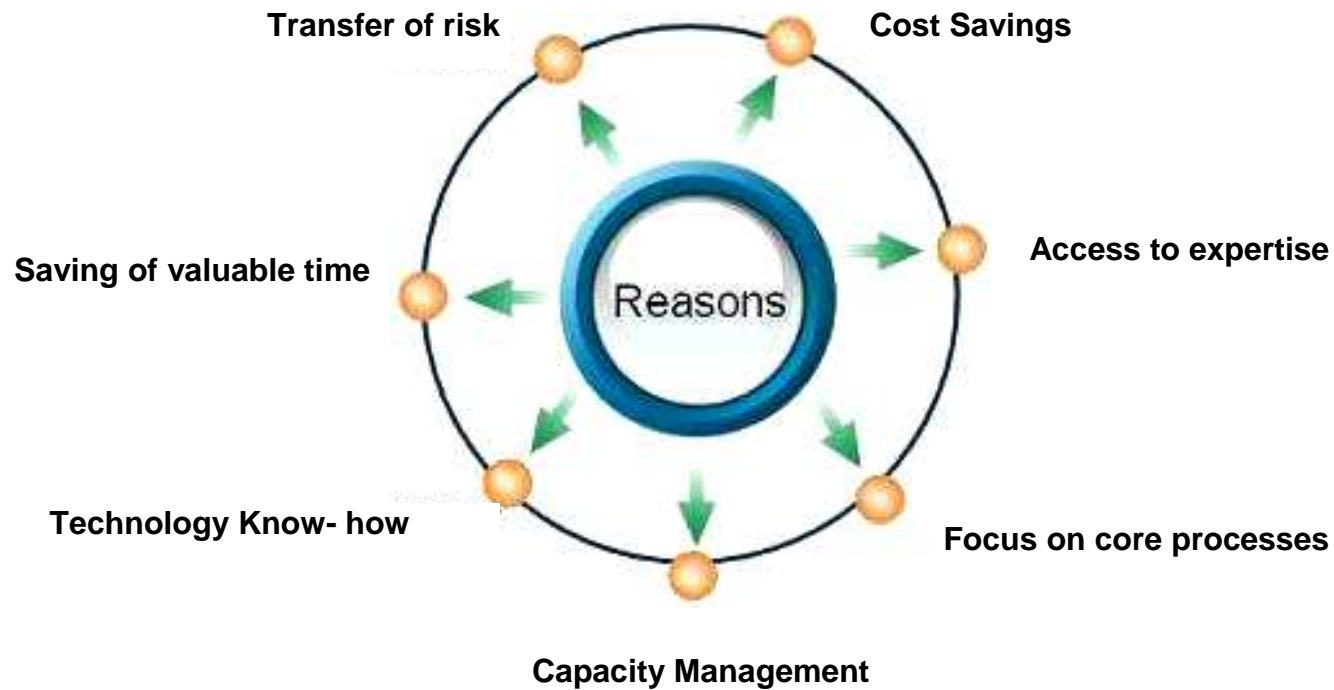


**Innovative Business Solutions-
Evolution of Outsourcing
Maintenance in the Auto
Industry**

Sudhir Gurtoo, COO

4th August 2010

Why Outsource ?



Critical success factors

- Determine the
 - Need to outsource
 - Reason to outsource
 - Method to outsource
 - Service Level Agreement



Real Core Business ...Anything from scratch till the end....

- *Copy editing*
- *Composition*
- *Manufacturing*
- *Customer Service/ Help desk 24/ 7*
- *Technology (Support & Development)*
- *Finance*
- *Rights and permission*



Top Five Outsourcing Trends

- Focus on domestic operations, leverage Global opportunities
- Global uncertainties will create outsourcing volatility
- Professional expertise will be valued
- Strategic companies will prosper
- Social responsibility and green will be outsourcing themes



Global Trend of Outsourcing

- Automotive Industry
 - Automotive manufacturer outsourced parts & components to suppliers/vendors
 - Modular type of production; Services
 - Top-tier vendor- designing & developing modules
 - Lower-tier vendor-supplying of parts & components
- Information and Communication Technology
 - Global Business Process Outsourcing (BPO)
- Electrical & Electronics

