THE EXPERT’S OPINION

An interview with
S. Sampathkumar
Partner, Effcon Engineers, India
Founder, Smith & Soumy Industries, India

Interview conducted by Chetan S. Sankar, Auburn University
Ram S. Mohan, Infonautics Corporation

JGIM: What are the products manufactured by your company?

Sampathkumar: My company performs turnkey contracts on effluent, sewage, and waste water treatment plants. When we receive an order, my firm designs the equipment, buys the required materials and subcontracts the machining and fabrication of the parts. We hire a contract draftsman for the design detailing. Once the subcontractors are done, we inspect the products and test for quality; a contract packager then packs the products and ships to the site using a transport contractor. Under our supervision, freelance erectors commission and set-up the equipment. The subcontractors are known to us for at least four to five years. Each subcontractor company is headed by a technician and employs five to ten persons who are experts in their field of specialization. My company manages this transfer of products and information from one subcontractor to the next, to deliver successful turnkey contracts in budget and on time.

JGIM: What information flow occurs in your day-to-day operations?

Sampathkumar: My partner and I visit our subcontractors daily to monitor and discuss progress of the project. All our subcontractors have a copy of the detail drawing and produce according to the specifications. In case of errors, they correct it themselves, incorporating feedback from the next contractor who has received the product. There is occasional miscommunication among us, but that happens only once or twice in every 100 transactions and is corrected on the next day’s visit.

For products that are subcontracted and manufactured in other cities than Bombay, I use agents to track progress and report back to me, which is reminiscent of how progress used to be reported when I was the managing director at the much larger SM Group, where I worked before starting Effcon Engineers.

JGIM: How much larger was the SM Group?

Sampathkumar: The SM Group consisted of six companies that were involved in a variety of manufacturing industries. I oversaw operations across these companies, which employed over 2,000 people on the shop floors. Being such a large organization, the communication mechanism was very different from what I am used to now. Also, technology had not developed as much as it has now, and our operations were labor-intensive in nature. The heads of each of the six manufacturing plants reported directly to me, and there was an elaborate management hierarchy in these units.

JGIM: How is information flow different between large organizations and smaller partnership-oriented operations, such as the one you are involved in now?

Sampathkumar: In large corporations, information flows from the top. Corporate management instructs its staff on what to do; mid and lower-level management are entrusted with executing to this corporate goal. This results in mid-level and lower-level managers becoming defensive about the operations of their plants. Further, these managers often do not focus on improving productivity, efficiency and the cost-effectiveness on the factory floor. This disenfranchisement leads to managers ignoring the task-to-profit ratio, which is the additional profit the company would make if its tasks are changed or added. Frequently, managers execute orders of top management without considering the impact of these orders on profitability.

Small subcontractors, on the other hand, are highly aware of task-to-profit ratio. They are therefore willing to increase effort in the short run, since they realize it has a direct and positive impact on their short-term profitability, and enhances their long-term credibility with their customers. Since subcontractors work in close coordination with their employees, even if a productive worker has poor communication skills, their effort becomes visible and is duly rewarded.

A second major factor at large organizations is that managers and workers do not perceive the achievement-to-reward ratio. For example, when a plant does an extremely good job in manufacturing an item, its name may appear as a small note in the company’s internal memos. The major focus frequently may not be related to increased achievements; it
Related Content

THE EXPERT’S OPINION
[www.igi-global.com/article/expert-opinion/51280?camid=4v1a](www.igi-global.com/article/expert-opinion/51280?camid=4v1a)

Out of Scandinavia: Facing Social Risks in IT Development in South Africa
[www.igi-global.com/article/out-scandinavia-facing-social-risks/3538?camid=4v1a](www.igi-global.com/article/out-scandinavia-facing-social-risks/3538?camid=4v1a)

Re-Examining the Career Anchor Model: An Investigation of Career Values and Motivations among Women in the Information Technology Profession
[www.igi-global.com/chapter/examining-career-anchor-model/62885?camid=4v1a](www.igi-global.com/chapter/examining-career-anchor-model/62885?camid=4v1a)

New Challenges in Privacy Protection
[www.igi-global.com/chapter/new-challenges-privacy-protection/4515?camid=4v1a](www.igi-global.com/chapter/new-challenges-privacy-protection/4515?camid=4v1a)