

PROPEL

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*CUSTOMER
DELIGHT*



RELIABILITY



LOYALTY



QUALITY



COST



DELIVERY



GROWTH



PROFITABILITY



EXPANSION



DREAM



DESIGN



DELIVER

Re-emphasis
on **CUSTOMER
EXPERIENCE**

A key focus as we begin
the execution journey
of Vision 2020

THE WORLD OF RANE



Expanding Horizons

Rane Holdings Limited (RHL)

Rane Brake Lining Limited (RBL)

Rane Engine Valve Limited (REVL)

Rane (Madras) Limited

- Steering & Linkages Division
- Diecasting Division
- Rane Auto Parts

Rane NSK Steering Systems Private Limited (RNSS)

Rane TRW Steering Systems Private Limited (RTSS)

- Occupant Safety Division
- Steering Gear Division

Rane Holdings America Inc. (RHA)

JMA Rane Marketing Limited (JMA Rane)

SASMOS HET Technologies Limited (SASMOS)

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CONTENTS

RANE PROPEL



4 FROM THE CHAIRMAN'S DESK

L. Ganesh writes about Rane Group's renewed focus on customer experience and key goals for 2016

6 OUTSIDE IN

Anecdotes from Oberoi Hotels' Vikram Oberoi on the art of delivering customer delight

9 EXPERT SPEAK

Prof. DVR. Seshadri of IIM Udaipur and IIM Bangalore speaks to Rane Propel on globalisation, intrapreneurship and the art of habitual innovation

12 CASE STUDY

Two short case studies on how we adopted a customer-centric approach during the floods

14 NEWS ROUNDUP

Snippets from key events held at various Rane Group companies

16 LEADERSHIP DEVELOPMENT

At Rane Group, we're upgrading our leadership development process to strengthen our leadership pipeline

18 IN PURSUIT OF MARKETING EXCELLENCE

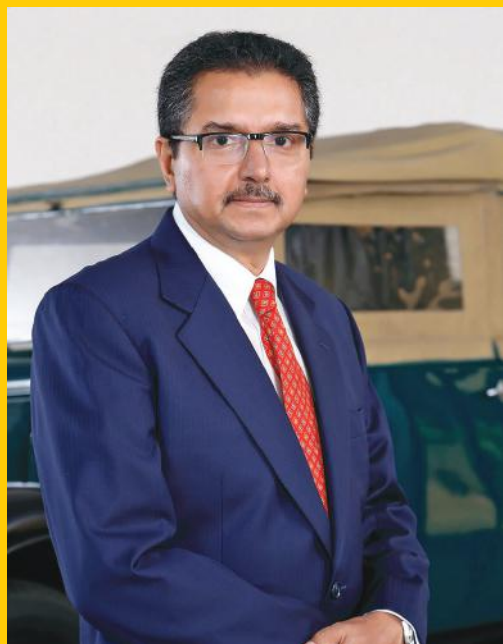
A peek into the Marketing Excellence Workshop that was led by Professor Sridhar Balasubramanian from UNC's Kenan-Flagler Business School for Rane Group's marketing leaders

20 RANE HOLDINGS AMERICA INC. (RHA1)

A quick update from RHA1 and its focus on identifying significant revenue opportunities in the U.S.

22 CORPORATE SOCIAL RESPONSIBILITY

A quick summary of relief measures carried out by volunteers from Rane Group



RE-EMPHASIS ON CUSTOMER EXPERIENCE

As I begin to write this note, I cannot find words to explain the trauma some of our colleagues and their loved ones faced during the floods in Chennai. We certainly have not experienced anything of this magnitude before and, on behalf of everyone at Rane, I'd like to pray and wish for the betterment of all families that were affected by this disaster.

Soon after the floods, Rane Group started off its relief activities, with over 85 volunteers from our group companies supporting at various affected localities in Chennai and Cuddalore. The first task we undertook was to aid in the safety of some of our employees. Once that was done, we quickly took stock of what relief measures would help and offered assistance by delivering food, medicines and clothing through our corporate office and various group companies. We continue to evaluate other support opportunities, especially for helping families that have been displaced, over the long-term.

2015, in review

Getting back to the business front, I believe 2015 was a good year for us. After completing the exercise with McKinsey in 2014, we initiated discussions with all our group companies on integrating various growth initiatives into their Strategic Business Plans. Additionally, we've also strengthened the review mechanisms, our quarterly business review, and are focusing on how these initiatives are progressing.

