

# TYCO ELECTRONICS



## Background

Tyco Electronics, a business segment of Tyco International Ltd. is the world's largest passive electronic components manufacturer; a leader in wireless, active fibre optic and complete power systems technologies; and a provider of premise wiring components and systems. Tyco International is a diversified manufacturing and service company that offers key products and services in electronics, fire and security, healthcare, plastics and adhesives and engineering products and services. The company operates in over 100 countries generating revenues of over US\$ 36.8 billion and employs 260,000 people.

Tyco Electronics (erstwhile AMP) started its operations in India in the year 1993. In a span of 11 years, the group in India has grown into a US\$ 108 million enterprise. The company has 7 manufacturing facilities and 3 joint ventures. The company manufactures connectors, wire harnesses, fibre optic products, moulds, dies, at its facilities in Bangalore, Pune and Kochi. In India the group currently employs approximately 2,000 people.

## Emerging player in the electronic components market

Tyco Electronics provides advanced technology products with over forty well-known and respected brands, including Agastat, Alcoswitch, AMP, AMP NETCONNECT, Buchanan, CIL, CoEv, Critchley, Elcon, Elo TouchSystems, M/A-COM, Madison Cable, OEG, Potter & Brumfield, Raychem, Schrack, Simel and TDI Batteries.



The company has won several awards from eminent organisations such as MAIT, ESC, ELCINA, CII, CIO etc.

## Challenges faced

The products manufactured by Tyco Electronics need economies of scale for cost competitiveness. Though the Indian electronic components market is currently growing fast, it still does not provide economies of scale required by the company. However, Tyco has come up with successful strategies to counter these challenges.

## Factors for success

### Manufacturing in India, with focus on exports

To stay competitive, Tyco India had to achieve economies of scale, while focusing on Quality and Cost reduction. The domestic market being quite small, the management started focusing on exports apart from domestic market. Tyco management has focused on parameters/processes that contribute to customer satisfaction and operating efficiencies. In Tyco worldwide operations, TE India has reached the top slots in terms of delivery performance and quality and used it as a USP.

The company manufactures electronic and electrical components and various assemblies through its manufacturing facilities at Bangalore, Kochi and Pune. The company has made huge investments for fibre optics cable assembly, smart card connectors, fibre connectors and tooling.



## Operational excellence

As a part of its global strategy, the company has rolled out the Operational Excellence programme across all aspects of business - processes, practices, and philosophy. The Six Sigma initiative in India is a part of the Operational Excellence programme. Tyco Electronics has single digit parts per million (PPM) rejects, delivery performance of greater than 98 per cent, and is amongst the top three in Tyco worldwide in terms of quality, cost, and delivery.

## Adapting global HR practices to suit India and ensure employee satisfaction

At Tyco Electronics India, "Think Global and Act Local" has been the philosophy. The Human Resources (HR) team has been successful in implementing the global initiatives keeping in mind the local needs. Being a manufacturing company, the team had to strike a balance between the management and the shop floor staff. The HR team gives equal importance to both. The company has taken initiatives such as certification programs, on the job training, internal sourcing for vacancies, HR audit, 360 degree appraisal system, information boards, suggestion scheme, compensation survey, interaction meetings, family visits, quality circles etc. Employee attrition rate in the company is very low.

Tyco Electronics India is also the one of the first facilities among Tyco worldwide to go in for a competency mapping exercise.

## Leveraging the India Advantage

### Engineering Centre

In order to leverage the R&D potential of India, Tyco Electronics India has set up the India Engineering Centre in Bangalore to cater to its local market requirements of tool and product design. Tyco Electronics India would provide support function to its global affiliate partner.

## Local management

Tyco leverages strong managerial and engineering talent available in India. This highly-skilled workforce is providing a competitive differentiator for Tyco and is ideally suited for highly engineered low to medium sized markets.

## Future plans

- Tyco Electronics expects to grow by 30 per cent next year in the local market.
- The company plans to augment its India Engineering Centre
- It plans to use its Operational Excellence model to further increase productivity
- Tyco Electronics plans to develop India as a sourcing hub for products and services
- Strive to be a value-added supplier to customers – from design to delivery

## Tyco Electronics: AT A GLANCE

- Tyco International Ltd: World's largest passive electronics components manufacturer. Diversified manufacturing and services company. Over 100 countries. Revenues of over US\$ 36.8 billion. 260,000 employees
- Tyco Electronics Ltd: US\$ 108 million. 7 manufacturing facilities and 3 joint ventures. 2,000 employees
- Factors for success: Manufacturing in India, with focus on exports. Operational excellence. Adapting global HR practices to suit India and ensure employee satisfaction
- For Tyco, India is: An engineering centre. A managerial and engineering talent base
- Future plans in India: Grow by 30 per cent in the local market. Develop India as a sourcing hub for products and services. Be a value-added supplier to customers