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UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of
the Republic of India

PROJECT FORMULATION FRAMEWORK

Title: Strengthening of the National Textile Corporation (NTC)
Staff College in Coimbatore

Number: DP/IND/91/XXX/A/01/37

Estimated duration: Three years

Estimated UNDP contribution: US\$ 603.000

Proposed source of funds: IPF

Estimated Government cost-sharing: -

Estimated Government input: Rs. 3,110.000

26

Consultant: Peter HEYLER
to be checked off by the Government
UNDP/IND/91/XXX/A/01/37

A. Development problem to be addressed by the proposed project

1. Development problem at (sub-)sectoral (macro) level

The National Textile Corporation (NTC) is a public sector company consisting of 125 mills located throughout India employing approximately 250,000 persons. The fundamental problem facing many NTC mills is inefficiency and the resultant lack of profitability. The profitability problem is distributed unevenly over the country due to cultural differences, work ethic differences and differences in management skills among the various mills, all of which were privately owned prior to nationalization in 1978.

2. Problem addressed by the project

The National Textile Corporation Staff College has the responsibility for providing management training within the NTC. It is staffed by five professional lecturers (with a sixth scheduled to start in July 1991) whose training capabilities need to be strengthened. The NTC recognizes the need to enhance the scope and effectiveness of the Staff College's services to the NTC production units, and this project directly addresses that need.

B. Concerned parties and target beneficiaries

1. Problem identification

The problem was identified and brought to the attention of UNDP by the National Textile Corporation.

2. Target beneficiaries

The target beneficiaries of the project are:

- a) The NTC Staff College professional staff;
- b) the operating and support managers of the NTC production units.

C. Pre-project and end-of-project situation

1. The pre-project situation

At present the NTC Staff College is limited in its ability to provide management training because of:

- a) Lack of access to management training outside India, and minimal exposure to the latest management trends and techniques owing to lack of external contacts.
- b) Limited teaching aid facilities at the College, especially personal computers, and inadequate supply of reference books, journals and subscriptions to professional periodicals.
- c) Lack of experience and capability in management consulting.

2. The end-of-project situation

At the end of the project six NTC Staff College professional staff members will have been given advanced training in the areas of marketing, human resources development and behavioural sciences, textile production management (including quantitative techniques and computer applications), managerial accounting and finance, corporate planning, management consultancy, general management and management development, and management training techniques. Their training capability will have been enhanced in two ways: 1) through interaction with visiting lecturers in the topic areas, and

2) through fellowships abroad. The facilities at the College will have been significantly improved through the installation of personal computers for training purposes and through the acquisition of appropriate reference material, journals and periodicals.

The consultancy skills of the staff will have been improved through a seminar on consultancy and through exposure to the consulting skills of the visiting lecturers.

D. Special considerations

1. Environment and energy

An area of special concern in India - environment protection and energy conservation - will be directly addressed by specialized fellowship training abroad and by visiting lecturers.

2. Potential negative effects

None.

E. Related technical assistance activities

There has been significant past UNDP/UNIDO assistance to technical textile institutions in India, (viz. SITRA, ATIRA, BTRA) addressing technical problems and research and development issues. This project provides complementary assistance by addressing relevant managerial issues.

F. Development objective

The Government development concerns addressed by this project are primarily related to the export of textiles. The Government of India attaches particular importance to export promotion as a means of generating needed foreign exchange. This project addresses export marketing directly. In addition, quality, competitiveness and general marketing as they relate to overall managerial capability will be covered in seminar material and will contribute to the effectiveness of NTC exporting activities.

G. Immediate objective

The immediate objective of the project is to strengthen the NTC Staff College's capability to conduct its management training programmes so as to improve the operating performance of NTC management personnel.

Output 1

Approximately 600 NTC managerial personnel exposed to the latest management concepts and techniques in a variety of disciplines.

Activity 1.1

Seminars will be conducted by visiting experts in the topic areas listed below as items (a) through (h). The specific subjects listed under each topic area are illustrative of the subjects to be covered (Annex I), but should not be construed as definitive seminar programmes. Each visiting expert will be expected to design his or her own specific programme to cover the topics mentioned. The programme will be practical in character in order to facilitate the immediate application of the material by the seminar participants.

- (a) Marketing
- (b) Human resources development and behavioral sciences
- (c) Textile production management
- (d) Managerial accounting and finance
- (e) Corporate planning
- (f) Management consultancy
- (g) General management and management development
- (h) Training the trainers

Output 2

Six college staff members each trained in at least two of the disciplines listed under Activity 1.1.

Activity 2.1

Fellowships abroad will be arranged for the college staff members to allow them to improve their knowledge in their relevant fields of expertise. These fellowships will be of approximately three to four months duration and are likely to be primarily located at universities and institutes in the USA and UK. The topics will include those listed under Activity 1.1.