We also realized that, in order to achieve our growth goals, we have to strengthen our business development and corporate planning functions in the corporate office, and we've taken efforts to bolster these teams.

Among various activities in 2015, two big milestones come to my mind. One, the new die-casting plant in Hyderabad was completed in record time and we did some trial production runs and customer approvals were procured. We believe this plant is going to contribute to some good growth in the die-casting business. Second, as you all know, we see tremendous potential in the airbags space, thanks to the new legislation. The airbag manufacturing

facility, part of Rane TRW, was also setup at a good pace, and inaugurated by Mr. Nigel Harris, MD and President, Ford India.

Greater focus on customer experience

As we often mention, our relentless focus on customer experience and the reliability we offer to our customers has been key to the longevity of Rane. Both in the OEM and after-market segments, we've consistently delivered superior customer experience.

Recently, one of our key customers appreciated our speed of recovery, continuous communication and proactive stock build-up at the customer location to ensure supplies were on track after the floods in Chennai.

We must, however, keep in mind that customer expectations are continuously evolving. Customers are now expecting greater speed of response and are requesting us to offer technology and engineering inputs. So, it is important that we strengthen ourselves in these areas. We're looking to enhance our business development efforts, with a drive to improve our capabilities to match evolving customer needs.

In 2015, we launched an initiative called Marketing Excellence, through which we went across the group to understand and learn from various experiences. One key outcome of this exercise was that, we've implemented and delivered marketing excellence to our OEM customers. Going forward, we must replicate this for the aftermarket segment as well.

In our industry, quality, cost and delivery continue to be crucial. If

you want to evolve into a global player of any significance, engineering expertise, innovation, and renewed focus on design, testing and validation will become paramount. We launched an initiative couple of years ago, to look at how we can continuously innovate and make steady progress to bring in a culture of innovation. We will continue to improve our spending on R&D, and look at how projects that are in the research stage can go to the next level.

Looking forward to 2016

As I mentioned earlier, we've begun the execution journey. Our companies have started winning some new businesses from around the globe, we've strengthened our office in the US and we look forward to making similar progress in Europe in 2016.

In addition to business development and engineering support to our US and European customers, we've engaged in constant dialogue with our key customers, to understand our opportunities. If it makes strategic and financial sense, we're open to even setting up or acquiring manufacturing locations in these geographies.

Having said that, we'll not plan any big acquisitions. Rather, our approach will be that we can always learn and become competent in this area of acquisitions, before making any big moves.

In our aerospace business too, our growth plans are on track. Sasmos HET Technologies announced a joint

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”

venture with the Dutch firm Fokker, and we also got some new business from Boeing. We believe this will continue to be a key growth platform in the aerospace segment.

On a concluding note, I'd like to add that profitable growth with good return on capital employed, will continue to remain the focus for all our businesses, keeping in mind the aspirations of our long-term investors. To achieve this, we'll continue to invest in competent people and in technology and I'd urge all our companies to maintain their focus on TQM practices to deliver operational excellence. TQM has laid the foundation for our growth ambitions today and that must certainly continue. I'd also like to emphasize the need to evolve from operational excellence to business excellence and continue to deliver superior customer experience across all our businesses.

Wish you all a wonderful, happy and fulfilling new year.

THE ART OF DELIVERING CUSTOMER DELIGHT

Vikram Oberoi, MD and CEO, EIH Limited, the parent company behind hotel brands Oberoi and Trident, shares with us anecdotes from the hospitality industry and specifically, ideas to deliver wonderful customer experiences.



W

e invited Vikram Oberoi, MD and CEO of EIH Ltd, to address senior management professionals from the Rane Group, recently.

Vikram Oberoi, of course, is very well known in industry circles. Over the last 25 years at the Group, he has held various positions and also spearheaded the re-engineering of systems and processes for the whole organization. In 1997, as General Manager at The Oberoi Rajvillas, Jaipur, he set new standards of excellence in personalized service.

Now, as MD and CEO of EIH Limited, his key focus is to maintain the Oberoi brand as one of the best in the industry and also enhance it further.

In the talk, we requested him to share with us the ethos of the Oberoi Hotels and the key to its success and growth.

