



State Level Bankers' Committee, Madhya Pradesh

# ZED-GENESIS

**Zero Defect**  
**(Focus on Customer)**

Many MSME industries still use obsolete methods of production, thus lacking quality.

The obsolete technology used also adds to atmospheric pollution and environmental damage.

**Zero Effect**  
**(Focus on Society)**

The Govt. of India has started the new scheme 'ZED' (Zero Defect Zero Effect) for MSMEs registered under UAM (Udyog Aadhaar Memorandum).

This is a certification programme. A certificate will be issued by QCI (Quality Council of India) after assessment of the MSME unit.

Aimed at producing quality defect free products which are also environmental friendly , thereby increasing demand globally.

# ZED-OBJECTIVES

To enhance global competitiveness of MSMEs by providing them **support in assessment, rating and handholding** of its manufacturing processes on Quality and environmental aspects.

To motivate MSMEs for assessment of their enterprise for ZED rating.

Promote “Make in India” campaign

To encourage MSMEs to upgrade their quality standards in products and processes.

Drive manufacturing without impacting environment

# **ZED-APPLICABILITY**

**Applicable for all MSME sectors of manufacturing industry.**

**An MSME must be registered under the UAM (Udyog Aadhaar Memorandum) to avail the benefits under the ZED scheme.**

# ZED-ACTIVITIES

**Assessment, Rating &  
Certification of MSMEs**

**Industry awareness  
programs, workshops &  
trainings**

**Accreditation of  
Assessment & Consulting  
agencies, Training and  
certification of Assessors  
& Consultants**

**Online systems including  
e-platform for  
assessment and  
e-content for awareness  
& training**

**Gap analysis &  
Handholding for  
improving rating of  
MSMEs**

**International  
Benchmarking**

# ZED-METHODOLOGY



## Awareness and training

- Through Implementing Agencies like QCI, NPC, Chambers, MSME-DIs, MSME Technology Centers, Industry Associations, BEE, etc.
- To develop e-learning modules for capability building



## Third party site-assessment

- Assessments by Certified Assessors of accredited Credit Rating Agencies, and other accredited agencies etc.
- Online auto-allocation of assessors and monitoring of Assessment process
- Tab based Site-Assessments



## Third party consultancy (gap analysis and handholding)

- Consultancy by Certified Consultants of accredited Consulting Agencies/Bodies, and Certified Individual Consultants
- Online auto-allocation of consultants and monitoring of Consulting process
- Tab based reporting of Site-Visits



