

Auto Parts Maker Rane Group Plans ₹ 650-crore Expansion

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Mumbai: The \$550-million auto components group, Rane, has earmarked \$100 million, or ₹ 650 crore, in the next three years for new factories and global expansion in a bid to pump prime processes and culture in the family-owned business to a new global business climate. The group engaged McKinsey for a

couple of years to define its 2020 strategy and invited Vivek Chand Sehgal, the chairman of auto parts maker Motherson Sumi to give pep talk to its employees on his secret to success. Motherson Sumi is fast spreading its wings globally and gaining a reputation as a leading global auto component maker from India, a path which Rane Group too aspires to replicate. The aim is to corner a fourth of its business from global

markets in the coming 3-4 years, which calls for a growth of over 70%, against a CAGR of 12-13% it has seen in the domestic market over the last few years. Taking a cue from Motherson Sumi, Rane Group acquired Precision Die Casting in the United States of America six months ago on the recommendation of its leading customer, a strategy mastered by the former. In the past too, the likes of Baba Kalyani of Bharat



Forge have given pep talks to employees and have shared the experience of working in a globalised world.

The group has set up an office in the US to be closer to its customers to facilitate global procurement from India. Rane Group will soon set up an office in Europe and may look at acquiring a company, if its customers demand. Harish Lakshman, MD of Rane TRW Steering Systems, said there is an internal conviction that the group needs to grow faster than it has and strive to make it a global company.

“You can no longer be an India-based company, it can only take you so far, given our aspiration and vision, we want to be a global auto component player, that is a broad strategy and

framework,” said Lakshman.

Rane Group’s international sales two years ago was 14%, which increased to 16% in FY16.

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