As narrated by Vikram Oberoi

Brand Oberoi

The Oberoi brand was started 75 years ago by the Late Rai Bahadur Mohan Singh Oberoi. He had applied for a government job as a typist and was rejected. He had no money and very little to do. There was a hotel across the road and he tried for a job there. But the doorman stopped him and told there were no jobs available. He waited, sure that someone who could help would come out. Sure enough, a smartly dressed gentleman came out. My grandfather requested him for a job. So the gentleman – his name was Clarke – asked him what kind of job he was looking for. My grandfather said he would do anything. That's how his life with hotels started. He was a hands-on administrator. He would wake up at three or four in the morning and put coal for water to boil for his guests to take bath when they woke up. He would talk to the guests and listen to what they had to say.

We had a questionnaire for guests to fill up and I have seen him when he was 90 years old reading it keenly. His philosophy that we still follow is, always do the right thing.

We depend so much on people to deliver our services. There are so many guests and that gives us hundreds of opportunities to create the right impressions. There could be one or two bad ones, but mostly, we create good experiences – that is what Brand Oberoi stands for.

Our Values, Our Dharma

So how do we do it? Our dharma is our values. No compromises. If you drop a hundred rupee note in front of your three-year-old granddaughter, what do you think she will do? Most probably take it to her mother or grandfather. She may never have been told that that is the right thing to do, and yet she does it. So how does she know? It is the intrinsic value of always doing the right thing.

That just demonstrates that you don't need a 'Standard Operating Procedure' for everything. Our stress is always on doing the right thing, whatever it takes. Profits will follow; That is the culture we have tried to create within the organization.

For instance, one day the hotel was very busy. This was in Jaipur where I was the General Manager. My grandfather saw this, joined the team behind the front desk and gave the guests the keys. You see somebody doing that and it just inspires you! Leaders set an example and also become an inspiration. You still hear stories from across the organization on how he lead from the front.

Our Dharma tells us what is right but it is certainly not easy. During the Nov 26, 2008 terrorist attacks in Mumbai, our hotel was one of the targets. I was talking to a girl who was training at Oberoi Centre for Learning (our training institute) and interning in the



“YOU CANNOT BE HONEST SELECTIVELY. EITHER YOU ARE HONEST OR YOU ARE NOT.”

hotel at that time. She helped about 10 guests hide. At about 2.30 AM, she wanted to try to get them out. She didn't know where the terrorists were. She had to cross the lobby. She was petrified but crossed the lobby and managed to get them out. Now, nobody can teach you to do that. Nobody can ever tell you what the right thing to do is. It is our values that directs us towards it.

Some of the values followed are:
Ethics: Honesty in everything you do at all times, be it for ourselves, for the guests, or our team.

Guests first: this is a tough one. You can't do it selectively, it has to be all the time.

Rate yourself on honesty in a scale of 0 to 10: If you think about it, rarely

do we give ourselves 10. But you can only get 0 or 10. You are either honest or not. You cannot be honest selectively.

Enough is not enough

Who are our stakeholders? We have our guests. We certainly deliver services to the guests. For the team, we strive to provide a better work environment.

We match new recruits to a buddy for solving their problems, clearing their queries. We encourage the team to apply our core values in decision making and no one will be criticized. Of course, we celebrate success and share it across the organisation when someone has done an exceptional job.

To us, we are in the business of

creating positive memories. When a guest comes to Oberoi hotel and gets a nice experience, then we have done okay. But, everybody has an image of what they will get when they stay with us. If we fulfill only that expectation, we have still not done enough. How do we give them more than what they expect? – That is our focus.

Hiring Right

In the hospitality industry, it is our people who bring the place alive. So we have put in place some hiring-related practices:

- Our selection is really the key. We never select for the position or job. We have a very flat organization – entry level, supervisors, managers and general managers. Growth is from within the organisation to a large extent. Any recruit has to show potential to grow to two levels at the time of selection.
- We do not recruit for any function which is non-core to our business – like security – since we cannot provide growth. To attract right talent, we need to have the right selection, provide the right environment, provide the right training, and provide opportunity to grow – we promise you that, either within or outside.
- When we open a new property, we never select from that location alone. We go countrywide, so that it gives us great diversity, and gets us the best talent.
- We say attrition is good; At the leadership level, our attrition is low. At entry level, it is higher, which is good; If the organization is unable to give that growth, then the employee should and will look elsewhere.