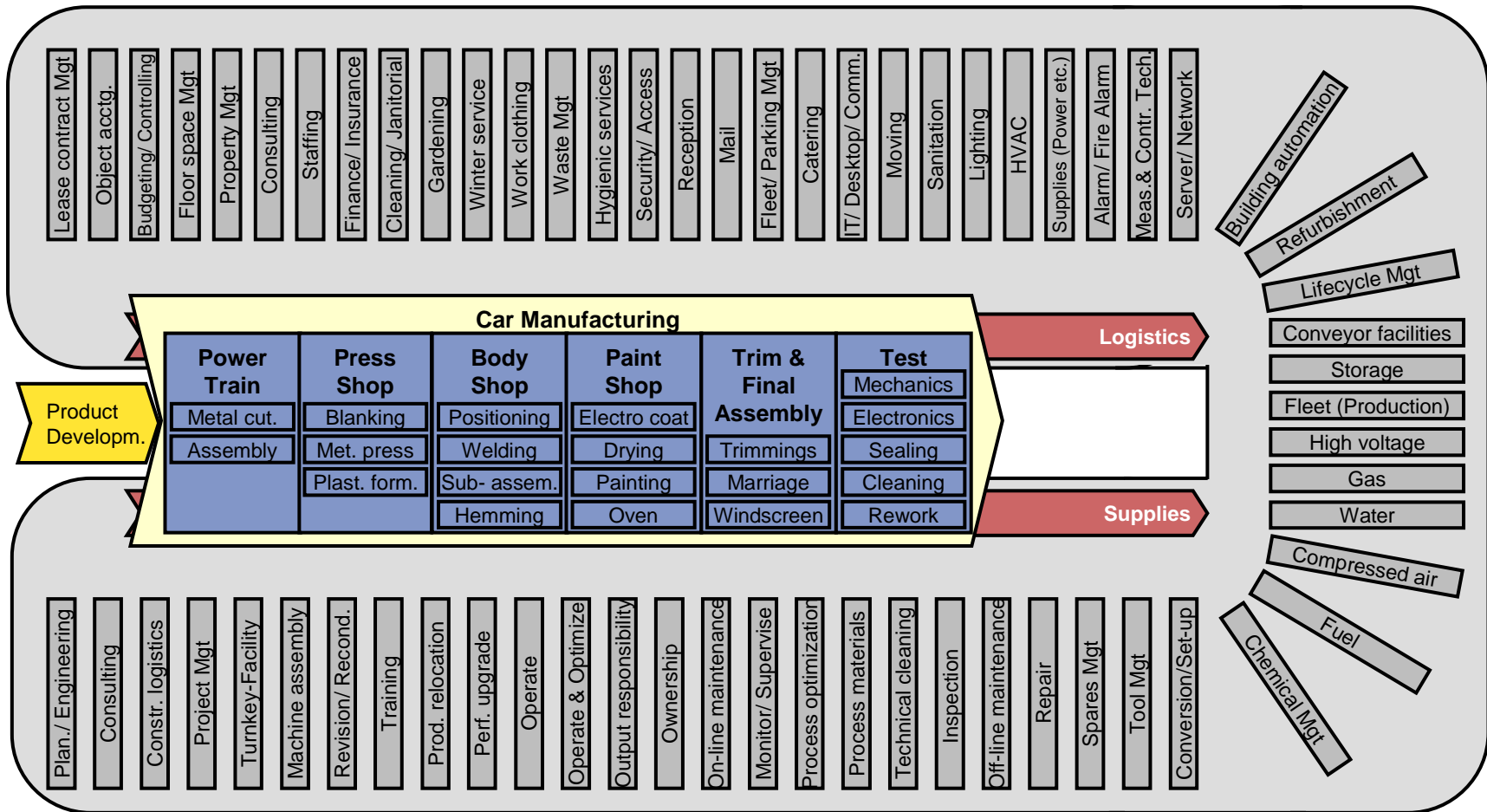


Future thoughts.....?

