

L&T Hazira Visit – CEO/CXO Learning Mission: A Report

The visit to L&T Hazira was an eye-opening experience, showcasing the company's excellence in Engineering, Innovation, and Quality. Participants included CEOs/CXOs from Pharma, Life Sciences, Engineering, Power, Automotive, Industry, Consumer products etc., and Executives from IFQM. This event was led by Mr. S. N. Subrahmanyam, Mr. J. D. Patil, Mr. Anil V Parab and the team of L&T Hazira Complex of various divisions. IFQM GC members, Mr. K. N. Radhakrishnan (Director & CEO TVS Motor) and Mr. Soumitra Bhattacharya (CEO and Director, IFQM) also attended the Learning Mission.

1. Key Takeaways:

- L&T (87 year young) embodies 'Make in India,' excelling in complex engineering projects—tunnels, structures, Green Hydrogen, Electrolyser, Forging and Defense equipment like the Vajra tank; reinvents constantly.
- Few mantras we observed: **"If you can dream it, we can do it", "We make India proud".**
- L&T handles the most complex engineering & construction projects which others dare not to, e.g. longest tunnel, largest /heaviest reactors, highest statue, heaviest & largest structures for deep-sea expedition & drilling etc. At Hazira, L&T has chosen the perfect location to ship large equipment.
- Strong focus on people (founders say people are the biggest assets!), leadership development, and competency building.
- Integration of digital tools, automation, safety and AI to enhance efficiency (e.g., welding brought down resource requirement from 6 to 1 resource).
- Passionate workforce, demonstrating commitment to **First Time Right (FTR), safety, and quality at root** (shopfloor employees can stop the work if there are signs of compromise), attention to delivery cost, keeping quality at the center.
- World-class training programs in technical and managerial excellence.
- The experiential safety training center. CPR demos were particularly impactful.

2. Best Practices for the Industry

L&T's best practices can inspire other industries in multiple ways:

- **Quality & Efficiency:** FTR, Quality at Root, Anubhuti and Manthan initiatives and Zero Harm approaches (track near-miss cases as well) drive excellence. Big Q and Small q were demonstrated everywhere. L&T sets its own Benchmark, globally, going beyond compliance requirements. 43% of their business outside India is a testament to the industry.
- **Technology & Automation:** Digital tools for tracking workmen, AI-driven project estimation (also based on historic data), and automation in welding (and robotic verification) and fabrication enhance productivity. Tracking of fuel usage at sites is another example of automation.
- **People & Leadership:** Empowering employees to certify their work, encouraging innovation, and fostering a culture of ownership. Most top leadership is promoted internally.
- **Process Excellence:** Standardization across business units, supplier/MSME partnerships, and cross-industry learning.

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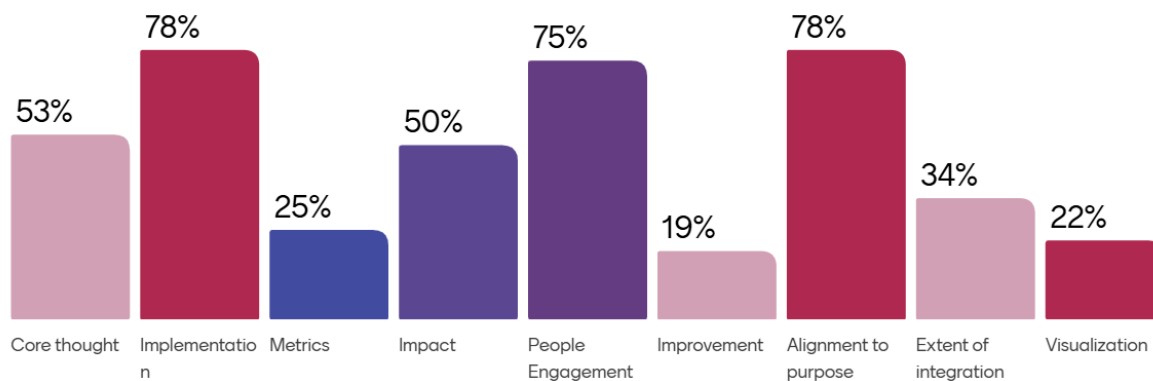
- **Sustainability & Future Focus:** Investment in green hydrogen, carbon neutrality, and long-term infrastructure projects.
- **Industry Collaboration:** Sharing best practices, digital courses, and case studies across sectors. Develop business partners for niche segments like military (e.g. Vajra K9 tank, Howitzers, battle tanks), nuclear, space and oil & gas