Beyond the Call of Duty

Small things matter – holding the door

for a guest, helping our guests when in need and appreciating the people around us. Most importantly, listen to the guests.

To quote an example, a colleague, Rupesh, became a manager recently. A couple went for a walk in the forest and the wife lost her diamond ring. She was really upset. Rupesh noticed that and went up to her to find out if something was wrong. He was told about the missing diamond ring. He noticed that they had a camera and asked if they had taken photographs. When they said yes, he went through the pictures and, since he knew the trail well, used the photos to know where possibly the diamond ring could have fallen. It was dark, but he knew the terrain. He took a torch as it was dark, and he managed to find it. Going the extra mile made a big difference; I believe we did something right in our process, which made my colleague go beyond what his duty was.

Employees Matter

Let me narrate a couple of instances to show how employees often come first.

Soma worked in housekeeping, cleaning the rooms, making the beds etc. in our Jaipur property. On Diwali evening, she went home after work and then went out with her friends. A



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rocket hit her in the eye and ruptured her retina. No doctors were available. Well past 11.00 PM, the hotel got a call. We had to do whatever we could to help her. We found a doctor and realized that the best place for eye treatment was Chennai. There were no flights to Chennai, so our rooms division manager drove her to Delhi, got her a room in Oberoi, came to Chennai by flight and got her treated. Two surgeries had to be performed, but no questions were asked about the cost. She still can't see fully, but the hotel was totally committed to her recovery.

There is a guest at Delhi Oberoi who has been staying there for several years. In the first six months of his stay with us, he was rude to the staff. The GM spoke to him nicely and said, "Tell me if you have any problems but not my people." But he continued to be disrespectful and I got another complaint. I spoke to him and reiterated that he can talk to me but not use that tone with my people. He said, "You can't stop me." I said it is not a choice, if you cannot, then you can take your business somewhere else. He has continued to be our guest. He is not an easy guest and has a right to be demanding but not disrespectful.

Our employees stand by us and we stand by them. It is part of our values, to be treated as human beings.

GLOBALISATION, INTRAPRENEURSHIP AND THE ART OF HABITUAL INNOVATION

In this freewheeling chat with Prof. DVR. Seshadri of IIM Udaipur and IIM Bangalore, we discuss the topics of globalization, intrapreneurship and innovation from a managerial perspective. | **AS TOLD TO RANE PROPEL**

Prof. DVR. Seshadri, member of the faculty at IIM Udaipur and Bangalore, shifted to academia after spending over 15 years in the corporate

world. Since jumping ship, he has spent his time researching various topics including globalization, intrapreneurship and B2B marketing. His core research interests are in the fields of Business Marketing, Value Based Marketing; Intrapreneurship and Strategy. He's also co-authored the book titled Global Risk/Global Opportunity.

In this conversation with Rane Propel, he takes us through some of the key findings from his research work, the topic of how a manager should approach scaling up globally and several other topics.



Just as managers need to conduct due diligence of companies that they seek to acquire, they also need to conduct in-depth due diligence of countries that they seek to enter.

Q1) You moved into academia after spending several years in the corporate world as a Managing Director. Just to set the context of this interview, please take us through what prompted you to get into academia?

After my engineering degree (IIT Madras) followed by M.S. in Engineering Sciences (University of California) and Fellow Program (Doctorate) in Management (IIM Ahmedabad), I wanted to get 'hands on' experience in the 'real world'. Hence I took up a job in the corporate world, thinking it will initially be for a stint of some 4-5 years. However, I ended up spending 15 years in the industry (public sector, family owned business and a start-up), as I found corporate life quite seductive. My stint in the start-up was very intense, as there was no promoter support and I was struggling against all odds, in the capacity of Managing Director, to keep the show going. I realized it was not going to get any easier, and decided to pursue my original calling in academia.

Q2) For your book titled Global Risk/Global Opportunities, you deeply researched various Indian companies that went global. What were some of the key findings from your research?

Our book is targeted at students of global management. The book's strategic differentiator is this: We show global managers how to use simple macroeconomic tools to make key decisions: How to evaluate global risks, new geographies and markets, for their businesses, i.e. how to do global 'due diligence.' The era of managers being content with winning in local and proximate markets is now over.

Each chapter features a unique macroeconomic tool useful for managers in transforming risk into opportunity, in understanding systemic global risks, and in undertaking due diligence of a nation's macro economy.

