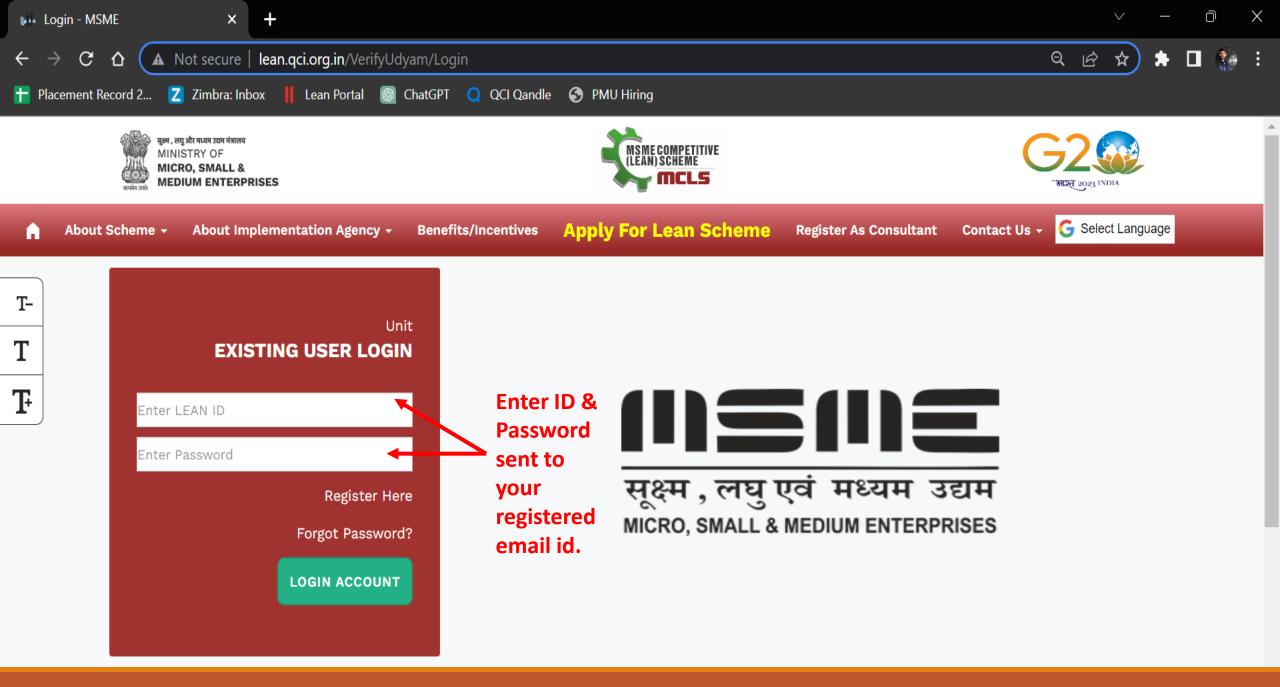




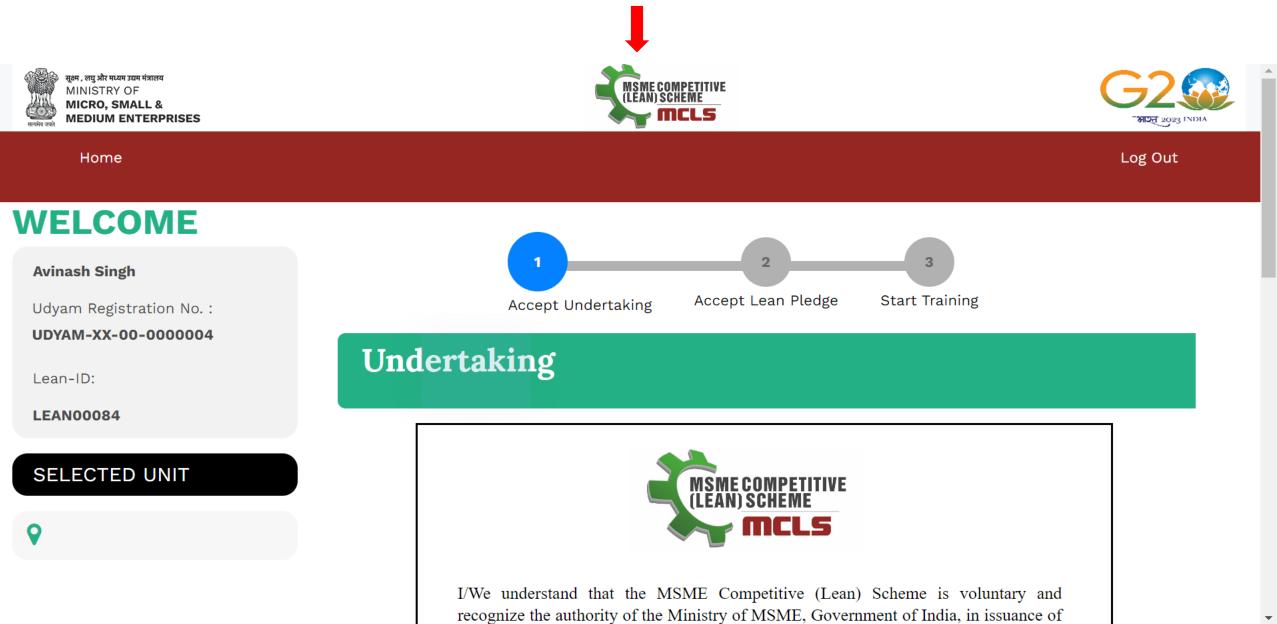


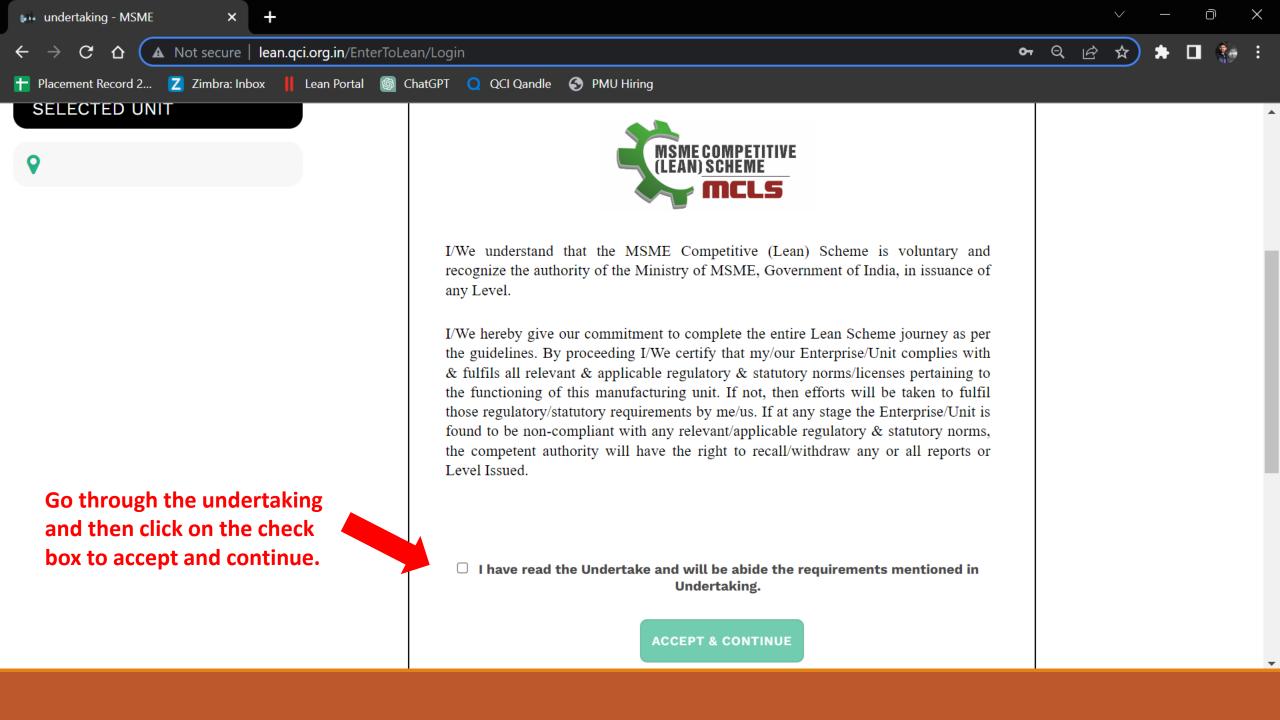
After successful completion of registration the LEAN ID and PASSWORD will be sent to your registered email id and you will be redirected to this page.