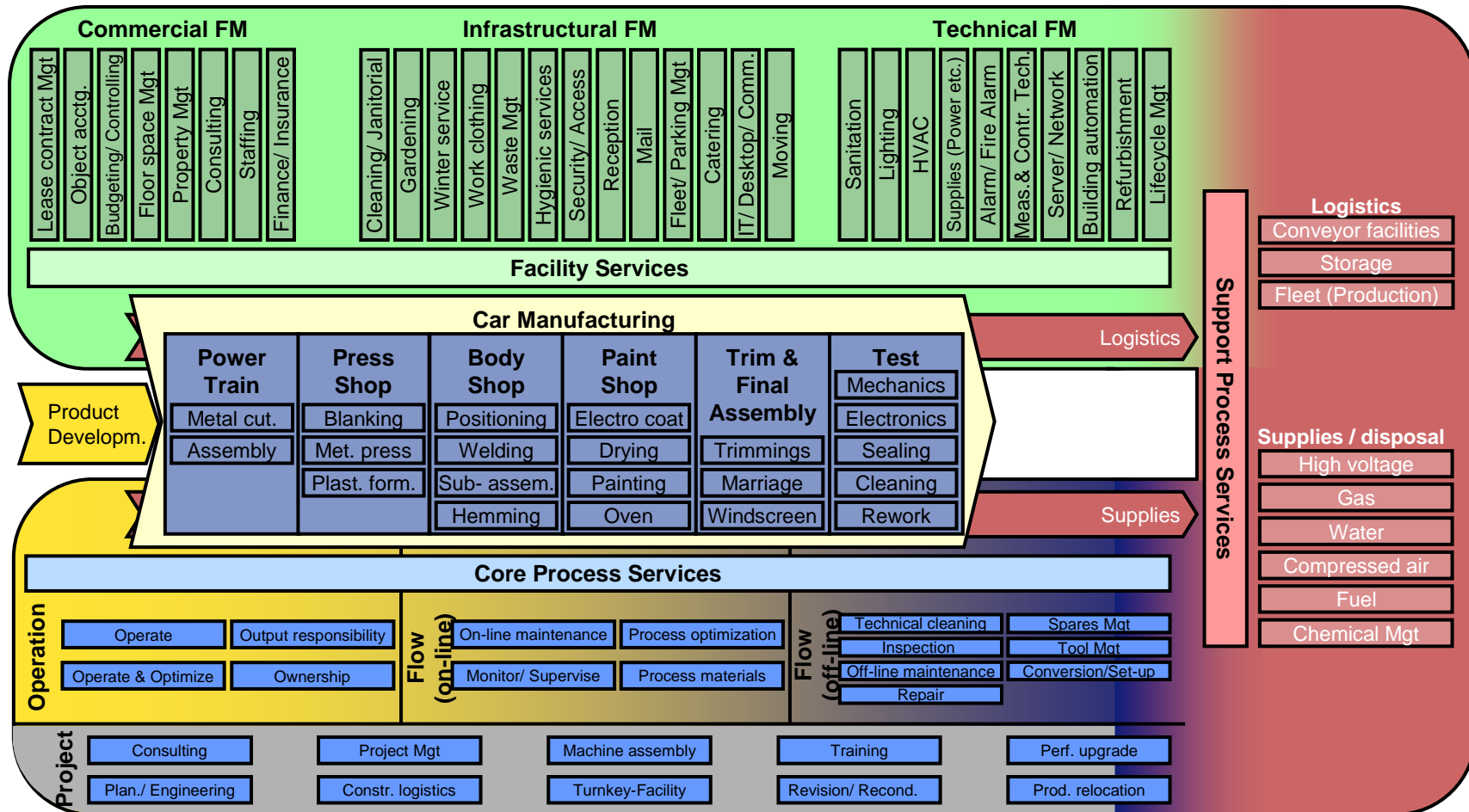
- **Outsourcing Suppliers will offer more end-to-end solutions e.g.**
 - Customer services right upto on-line/post delivery
 - Offshore operations to further drive down costs
 - Technology development and support
 - Publishers will expectedly shrink
 - Highly focused
 - Largest growth in outsourcing
 - customer services
 - finance
 - HR
 - technology
 - production management, services