The book encourages managers to build "global narratives." One such extraordinary narrative can be found in Jorma Ollila, long-time CEO and Chair of Nokia, who used a macroeconomic narrative to found Nokia Mobile, for years the market leader in cell phones. He built a powerful narrative around the crumbling of the Berlin wall, wherein he saw extensive migrant labour from Eastern to Western Europe and consequent extensive need for communication, which resulted in the birth of Nokia. What is perceived by some as 'risk' is seen as a major 'opportunity' by others.

Successful global companies have the knack of

anticipating a global crisis and preparing themselves proactively to face them. This requires deep understanding of the history of the evolution of the global economy and astuteness in predicting trends.

Another extraordinary skill of successful global managers is to assess systemic global risk. The world is facing a variety of risks: economic, environmental, social, medical, etc. These are inter-related and change over time. The key skill global managers must have is to translate systemic risk into ideas for business opportunities.

Managers have to develop a keen eye to analyse engines of growth. For example, India has had a period of rapid growth, which declined after 2011. Managers should understand the causes behind the rise and the decline. How does politics impact growth? For instance, what should the new Indian political leadership do to restore or reinvent India's growth engine?

Additionally, global managers have to understand regional economics at a very deep level.

Managers also need to understand deeply about money: what it is, and how central banks supply liquidity to the economy and control the money supply. They need understanding of "velocity of money" i.e., the rate at which money circulates and changes hands. They also need to understand interest rates – how central banks raise or lower interest rates, the importance of calculating and tracking 'real' (inflation-adjusted) interest rate, why this is crucial, and why it is essential not to get carried away with what the media publishes, viz., the nominal, not real, interest rates.

In addition to all this, managers would do well to understand trade and foreign exchange trends, mega trends that can shape up a whole economy (like the trend of urbanization, inequality between the rich and the poor, environmental crisis and so on) and how a particular nation's global competitiveness.

Just as managers need to conduct due diligence of companies that they seek to acquire, they also need to conduct in-depth due diligence of countries that they seek to enter.

Q3) One of your areas of research is intrapreneurship, the art of gearing up internal managers to act like entrepreneurs and spearhead new initiatives. How does a company go about setting the right stage to encourage intrapreneurship?

It is all about culture, culture, culture! The onus of creating this culture rests squarely on the top management. Companies most well known in the world for intrapreneurship are W.L. Gore, 3M, Google and Whole Foods. The DNA of these companies is hardwired to foster front line managers taking on entrepreneurial roles. This is best described in the classic article by Goshal and Bartlett, titled, 'The Myth of the Generic Manager.' Their advice is that the concept that there is a generic manager who does the same activities (such as planning, monitoring, reporting, motivating, etc.) as he progresses through his career is anachronistic, in part due to widespread deployment of IT in organisations, whereby the CEO has instantaneous and accurate access to information at the grassroots, without need for an army of middle level managers processing and synthesizing information. In this changed scenario, three distinct levels of managers emerge:

- **Front line operational managers** who have to morph from being effective implementers to aggressive entrepreneurs (intrapreneurs). The changed role requires them to focus on growth and innovation of their respective front line units, attract and develop resources and continuous improvement of the front line units that they are responsible for.
- **Senior level managers** who have to transform from administrative controllers to supportive coaches. This requires them to motivate front line intrapreneurs, bring large company advantage to independent front line units and balance the tension between short-term performance and long-term ambition.
- **Top level managers** whose role has distinctively shifted from resource allocators to institutional leaders. They are now required to question embedded assumptions, develop an atmosphere of trust and support in the organization and create an overarching sense of purpose and ambition in the organization.

Each of these roles requires different skills, knowledge, experience, attitudes, etc. Unfortunately in India, most managers think that the only way to grow is to race to the top. As the organizational pyramid rapidly narrows, it is not possible for all those starting out at the operating levels to reach the top. This leads to frustration, disillusionment and cynicism. This is not conducive for developing a culture of intrapreneurship. Unless the organization allows parallel tracks, in which an intrapreneurial career is also recognized and rewarded (wherein the

intrapreneur does not necessarily have to race to the top, but does more and more impactful work as an aggressive intrapreneur, in which case the growth is more horizontal rather than vertical), the culture of intrapreneurship is difficult to foster.

