



A brief of ZED scheme by Ministry of MSME for you all (www.zed.org.in).

Please click this link to watch the 26 minutes video of ZED (Financial Support to MSME in ZED certification Scheme) which is self-explanatory. [Zero Defect Zero Effect Video](#)

Please note, eventually you all will have to go for the ZED certification. It is a merger of ISO 9000/14000/HACCP standards. Currently the scheme is available to only 22,222 MSME's & is first come first serve basis after which, the subsidy will not be available.

ZED culture in India based on the principles of:

Zero Defect (focus on customer): Zero non-conformance/non-compliance & Zero waste.

Zero Effect (focus on society): Zero air pollution/liquid discharge (ZLD)/solid waste & Zero wastage of natural resources.

The subsidised ZED Certification scheme was introduced by our H'ble PM Sh. Narendra Modi on 18th Oct-16 at Ludhiana for MSME's through the ZED Maturity Assessment Model. It aims to rate and handhold all MSMEs to deliver top-quality products using clean technology.

Purpose/aim/objective of ZED Certification Scheme?

- To create proper awareness in MSMEs about ZED manufacturing and motivate them for assessment of their enterprise for ZED rating.
- To drive manufacturing with adoption of Zero Defect production processes without impacting the environment (Zero Effect).
- To encourage MSMEs to constantly upgrade their quality standards in products and processes & to support "Make in India" campaign.

ZED Maturity Assessment Model:-

The ZED Maturity Assessment Model has been conceived and structured to offer graded benchmark levels of an organisation's performance through a set of standard enabler and outcome parameters focusing on quality and environmental performances.

- The aim is to help MSMEs evolve and grow by providing them adequate training and funding to move up the value chain and produce quality products. The ZED model will sensitise MSMEs to emphasise delivery of high quality products with zero defects.
- Clean energy will be a very important aspect of the model. Enterprises will be encouraged and hand-held to adopt clean technology into their processes to attain a sustainable growth trajectory.
- There will be sector-specific assessment parameters for each industry.

Benefits of ZED Certification:-

- Credible recognition of the industry for international customers seeking investment in India.
- Eligible to supply to Govt. agencies & fill out tenders. Other benefits as announced by the Government from time to time.
- Streamlined operations, lower costs, superior quality, reduced rejection and higher revenues
- Increased environmental & social benefits.
- Additional employment generation



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How it Works:-

There are 50 parameters on which the MSMEs will be assessed and rated.

- The MSME applicant is required to comply with identified 20 essential parameters & at least 10 other parameters (as per the MSMEs domain competency, i.e. sector of operation and type of industry). Hence, the MSMEs will be rated on a minimum of 30 parameters.
- MSMEs may seek ZED rating on more than 30 parameters as per the processes and systems available at the MSME.
- Each parameter has 5 levels. The Rating is based on a weighted average level.
- The company is encouraged, handheld and trained to achieve a higher level for each parameter and thus elevate itself in the maturity model.

Rating of EACH PARAMETER will be done as per the following:-

Current Ratings.		Proposed Ratings.	
Levels.	Marks.	Levels.	Marks.
Level 1.	0	Bronze.	2.2 – 2.5
Level 2.	2	Silver.	2.5 – 3.0
Level 3.	3	Gold.	3.0 – 3.5
Level 4.	4	Diamond.	3.5 – 4.0
Level 5.	5	Platinum.	4.0 – 5.0

Parameters: The MSMEs will be assessed & rated on defined enabler & outcome parameters on operational level indicators. The organisational level indicators are useful pointers towards implementing a ZED Maturity Assessment Model at the operational level. These indicators may include:-

- Manufacturing capabilities & Design capabilities.
- Quality/Environment/Safety assurance systems.
- People development and engagement systems.
- Standardization and measurement systems for quality and environment.
- Learning and improvement systems.
- Legal compliances (hygiene factor).

ZED Process Flow: Awareness Training – Self Assessment – Desktop Assessment – Site Assessment – ZED Rating & Certification – Gap Analysis & Handling – Surveillance.

- **Self-Assessment:** The MSME can take online self-assessment to get an idea of ZED Model and get prepared for site-assessment.
- **Desktop Assessment:** QCI will monitor & assess the self-assessment exercise undertaken by the MSME and provide detailed report and guidance wherever necessary to the company before the company goes for the ZED site-assessment and rating process. The inputs in the report will be provided by a QCI certified Consultant.



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- **Site Assessment:** Then there will be a site-assessment (and, eventually, a ZED rating) for each SME in the ZED process conducted by QCI accredited agencies. The assessors conducting the rating assessments will be certified on the ZED model by QCI.
- **ZED Rating and Certification:** The rating provided will be valid for a period of 4 years. QCI will award the certification to the respective companies as per the site assessment conducted.
- **Gap Analysis & Handholding:** the Company, if it so wishes, can apply for consulting support through a handholding process by QCI empaneled consultants who have been trained and certified. They will assist the company in achieving a higher rating thus moving up the ZED maturity model. If the company chooses to avail of consulting support, they will then be assessed onsite and given a renewed ZED rating (as described previously) after a fixed duration.
- **Surveillance:** Surveillance activity will be undertaken after 18 months by QCI accredited agencies to ensure that the ZED rated company is progressing as per the plan established in the ZED rating process.

Scheme Subsidy:

MSME	Subsidy	Subsidy for
Micro.	80 %	Assessment, Increase in rating & consultancy services.
Small.	65 %	
Medium.	50 %	

SPORTS GOODS
FOUNDATION OF INDIA

Dr. Ravi Purewal – Executive Director.
2 Sunrise Apartments, Ground Floor,
Tilak Nagar Road, Off. Nakodar Road,
Jalandhar, Punjab – 144003.
Tel: +91-9216020377, 181-2685173.
Email: sgfi@sgfi.org / www.sgfi.org