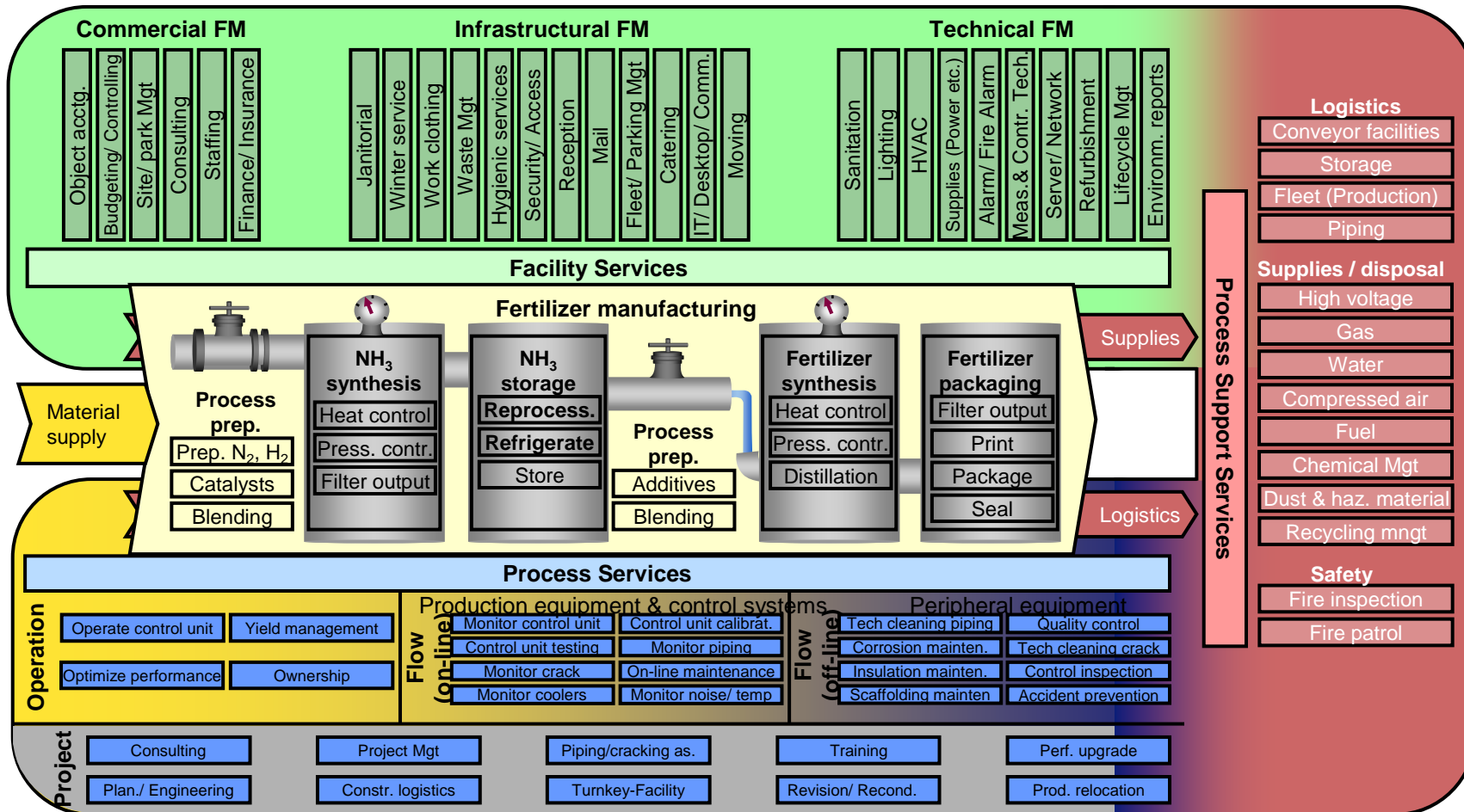
Is Automotive service landscape really one single business?



... or are there distinct segments to be considered, requiring different business models?



... and how much is this transposable to other industries, e.g. processing industries?