Q4) Based on some of the Indian companies you've researched, could you share anecdotes on some companies that have innovated tremendously?

Nearly all companies have innovated at some point of time or the other during their history. Without such innovation, it is unlikely that they would have succeeded in becoming sustaining businesses in the first place.

What we are talking here, however, is about companies that habitually innovate. Porus Munshi, in his book titled, 'Making Breakthrough Innovation Happen', has captured the stories of 11 individuals who have innovated tremendously.

Examples of very innovative companies in the corporate sector include the Jewellery Division of Titan Industries which progressed from an 'also ran', loss making entity to a very profitable division with revenues upwards of Rs. 8000 crore and PAT of about Rs. 1000 crore in a ten year time span, simply by the power of innovation. This was done through inculcating the urgency and importance of innovation across the organisation's rank and file, creating vibrant processes to facilitate innovation habitually, and running rewards and recognition programs to appreciate innovators. This model is more of a bottom-up approach.

Another model of innovation that I have seen is in companies such as Tata Steel, where tough challenges are given to high potentials, and the entire top management rallies behind these key initiatives driven by intrapreneurial innovators, by way of resources and guidance, to ensure success. This may be called a top-down approach.

There is also incredible innovation happening in the social entrepreneurship space, as can be seen in organisations such as Aravind Eye Hospital (the world's largest and most influential eye care provider) and DHAN Foundation (one of India's top NGOs that is focused in poverty annihilation), both based in Madurai. However, the innovation at these organisations is driven by a spectacular sense of core purpose, which enables innovation emanating from the grassroots (bottom-up) as also from the top (top-down).

“DECEMBER WAS A KEY MONTH FOR OUR CUSTOMERS; WE REALIZED THAT.”

The situation:

Like it was for several factories in Chennai during the floods, the situation was dire for us as well. Some of the senior level people stayed through the night on December 1st 2015, to see what best can be done to contain the damage in the plant, as December was an important month for our customers. The team stood by the commitment in spite of the fact that some of them lost their belongings at home, during the floods.

The first flood in November had

posed some challenges, however we could recover within a short period of time. However, it had dried up the pipeline stock considerably.

As is often the case, our customers have to inward the material on a Just in Time (JIT) basis. Some of the OEMs were marching towards an important target to launch new models/variants; and some had been working towards enhancing the numbers for CY2015 closure; so

The team at Rane NSK Steering Systems used a Daily Review Management mechanism to ensure delivery schedules weren't hampered during the floods.

Thanks to inputs from Mr. Ravishankar, Head of Marketing - Rane NSK Steering Systems Pvt. Ltd.



overall, it was important for them to receive the parts from us on time. Of course, the same was true for every other customer. In short, we had to keep our customers' targets in mind, while acting on the flood situation in Chennai.

1

Daily Review Management

Every morning and evening, we assembled in front of the DRM Board, to understand key delivery dates, with the help of visuals. We divided the list by part number and asked ourselves, 'what are the key commitments over the next one-week?'.

In other words, we re-prioritized our efforts, as per customer requirements. Needless to say, all credit to the whole team for pulling through this calamity with flying colors. This was possible with the formation of a disaster management team to oversee the recovery, with seamless communication across all levels.

2

Two-pronged strategy

We divided our action items into two lists: internal (within the factory) and external (helping our suppliers deliver). We formed teams that could go out to our supplier locations to help them get upto speed. We had to ensure that our production line was not held up because of lack of parts from suppliers. Of course, internally, the goal was to put all machines back into action.

3

Two-way Customer Support

Clear communication with our customers was crucial at this time. We had to ensure that nothing we did went waste, since we were running on optimal resources. Our customers were supportive and they also visited our suppliers and motivated them and thanked them for timely support and revival; Some helped us with logistics, and collected the supply from Bangalore, as the Chennai Port was closed down.

4

A pat on the back

Our customers personally called and appreciated us for the support during a crisis. People from NSK as well as various Rane Group companies extended timely support and guidance.

Key Learnings

- Keep a disaster management team in place to tackle such situations
- Ensure seamless communication across the company
- Review the plant improvements on relocating the electrical parts of the machinery/utilities, well above the flooring
- Improve the storm water drainage system

“IT WAS IMPORTANT TO NOT HOLD UP A CUSTOMER’S PRODUCTION LINE.”