3. Participant Feedback

Reflecting on the two days of visiting various manufacturing centers and conversing with leaders and teams, the participants of the Learning Mission identified the following as the things that impressed them most.

| Focus on the Future | Strategic Capability | People Centricity | Operational Excellence |
|---|--|--|--|
| Leadership commitment for the long term | Planning process, Tools , and deployment | Systematic Capability & Capacity building | Focus on Quality and time performance in Daily work |
| Investing in assets for the future | Improvement Culture | Instilling Pride in people for the Nation | Obsession for FTR and Speed metrics |
| Strengthening leadership in Engineering & Technology | Productivity thru' Technology: Ex: Hydrogen Plant, Forging, Welding | People connect with purpose, systems, Goals, Tools and high performance | Supply Chain Management to enhance predictability |
| Alignment from Top to bottom through communication | Project Management capability | Empowering people to build quality at the root | Safety processes tipped by Innovative practices |
| Business Excellence Model and Approach | Integrated Digitization for visibility & Decision making | People Engagement leading to skill and career development | Shop Floor Digitalization and upkeep |

Analysis of the key Features that make these processes excel: Reflecting on the critical aspects that go to build an organization that sustain across generations.

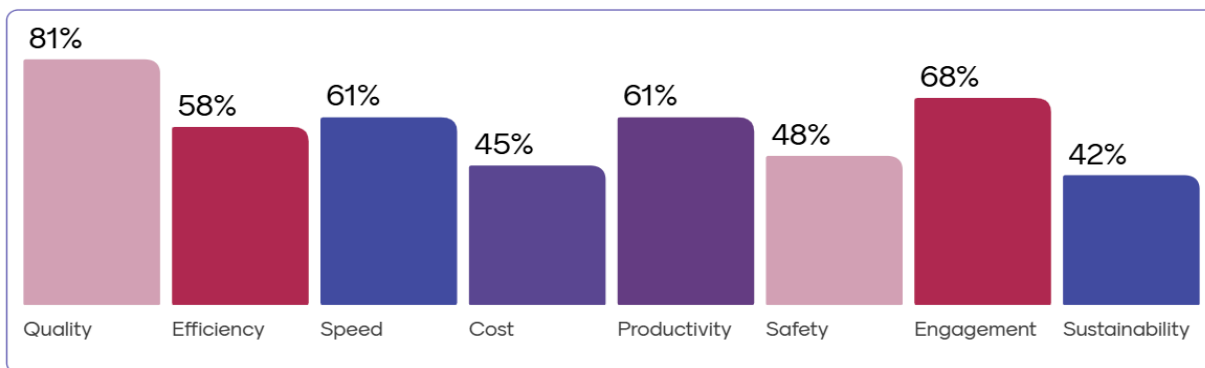


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A vast majority (>75%) of the observations called out at the following as key reasons for the sustained performance of the organization's value creating processes.

- **Alignment to Purpose:** Driven by a Nation First principle, the people demonstrate pride and passion to accomplish their goals, exceeding the set standards.
- **Ability for Implementation:** Supported by diligent planning, operational practices and Supply Chain performance, the company's implementation has come in for admiration.
- **People Engagement:** Stemming from the employee centric approaches of the organization, continuous skill building and an environment of empowerment, the level of people engagement has stood out as an aspect to emulate.

Impact of these processes on Organizational Performance: While excellence in performance has its impact on multiple aspects of organizational benefits, the Participants pinpointed key benefits they can correlate as under.



The tallest impact (81%) of the impressive insights the participants have absorbed, is on Quality. L&T has thus demonstrated the business impact of Quality of its numerous cultural and functional practices such as FTR, Continuous improvement and Digitalization.

4. Way Forward

Armed with numerous insights and having correlated them to visible business impact, an immense scope exists to zero-in on specific corporate, functional and cultural practices to learn and adapt from L&T. The Company's open invitation to share even more has only multiplied the potential to benefit from the experiences of a successful organization. IFQM will be pleased to be of assistance to you and will be happy to facilitate the process.

Possibilities:

- **Adapting Digital Assets:** Digital assets/courses can be shared. E.g. implementing face recognition-based workmen tracking and AI-driven project estimation.
- **Knowledge Sharing:** L&T's customized industry courses, digital learning platforms, and in-house journals. L&D functions like Project Management Institute can be digitized & opened for the industry.
- **Collaborative Initiatives:** Developing cluster programs for MSMEs, partnering on quality assessment frameworks (leverage LTBE), and joint industry-academia training.
- **Case Study Development:** Documenting success stories in automation, near-miss tracking, and digital asset utilization.

Glimpses from the visit:

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