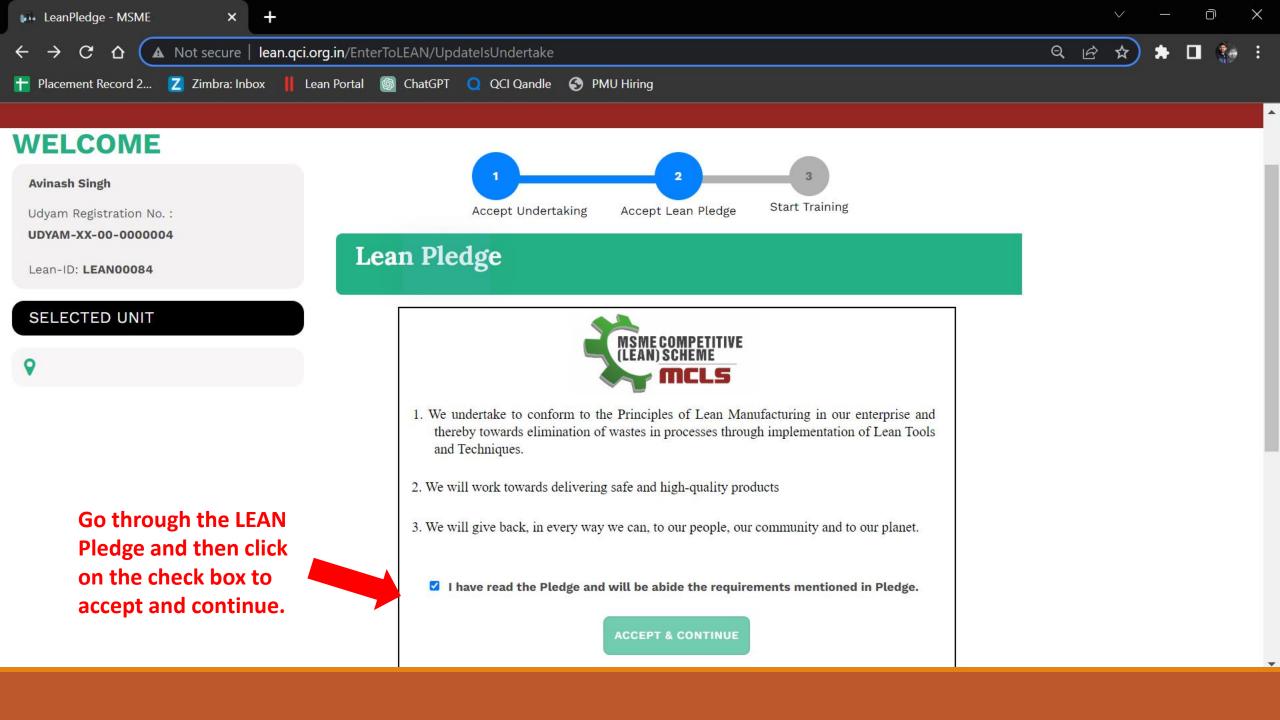




After login you will be redirected to the Undertaking Page



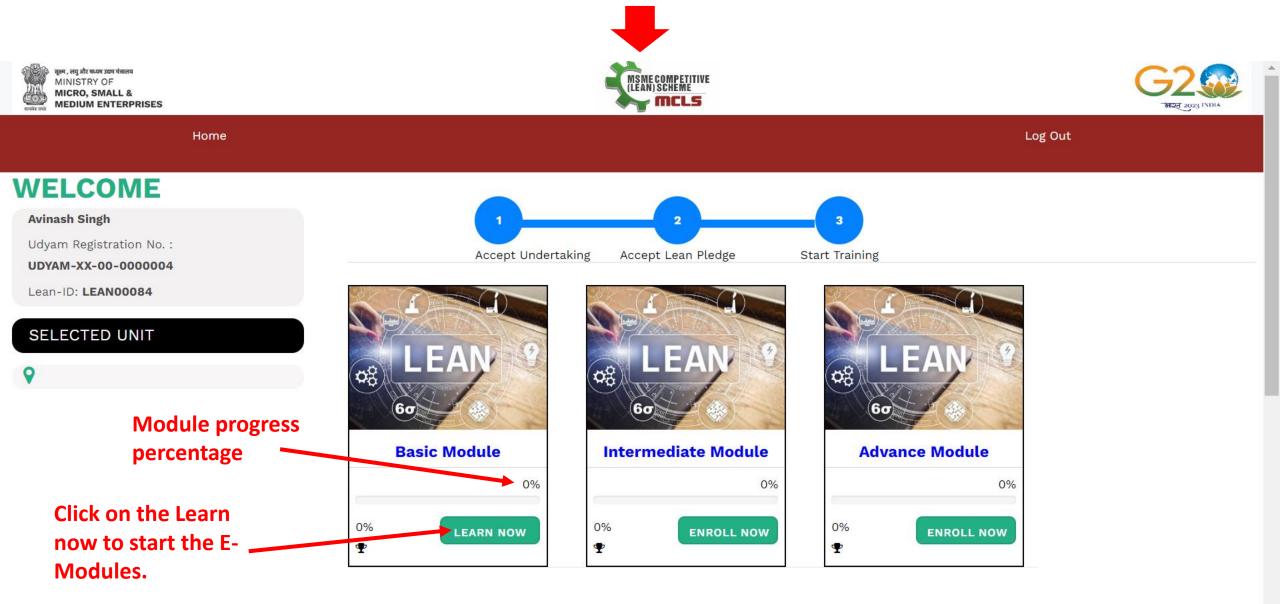


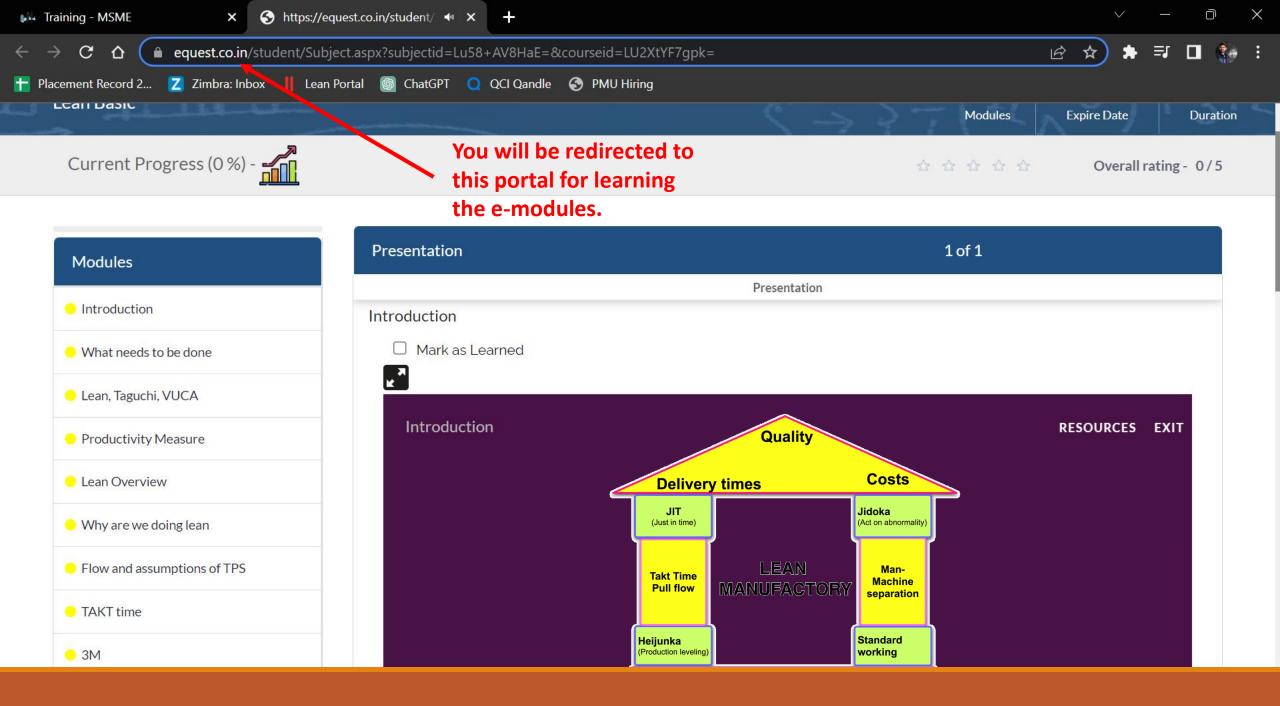


Lean Pledge Certificate



After taking the LEAN Pledge and Undertaking you are ready to start with the E-Modules.





Contact @

Quality Council of India

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