Activity 2.2

Each college staff member will participate in the seminar programmes identified in Activity 1.1 relevant to his or her fields of expertise so as to learn both the material presented as well as methods and techniques of presentation. Whenever appropriate they may also be asked to participate in the presentations and to contribute from their own experience in NTC and elsewhere.

Output 3

Improved teaching facilities, including appropriate teaching aids, equipment for course material preparation and presentation, updated library, and personal computer capability.

Activity 3.1

12 to 15 personal computers will be provided for the NTC Staff College use in offering computer training to NTC managers. Training of college staff in the use of the computers will be partly through computer application activities within the seminar programmes detailed in Activity 1.1 and partly by local sources. Training in the use of personal computers for basic activities such as word processing, spread sheets, basic graphics, etc. can best be provided by local sources while more advanced and complex topics, particularly those related to textile processing, will be presented in the seminars.

Activity 3.2

Facility improvements (viz. air conditioning of the main seminar room) and improved teaching aids (viz. VCR equipment, slide projector, etc.) will be provided for NTC Staff College use.

Activity 3.3

In order to upgrade the library and to improve the access to up-to-date reference material in general, appropriate reference books will be identified and purchased along with subscriptions to professional journals and periodicals for a period of four years.

Output 4

Enhanced consultancy capability for NTC Staff College personnel and selected NTC management personnel.

Activity 4.1

A seminar on management consultancy will be presented to all available NTC Staff College professional staff and approximately 30 selected NTC management personnel. The concept of the seminar is presented in Annex 1, topic (f).

Activity 4.2

To supplement the seminar on consulting techniques each visiting lecturer will be expected to devote approximately two days to working with NTC Staff College professional staff on actual consulting case studies identified by the NTC Staff College.

H. Project strategy

1. The direct beneficiaries of the project are the NTC Staff College professional staff and those technically qualified NTC production managers and staff managers whose managerial skills will be improved through the attendance at the seminars listed in Activity 1.1.

The NTC Staff College personnel profiles are:

a) Principal of College, M.A., M.B.A. Ph.D.

- 6 years as Principal of NTC Staff College;
- Specialist in behavioral sciences, industrial relations general management, development and human resources;
- Former university lecturer and head of business department.

b) Faculty member, M.A.,

- Professor
- over 10 years at the College;
- specialist in organizational development, general management;
- formerly in public administration.

c) Faculty member, M.Com., Ph.D.

- Professor
- 10 years at the College;
- specialist in banking and finance;
- formerly with Bankers Training College.

d) Junior Faculty member, M.Sc. (Stat) MBA

- Junior professor
- 10 years at the College;
- specialist in statistics, operations research, quantitative techniques;
- Ph.D. candidate (ABD);

e) Faculty member on secondment, B.Sc.(Textiles), M.Tech, DBM, LLB

- Professor on secondment from NTC production units;
- 1 year currently and 8 years previously at the College;
- specialist in textile technology and operations;
- previously mill General Manger.

f) Faculty member (to be recruited).

2. The benefits of the project will reach the College staff through the seminars and the fellowship programmes. The managers of the NTC mills will benefit directly through their seminar participation and indirectly through the improved capability of the NTC Staff College lecturers to conduct subsequent training courses.

3. Implementation arrangements

a) Arrangements will be made for fellowship training abroad at appropriate institutions.

b) To complement the fellowship training of the College teaching staff and to reach the NTC factory managers directly, arrangements will be made for approximately ten visiting lecturers to address the topics identified in Activity 1.1 at the NTC Staff College.

c) The NTC Staff College will assume the responsibility for all local arrangements for the seminar programme.

4. Alternative strategies considered

An alternative considered but rejected was to limit the assistance to the NTC Staff College personnel, improving their capabilities through both local training and fellowships abroad. By including the managers of the NTC production units among the direct target beneficiaries a much wider audience can be reached with little or no additional cost, the impact of the project becomes more immediate and the relevance to real life situations will be assured. The planned combination of seminars and fellowship training abroad and the inclusion of NTC managers in the seminar programme will both enhance the institutional capability of the NTC Staff College and maximize the benefits of the project to NTC as a whole.

I. Host country commitment

The Government contribution to this project is in kind, primarily through the allocation of staff time and resources. The College will also assume full responsibility for the local organization of the seminars, including logistic support, local transportation, etc.

2. Legal arrangements

The NTC Staff College will impose conditions on the recipients of the fellowships to ensure that the returning fellowship holders will remain at the College for an appropriate period to justify the expense. It should be noted in this connexion, that the staff turnover at the College is remarkably low. Most College lecturers have held their posts already for ten years or more.

J. Risks

1. Major risks

None.