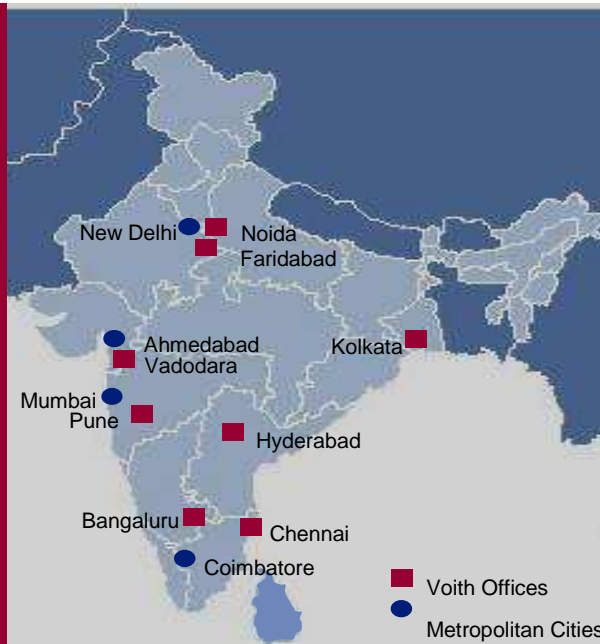


Note: Fertilizer based on urea (ammonia + carbon dioxide); integrated production urea + fertilizer
 Source: Analyst reports; fertilizer company websites; fertilizer associations; Bain analysis

Voith in India and its Four major divisions Globally

Voith Companies in India:

- Voith Paper Technology India, Kolkata
- Voith Paper Fabrics India, Faridabad
- Voith Turbo, Hyderabad, Faridabad, Chennai
- Voith Hydro, Noida, Vadodara
- Voith Industrial Services India
 - Pune
 - Bangalore
 - Chennai



Paper



Mobility



Energy



Services



Voith Industrial Services



Voith Industrial Services is the world's leading supplier of Industrial Services: On-site maintenance, operations support and facilities & engineering services.

- Headquarters in Stuttgart, Germany
- 20,000 Full Time Employees and 2,500+ Managed Employees
- Operations in 18 Countries
- 250+ Customer Sites

Voith Advantages

Successful in India since 1924

Our Expertise –“Engineered Reliability”

- Industrial Maintenance and Engineering
- Utilities Operations and Maintenance
- Equipment Relocation and Installation
- Press Shop, Body Shop
- Paint Shop
- Final Assembly / TCF
- Engine Plants
- Process Planning, Validations
- Capability Studies
- Integrated Facilities Services
- Value Added Assembly
- Predictive Maintenance
- Automation



Re-Defining Core Business for Competitive Advantages



Service: for key industries all over the world

- Two competence areas which sensibly complement each other. Facility with cross-sectoral manpower for all industries, and Process with production-related know-how
- A comprehensive range of services from one source at any location: Voith Industrial Services