In spite of the massive floods, the team at Rane TRW Steering Systems-Occupant Safety Division (RTSS-OSD) was engrossed in keeping up its delivery commitments to all customers.

**Thanks to inputs from
Mr. B. Ayyappan, Head of RTSS-OSD**

The situation:

On December 1, 2015, when the massive floods hit Chennai, the situation at the shop floor of RTSS-OSD was challenging. Water had entered the shop floor by 11 AM and the level continued to rise. The storehouse, where finished parts were kept, was at the risk of getting immersed in water; machines in the shop floor had to be raised by 1 foot to avoid potential damage; and, most importantly, airbags – which cannot be freighted by air – had to reach key customer locations on time.

SOLUTIONS PROPOSED AND IMPLEMENTED

1

Bring the team together

The first step to taking any action, as it is always the case, was to bring the team up to speed on our key deliverables. The mantra was “no customer line should stop”. The team stayed close to the factory without going home for three consecutive days and took up several responsibilities.

2

Learnings from the November rains

We thought about our learnings from the earlier rains in November to understand which locations within the factory would have water. Keeping this in mind, we moved the finished goods from the warehouse to the main office, where water logging was less. Machines were raised by 1 foot and technicians were roped in to fix machines.

3

Stock build up

One aspect that worked in our favour was that we had close to 15 days of stock for both airbags and seatbelts in key customer locations. This was done keeping in mind increased absenteeism during the festive season and monsoons. And, it came in handy at the time of the floods. In fact, one of customers, Mahindra & Mahindra, was very appreciative of our efforts of keeping over 15 days of stock at Nashik and Chakan and the additional efforts we put in to meet our commitments.

4

The clean up effort

As soon as the water level started receding, the whole team got together to start the cleaning process, ensuring that all three lines were back on track at the earliest. We didn’t want to give anyone an explanation that we were affected by the floods. Instead, the goal was to fix everything in time, so people wouldn’t even know we were affected. When our Chairman visited the factory over the weekend, he was really appreciative of our efforts and it was heartening for the whole team.

Key Learnings

- The major lesson learnt was to move the electrical panel – PLCs, servo motors – of the machines to a higher level
- During the floods, we lost some high value raw materials to the tune of Rs. 2 crore, but we’re now taking action to store the important materials at a higher level
- We’re coordinating with the local authorities on enhancing the storm water drain
- A major observation was that the whole team worked as if each and every one of them owned the plant. It was heartening to see that



INAUGURATION OF RTSS OSD AIRBAG PLANT

In August 2015, Mr. Nigel Harris, Managing Director and President, Ford India, inaugurated Rane TRW Steering Systems' state-of-the-art Airbag manufacturing plant, located adjacent to its Seatbelt plant in Singaperumal Koil, Chennai. The Airbag plant, which covers an area of 1800 square meters, will assemble driver and passenger Airbag modules, with an installed capacity to produce around 500,000 Airbags initially with sufficient space to expand as the market grows in the future.

Commenting on the inauguration, Mr. Harish Lakshman, Managing Director, Rane TRW, said, "With the Government of India promoting Occupant Safety/Road Safety to significantly reduce fatalities, we expect the auto industry

in the country to introduce passive safety technologies to meet these regulations. The commissioning of this new facility demonstrates the company's commitment to support technology evolution in the passenger vehicles segment. We anticipate exponential growth in the application of frontal airbags over the next decade and Rane TRW will be well positioned to support both global and domestic OEMs with their growth aspirations to bring in these technologies to their vehicles."

Rane TRW is currently working to localize the Airbag components to improve its competitiveness in a highly cost conscious market like India.

DECEMBER 2015: RANE TECH DAY CELEBRATIONS AT VECV



The Rane Tech Day celebrations, which witnessed participation from the Volvo Eicher Commercial Vehicles (VECV) senior management among others, was a roaring success. It created a positive impact between the Rane and VECV journey.

SOLAR PLANT COMMISSIONING



In October 2015, Rane TRW Steering Systems commissioned the launch of the one mega watt solar power plant at Muthuramalingapuram village near Arupukottai, 225 km from Trichy. The Plant was inaugurated by Mr. L. Lakshman, the Executive Chairman of Rane Holdings Limited. The full generation of solar energy began on 21st October 2015 and was supplied to the Muthuramalingapuram substation. The plant is equipped with a 1.14 MW capacity of 3,675 solar panels, and carries a generation capacity of approximately 5,500 units (maximum) per day on a sunny day.