2. Risks to be monitored

The principal risk to be monitored is related to the timing of the various elements of the programme so as to maximize the benefits to the College staff. The schedule has been arranged to allow the staff exposure to outside trends both through the seminar activity and through the fellowship programme. While it is recognized that this schedule will have to be adjusted as the actual dates of the seminars and the fellowships become known, the principle of minimizing the overlapping of the two activities as illustrated in the attached bar chart (Annex 2) will be maintained.

K. Inputs1. Skeleton budget

	<u>National inputs</u>	<u>External inputs</u>
	(Indian rupees)	(US\$)
Personnel	<u>2,500,000</u>	<u>393,000</u>
Training	<u>400,000</u>	<u>120,000</u>
Equipment	<u>-</u>	<u>80,000</u>
Miscellaneous	<u>210,000</u>	<u>10,000</u>
Total	<u>3,110,000</u>	<u>603,000</u>

Exchange rate: \$ 1.00 = Rs. 20,65 (June 1991)

Person primarily responsible
for this formulation framework:



Signature

Name: Antero Eräneva

Title: Senior Interregional Adviser

ANNEX 1

(a) MARKETING

- basic principles (product, price promotion, place);
- sales/salesmanship and sales force management;
- advertising and promotion;
- customer service and quality;
- market research;
- showroom marketing - selling, merchandising, promotion;
- export marketing;
- compensation strategies in marketing;
- marketing information systems.

(b) HUMAN RESOURCES DEVELOPMENT AND BEHAVIORAL SCIENCES

- managing people;
- supervision skills;
- participative management;
- quality circles;
- management by objectives;
- communication;
- leadership/delegation;
- motivation;
- responsibility/accountability;
- performance appraisal;
- discipline;
- grievance handling;
- productivity;

- safety and health;
- security;
- compensation strategies.

(c) TEXTILE PRODUCTION MANAGEMENT

- total quality management;
- cost control;
- labor management;
- materials management;
- labor efficiency and productivity;
- machinery efficiency and productivity;
- maintenance - preventive and breakdown;
- capacity and plant layout;
- procurement;
- inventory control;
- production planning and control;
- process control;
- waste control;
- material handling;
- compensation strategies;
- energy conservation and environmental protection;
- computer applications in textile production.

(d) MANAGERIAL ACCOUNTING AND FINANCE

- basic accounting principles;
- financial statements;
- return on investment;
- revenues/costs/profit;
- depreciation;
- variance analysis;
- break-even analysis;
- standard costing;
- assets/liabilities/equity;
- cash flow;
- financing the business;
- working capital management;
- credit and collection,
- financial ratios and ratio analysis;
- capital budgeting and evaluation;
- control and reporting.

(e) CORPORATE PLANNING

- planning as an organizational activity;
- strategic planning;
- short-term planning;
- planning responsibilities;
- participative planning;
- mission, goals and objectives;

- the planning process;
- budgeting as part of planning;
- planning techniques;
- controlling and evaluating results.

(f) MANAGEMENT CONSULTANCY

- consultancy;
- corporate planning highlights;
- marketing consulting;
- financial consulting;
- technical/operations consulting;
- human resources/administration consulting;
- case study (using an NTC mill);
 - site visit;
 - problem identification;
 - developing alternative solutions;
 - evaluation of alternatives;
 - selection of preferred alternative;
 - write-up;
 - presentation;
- cataloguing of learned experience for future use.

(g) GENERAL MANAGEMENT AND MANAGEMENT DEVELOPMENT

- Basic principles - planning;
- basic principles - marketing;
- basic principles - finance;
- basic principles - operations;
- basic principles - human resources;

- advanced principles - planning;
- advanced principles - marketing;
- advanced principles - finance;
- advanced principles - operations;
- advanced principles - human resources;
- computer simulation
 - use of computers;
 - introduction to the simulation;
 - introduction to simulation decisions;
 - practice decisions;
 - decisions for time periods 1 to X;
 - results of time periods 1 to X;
 - evaluation and debriefing.

(h) TRAINING THE TRAINERS

- basic training techniques;
- advanced training techniques;
- program design and development;
- use of audio-visual equipment;
- use of case studies;
- gaining participant participation;
- putting training to work on the job site;
- needs assessment.

Activity	Month																																							
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36				
SEMINARS																																								
Planning	█												█													█														
Human resource development		█											█													█														
Consulting			█																									█												
Textile prod. management							█														█																			
Finance/accounting								█														█																		
Marketing									█																															
Training of trainers										█																														
General management											█																													
FELLOWSHIPS																																								
#1 Textile prod. management				█																																				
#2 Textile marketing										█																														
#3 Financial management																█																								
#4 Human resource management																																								
#5 General management + corp. planning																																								
#6 Other (to be determined)																																								