

Technomusings

Adler Technoserve Quarterly

Welcome to the first edition of Technomusings, the newsletter from Adler Technoserve. We will keep you updated with the happenings in the fields of strategy and capability building in defence, aerospace & marine, renewable energy and manufacturing sectors.

Through this newsletter we will keep you posted on insight into developments and interesting happenings in the field of technical content creation and electronic documentation,

Employees are the most important resource of a modern company in this knowledge driven economy. Successful businesses invest a lot into the training and development of their human resources in order to allow them to grow as individuals as well as keep them ready and capable. We shall keep you posted about our latest training offerings which will keep your people ready and willing to face increasingly new and tough challenges.

What's New?

Data Science Courses

We are glad to welcome onboard our team Dr S Suresh Kumar. Dr Kumar is a mechanical engineer with a doctorate in Machine Learning from BITS, Pilani. He has extensive international experience in government, corporate and academia. Presently he is adjunct professor at Presidency University, Bengaluru. He has three books on Data Science to his credit. He is passionate about Data Science and excels in designing innovative algorithms using R, PYTHON and JULIA.

With Dr Suresh, we now offer workshops and courses of varying lengths for corporate house and students. These workshops and courses will help build data science and analytics capabilities in the present and future work forces.

We need not emphasise on the importance of data science in modern industry. It is an all pervasive skill needed in sectors as diverse as FMCG, BFSI, manufacturing, logistics and inventory management. To gain more insights into what we offer [Click Here](#).



Renewable Energy

Case Study - Own (er's) Engineer

What is the most important responsibility of any business? It's responsibility towards it's shareholders. They are the people who have invested their faith and their money in a business and maximising their returns is the focus of every business. During the course of the business the management comes across several propositions which look attractive as far as reducing costs and maximising profits are con-

cerned. A company which manufactures components for the oil & gas and railways came face to face with exactly the dilemma.

This company was approached by an energy company which installs and operates solar rooftop plants under the OPEX model. The OPEX model is a model of business wherein the energy company installs a rooftop solar power plant with its own resources. It then sells power to the entity on whose roof the power plant is installed for a contracted period. At the end of the contracted period, the plant is transferred to the rooftop owner at no cost. For example, the life of a solar power plant is 25 years. If the contracted period is



15 years, the power company sells power to the rooftop owner for 15 years and then transfers the plant to them at no cost. For the next ten years the rooftop owner has access to power without making any investment. When explained by a marketer, the proposition appears fantastic. Actually, it is, because in such cases the energy company sells power at a tariff cheaper than the public utility company and then for 10 years there is free power.

For a manufacturing company working on a 3-shift basis and operating heavy metal working machines, energy costs are a major proportion of the expenses. Any reduction in

the energy bill will reflect positively on the bottom line of the company. No plant head worth his salt would let such an opportunity miss. Same was the case with this manufacturer. In addition, the company was very keen on demonstrating green credentials as they had major business dealings in Europe where green credentials are a major talking point in any marketing presentation.

Convinced by the beautiful green story spun by the energy company's marketing team the manufacturing company decided to place order on them for installing a solar power plant. However, being a manufacturing com-

pany, they did not have any experience about solar power plants. The energy company explained that the manufacturing company was benefitting through reduced energy bills and was also getting a solar power plant "Free of cost" for 10 years of operation. The prospect was too good to let go. However, there was one issue.

All the figures thrown by the energy company were for a 25 years life of the plant. Unfortunately, the manufacturing company did not have 25 years. This company was operating out of leased premises and was required to vacate after 4 more years. They were also

working on a new business model wherein they would transform into a marketing company, outsourcing all the manufacturing in future. They were keen on projecting a green image and were even ready to absorb some losses on the power plant front.

Enter Adler Technoserve as Owner's engineers for the manufacturing company for this project. We were to complete the project in two phases. A feasibility phase followed by an execution phase. Our first question was, "what is your energy consumption?" We received a vague reply. We knew instantly, that the customer needs more hand holding than just owner's engineer. We offered to start with energy requirement assessment, site potential assessment and complete feasibility of the project keeping in mind the special requirements of the client. A requirement that the energy company was keen on overlooking. They would design their model for 15 years and levy a heavy penalty for walking out of the agreement.