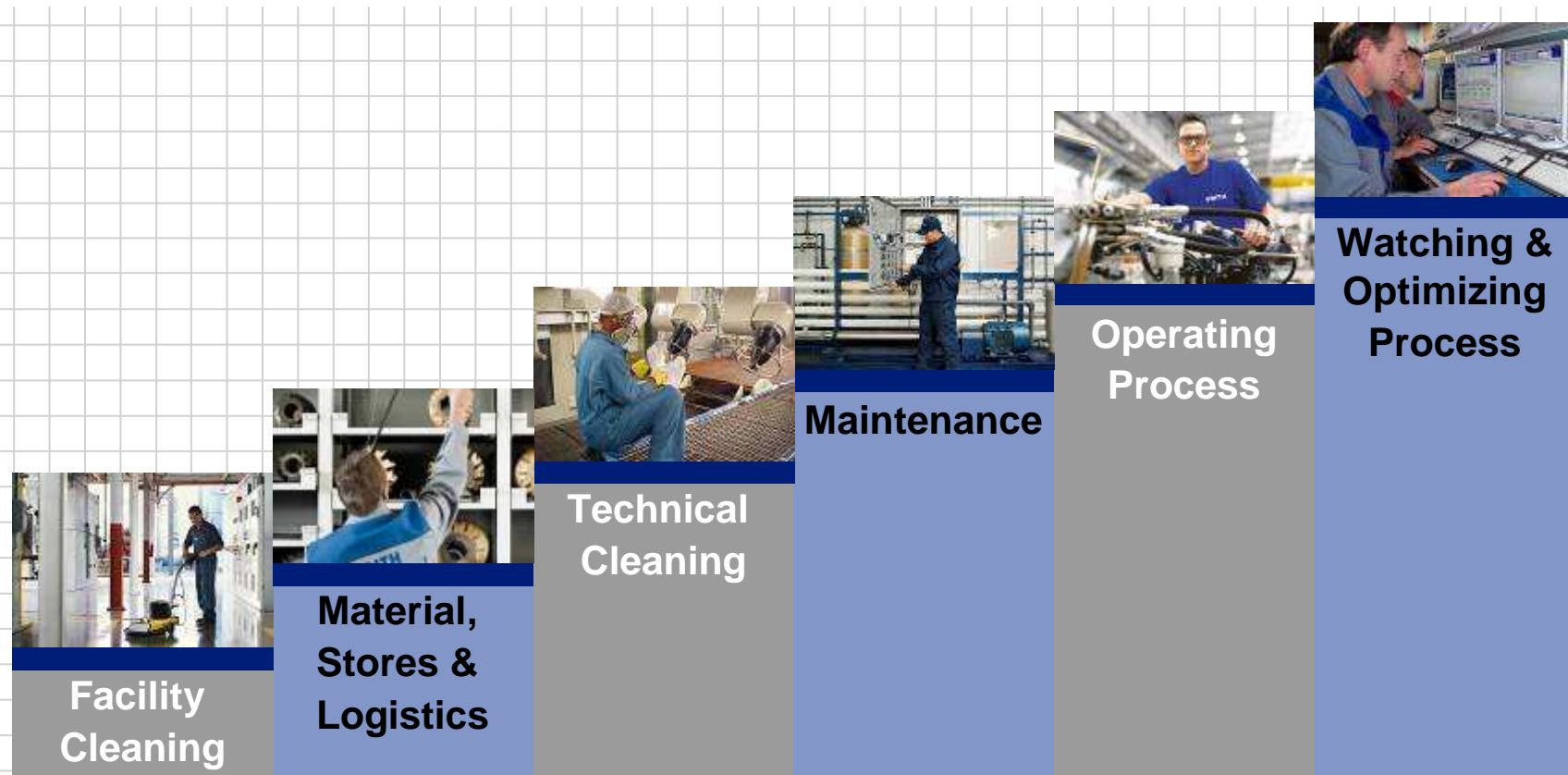
Our Unique Offer



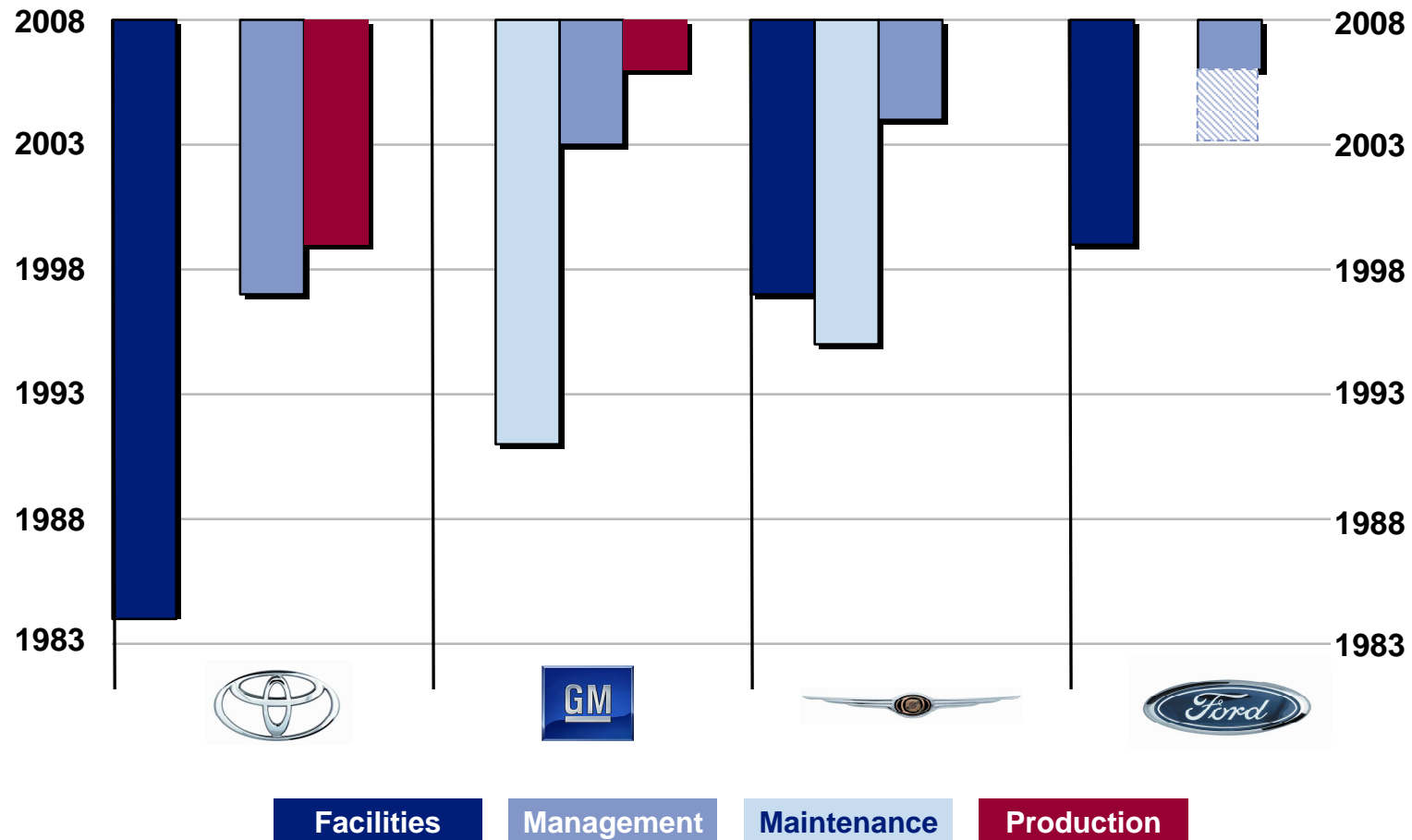
Unlimited Services around the Production Process:

- Customized service packages
- Cost reduction through optimal use of capacities
- Flexibility through quick availability of specialists
- Focus on your core business

Outsourced Services- Evolution



Automotive Outsourcing Trends



Realized Benefits

- Control Maintenance Results
- Focus on Core Activities
- Improved Uptime
- Consolidation of Suppliers
- Resource Transfer – People
- Acceleration of Improvements
- Access to External Expertise
- Bundled Services Program



Lessons Learned - Outsourced Services- Scorecards

- Safety, quality, productivity, and cost are at the top of everybody's scorecard.
- Directly link all employee incentives to safety, quality, productivity, and cost goals.
- Standard Reliability metrics apply (MTBF, MTTR, Schedule Utilization, % Completion on PdM and PM jobs).
- Customer-service metrics must also be included.
- Morale and Community measures are important.

Lessons Learned- Outsourced Services-Vision & Strategy

- What activities are core to your business? Focus on them.
- Outsourcing is a partnering relationship.
- Vision and culture of the customer and the supplier must be aligned.
- Communication at all levels is important.
- Step changes may be required to achieve the end game.
- Outsourcing can help accelerate internal improvements and changes.
- Clearly defined Scope of Work is critical.
- Must have top-management support.
- Reduced number of suppliers, reduced number of interfaces.