## Certification

- Final Rating and Certificates to be issued by QCI

# ZED-CERTIFICATION

## ZED is a Maturity Assessment Model

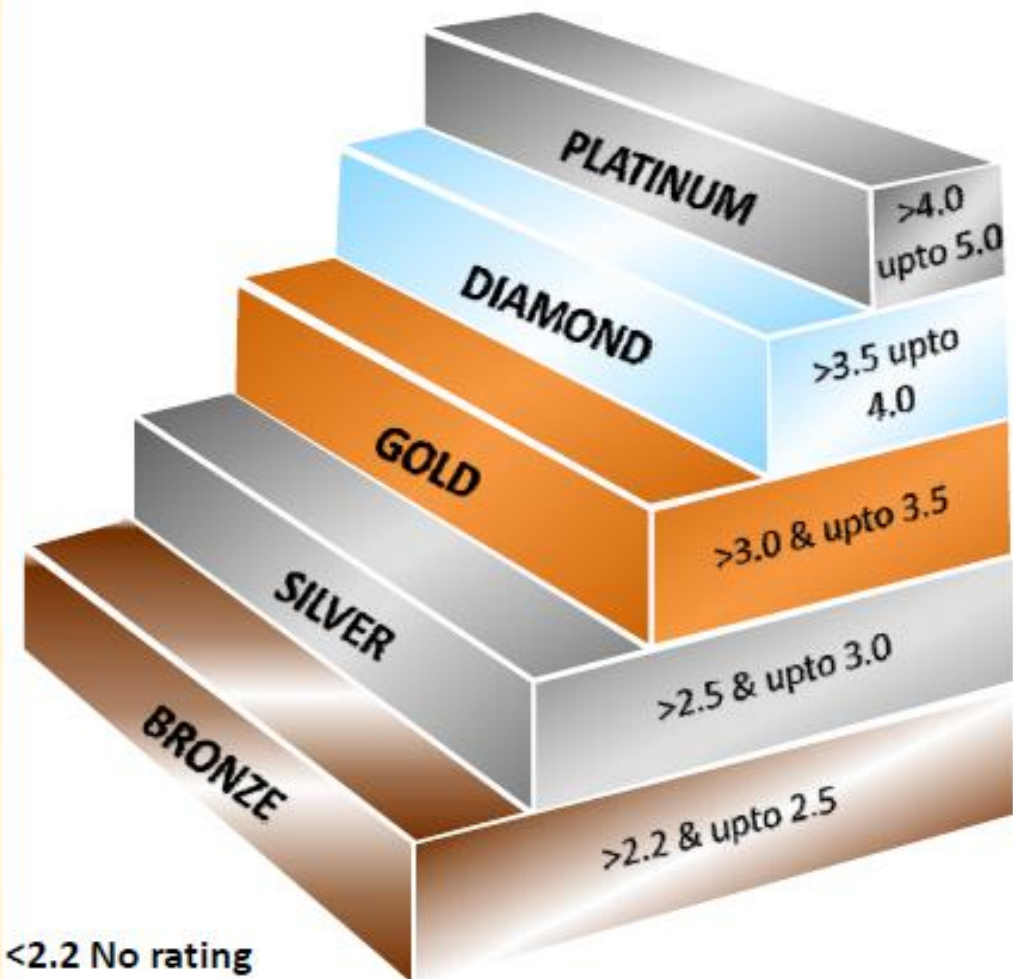
- Assessment of a Unit on **minimum 30** out of 50 parameters, including **20 mandatory** parameters
- **Additional 25 parameters** for MSMEs supplying to Defense Sector

## Each parameter comprises of 5 Maturity levels

|   |                          |                    |
|---|--------------------------|--------------------|
|    | <b>Level 1 (0 Marks)</b> | <b>Struggler</b>   |
|    | <b>Level 2 (2 Marks)</b> | <b>Beginner</b>    |
|    | <b>Level 3 (3 Marks)</b> | <b>Organized</b>   |
|  | <b>Level 4 (4 Marks)</b> | <b>Achiever</b>    |
|  | <b>Level 5 (5 Marks)</b> | <b>World Class</b> |

# How does ZED rating system work?

## 5 levels of ZED rating system



## An example

Company X is being rated on 30 parameters

Of these 30 parameters

On 4 parameters the MSME is at Level 5

On another 8 parameters it is at Level 4

On remaining 18 parameters it is at Level 3

Hence, the scores will be calculated as

| Parameters   | Level | Marks      |
|--------------|-------|------------|
| 4            | 5     | 20         |
| 8            | 4     | 32         |
| 18           | 3     | 54         |
| <b>Total</b> |       | <b>106</b> |

Company X Rating

(Total points/applicable parameters):  $106 / 30 = 3.53$

COMPANY X is rated as:  
**ZED DIAMOND**



# ZED-EVALUATION CRITERIA

## ENABLER FOR PROCESS QUALITY

Process Design for Quality

Pre-production or start-up activities

Production & maintenance activities

Product Design for Quality

Post Production activities

## Enablers for resource management

Facility

Human Resource

## Enabler on outsourced activity

Selection control and improvement of outsourced organizations.

## ENABLERS FOR EMISSION, EFFLUENT & WASTE DISPOSAL ACTIVITIES

Process Design for Environment Management

Pre-production (startup activities) for Environment Management

Production and Maintenance activities

Product Design for Environment

Post Production activities

## Outcomes parameters

Outcomes for quality performance

Outcomes for Process Performance

Outcomes for environmental performance

Outcome for overall company performance

# ZED CERTIFICATION-PROCESS



# ZED CERTIFICATION-BENEFITS

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Easy access loans for business expansion and other needs.

'ZED Rating' will be credible identification of industries for international investors seeking investment in India.

Superior quality, reduced rejection and higher revenues.

Increased environmental consciousness and social benefits.

"ZED Mark" to enable an MSME to be seen as a company with a difference



**THANK  
YOU!**

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