We, being the client's own engineers, assessed the feasibility on a complete lifecycle cost principle including the fact that the plant may have to be shifted after a few years. The assessment gave an entirely different picture of the project. Firstly, it showed that installation under CAPEX model, ie the manufacturing company owning the solar plant was a cheaper option under these circumstances as compared to the OPEX model. It took me by surprise but recheck after recheck gave the same result.

The manufacturing company was ready to get into an expensive contract if it helped build their green credentials. However, brand building also has to pass certain RoI filters. On the request of the client we developed several scenarios but all of them led to the same conclusion. The project was just not feasible under the circumstances. As a result, we recommended "not to install" the plant. This recom-

mendation was going to hurt our business as we would lose the second more lucrative execution phase. However, unlike the energy company, we keep our client's interests first. We recommended not to install the plant.

This recommendation helped our client save \approx 200 times the money they paid us in consultancy. Had they decided not to hire a consultant and listened to the energy company, they would have lost a huge amount of money.

Companies need solar energy consultants because there is huge knowledge asymmetry in the market and energy companies try to exploit this asymmetry to their benefit. An owner's engineer is your own engineer and works for your benefit keeping your interests on top.

Aerospace and Defence

Look Beyond India

The Government of India has opened up the defence sector for private firms and is pushing towards companies making equipment and other products related to defence sector in India. Though some big ticket projects like artillery guns, Infantry Combat Vehicles, submarines and fighter aircraft are in the news, there are several smaller products like helmets, bullet proof vests, tinned food etc which companies can look at.

The Government of India has declared that it wants to export defence material worth 25 Billion dollars over the next five years. The government aims that at least 2.5% of revenue from manufacturing should come from defence sector. It is promoting exports by simplifying the export licensing process for defence equipment. They are creating a system under which Indian exporters will have the opportunity to give self-declaration of their quarterly or yearly statements for a select group of countries, among other things.

However, the government has also indicated

that private companies, given the freedom to manufacture and export should not be dependent only on orders from the Ministry of Defence. On the contrary, companies should develop an outward oriented outlook and look at exporting their products to survive. For that matter, the Government has already instructed even the PSUs like Mazgon Dock Shipyard Ltd (MDSL) and Garden Reach Shipbuilders and Engineers (GRSE) to start scouting for export orders.

This advisory is important because even the bigger companies have a tendency to wait only for RFPs coming from Ministry of Defence.



Interactive Manuals

Conversion of Legacy Documents

We have clients who are established players in manufacturing equipment for the defence forces. Suppliers of equipment are invariably required to provide documentation along with the equipment. In addition to documents required for operation, maintenance and training, suppliers are required to provide documentation that helps establish quality traceability for their products. Till now, such documents comprised crates of hard copies which were difficult to handle, store and retrieve. The armed forces, especially the Navy and the Air Force have moved on to interactive electronic documentation. However, this is a new and uncharted territory for companies, especially the MSMEs who cannot afford to have additional resources for developing such documents. One such client approached us with

a requirement to convert legacy hardcopies into IETM Class 2 documents for a naval project. We, based on our experience with such documentation and the process for generating IETMs undertook the conversion in a timely manner, beating the target time period by 20%. Further savings in time and money were accrued to the client when the navy project team approved the document in one reading. This was achieved based on our experience with using the technical documents and our familiarity with the formats and language used and understood by the Navy.

This approval saved our client both time and money in rework which was utilised for delivering their next product on time.

Offers - Training

Adler Technoserve offers a number of corporate workshops in technical and business skills and Data Science. We offer cost effective value workshops to enhance the skills of your resources so that they can contribute positively to your growth.

We are offering a discount of 10% to all our corporate clients for following courses booked before 15 July 19 for conducting courses between 15 July and 30 Sep 19: -

- ◆ Data Science Courses
- ◆ Leadership Courses
- ◆ Communication Skill Courses

You may choose the courses from our list [here](#).

To avail discount please quote the code **JUL10** while communicating with us.

Contact us at info@adlertechnoserve.com or call **+91-20-4014 7823**