**Examples of
Companies who have
outsourced**

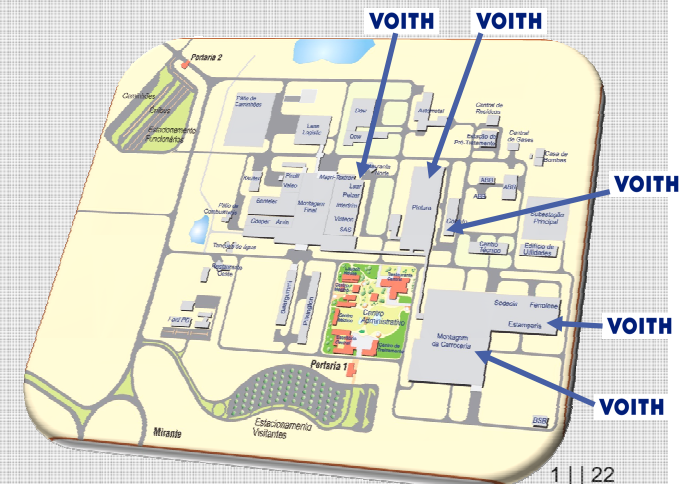
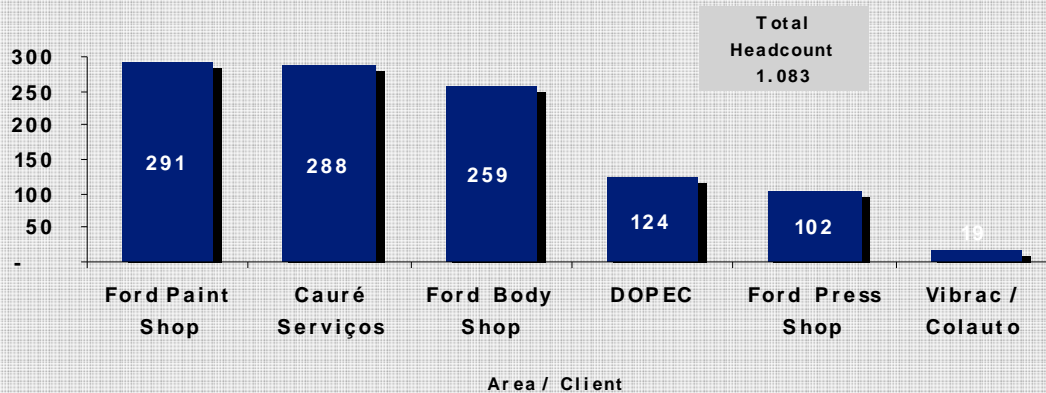
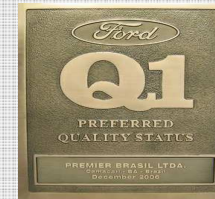
Ford's Third-Quarter Profits in Part Due to Savvy Outsourcing

- Moore said that Ford is “on track” to be solidly profitable in 2011, and outsourcing remains part of the picture.

Ford “Amazon Project”



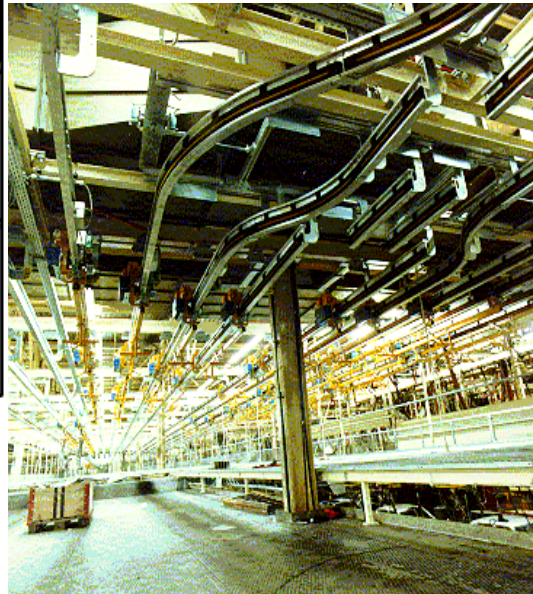
- Maintenance of production equipment for press and paint shop
- Support for operation and start-up of the line
- Maintenance engineering
- Production support
- Logistics
- Janitorial and Technical Cleaning
- Fixture, grating and skid cleaning
- Logistics of paint fixtures



Voith- We create a difference Anytime, Anywhere... Quality Service from Scratch till the End.



"Take me to your auto body shop."



'Engineered Reliability'





VOITH

Engineered reliability.