

KEYS TO SUCCESS

in the



Metal Casting Business

Imtiaz Rastgar
October 2013

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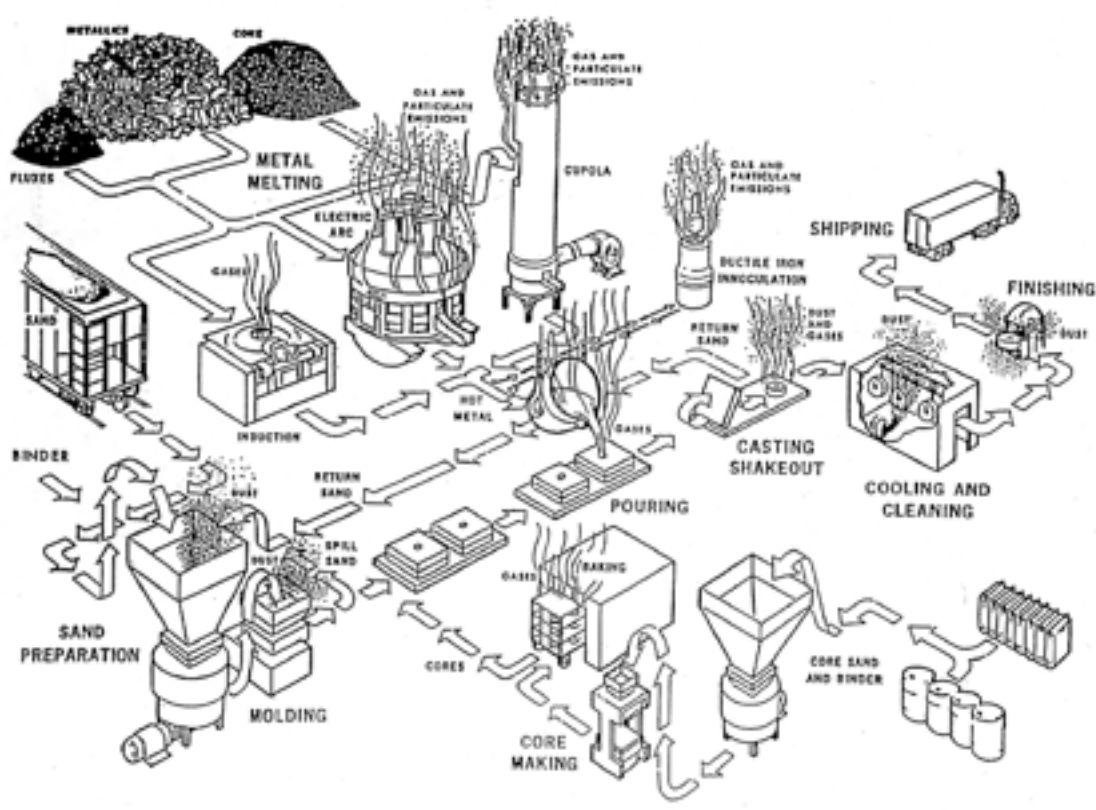
Summary

The author has spent 46 years in the Foundry Industry in Pakistan. In this article he shares his experience with the readers on what it takes to create a successful and progressive foundry enterprise.

1. Develop your unique selling proposition (USP). The name of the game is specialization. It is important to ask yourself as to why a customer should buy only from your company. You must give him sound reason about the specialization of your company and its ability to deliver their requirements in a way, which is better than anyone else. This may be the size of your castings, fast delivery times, a special casting process or a combination of factors.



2. Don't compete on price. You must bring more than low price to your customer. Every discerning customer understands that cheapest is not always the best. Look for good, difficult customers and fulfill their needs.
3. Process: Slice, refine, define your processes and list out the skill sets needed at each stage. Train yourself and your team on these processes, on how best to do these, so that you can satisfy the needs of the customers, in the sector you specialize in.



4. Build a knowledge-based enterprise. The retained knowledge inside your company is the result of daily attention to improving your knowledge base of your particular foundry sector. If you have enough background, only then can you and your employees digest new technologies. A lot of companies are looking for free advice from PUM, SES and JICA experts, but the owners and their employees do not have the ability to grasp the Experts' advice and implement it to the full. No body can give an advanced technology on a plate to a company, which is not doing its own home work correctly.



5. Value addition is the key. Keep working on the idea on how to add more value to your products. This can be through better foundry tooling, intricate core work, extra ordinary finish , complex machining, heat treatment or a combination of several factors. Understand our customers' requirements and instead of trying to sell, try partner with the customer in developing their business.
6. Keep the menu small. Having a melting facility does not automatically mean you should attempt to cast everything and anything. Build specialisation in small sub-sector of the castings industry and

look for a world market for that. Remember, McDonalds makes only burgers and sells to the world



McDonalds Rules the World Selling Just Burgers

7. Look for the world market for you small menu. Learn to do market research and establish an export department. Reach out to customers in at least 70 countries. You can be sure to find far more customers than you can ever dream of finding in Pakistan alone. Think McDonald !
8. Invest in yourself. Train yourself and train your staff. Foundry people don't get cooked in metallurgy departments. You have to train them yourselves. Pay for the services of [specialists](#) who can come in to train you and also guide.
9. Build a culture of quality leading to pride in products. You and your work force should be proud of the product you make and sell. This will lead to a culture of continued improvement.
10. Specialization will lead to better process control, as variable will reduce. More on this from Staf Hendrieckx. See www.gietech.be for a wealth of knowledge.
11. Stick to a simple business plan instead of jumping to "other opportunities". Apply the Hedgehog principle. Many owner managers make money from a foundry and invest it in real estate. This is a bad recipe for growing a foundry company.
12. Marketing: Invest in Marketing. It pays. Playing golf with the M.D. of Millat Tractors does not constitute "marketing". Good marketing is like fish farming. You have to attend to eggs, hatcheries and harvest all as a system. Going to trade fairs is only a part of the system and not the system itself. Create an Export marketing Department and get down to market research.
13. Divide your Sales Pie Chart. If you can't find local customers, look for them in the big wide world !

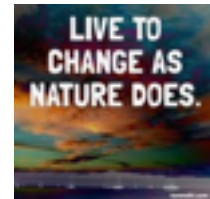


14. Build a company which will last. Enjoy building it. If you do well, it may last when you are gone! When people take short cuts to making money and don't attend to the process of building a good company, they leave a lot of trash for their successors and heirs. Don't take short cuts. These are dangerous and often "un-ethical".



15. Build your own plan. Copying others is dangerous. Very often, Pakistan foundry men are seen to follow someone else's business plan without understanding a their own strengths and weaknesses. It has been observed that such companies, quite often, face disaster, which could have been avoided.

16. Change is the only permanent thing in life. Let go and move on! Owner and founders often are not the best people to run their companies, although they like to think this is so. If you give your routines to well trained and well-respected staff, they can do this better than you can do.



17. Benchmark good companies practices and policies. This the shortest way to improve your company along sound lines. Without blindly copying some one else, you can always bench mark different companies, world wide, for what ever is seen in them to be done in the best way. Internet searches are a gold mine for such activities.

18. Pay your taxes, keep your books clean. Some owner managers pride themselves on hoodwinking the tax authorities and sooner or later end up either in the lock up or with undeclared wealth which needs novel ways of hiding. So the best is to conserve your energy, pay taxes, pay your workers dues, pay your creditors and go to bed comfortably.