ASSESSMENT CAMP FOR PHYSICALLY CHALLENGED CHILDREN AT RBL TRICHY



On 25th September 2015, Freedom Trust organized an assessment camp at the Spastic Society of Trichirapalli, where 63 physically challenged children were assessed by team of Orthotists and therapists. Post the assessments, appliances were distributed to all the children at the RBL Trichy plant in collaboration with the Spastic Society and Freedom Trust.

RBL TRICHY WINS TWO GOLD AWARDS AT ACMA

RBL Trichy has won two Gold Awards in the second National Level case study presentation on Quality and Innovation streams conducted by ACMA. The event was held at Pune on the 28th and 29th of October 2015, and witnessed participation from 42 companies, presenting a total of 66 projects on quality and innovation.



NEXT WAVE IN RANE'S LEADERSHIP DEVELOPMENT

INTRODUCTION

Our journey towards achieving accelerated profitable growth is certainly going to be an exciting phase. We will encounter new challenges that will lead to newer learning. Hence it is important for us to reposition our talent management strategy that facilitates such learning and at the same time, aligns with the business agenda.

Having the right executive talent in place—ready to move up and across when needed — is critical for future business success. Rane is at a tipping point where developing future ready leaders is gaining utmost significance. Hence there is a need to ensure a smooth shift to the next generation of

leaders. In that context, we have recalibrated our Professional Development Architecture (PDA) into a comprehensive leadership enhancement blueprint, rechristened as Leadership Development Architecture (LDA).

OUTLINE

LDA is crafted as a robust framework that enables structured transition of high potentials across all levels.

The implementation of LDA happens broadly in three stages – Assessment, Development and Support.

ASSESSMENT

The first step is to help identified HiPos in becoming aware of

their leadership style, areas of strength and improvement in line with their career aspirations. Based on the need, appropriate tools such as psychometric profiling, development centre, 360° feedback, self-discovery workshop etc. are deployed for understanding their current status. This then constitutes as the base input for building the development roadmap for such talent.

DEVELOPMENT

The second step is to synthesize the inputs obtained from diverse assessment sources and identify key aspects for improvement in the form of an Individual Development Plan (IDP). With the individual at the centre driving his/her development agenda,

Level specific module	Objective
Leadership Boot Camp (LBC)	Strengthening the entry level and frontline talent for swift assimilation and high performance
Young Leadership Development (YLD)	Creating pipeline for middle management aimed at nurturing effective managers
High Potential Leadership Development (HPLD)	Increasing succession bandwidth for senior management aimed at building potential leaders
Executive Leadership Development (ELD)	Fostering managerial and functional leadership aimed at building potential to drive operational excellence
Business Leadership (BL)	Driving strategy and operational transformation towards achieving business excellence



adequate support is extended by various stakeholders such as manager, plant / functional head, business head, HR, SMEs etc. in crafting the IDP and offering support in implementation. Depending upon the individual and business needs, appropriate learning platforms are created to deliver on the development goals.

SUPPORT

To enable effective implementation, a formal three-way council is established at the group, company and program management wing levels that periodically reviews,

takes stock and addresses potential roadblocks in implementation. The Group Leadership Development Council (GLDC) plays a pivotal role in formulating suitable policies, effective strategies and assessing the impact.

The Company Leadership Development Council (CLDC) ensures program implementation and effectiveness.

Rane Institute for Employee Development (RIED) plays the role of a Nodal Agency, ensuring effective program design, delivery and overall program management of the interventions. RIED also

partners with various institutes of repute and top notch consulting firms to co-design and deliver the interventions.

CONCLUSION

The outcome we envisage is a significant and group wide enhancement of leadership capacity and capability that translates into winning teams and performances for our growth plans. We will continue to focus on channelizing our efforts and investments in competent people who will drive us towards realizing the aspiration of profitable growth.

IN PURSUIT OF MARKETING EXCELLENCE

The pursuit of excellence is an arduous and endless journey, they say. When Rane Group set out to fulfil its goal, that of bringing to reality Vision 2020, it set its eyes on its marketing team, one that could play a pivotal role in taking customer centricity to the next level, thereby helping the group achieve its business goals.

The group held comprehensive focus group discussions with business and marketing heads, with a view to understand ground realities and development needs, which were later stratified into four buckets; culture, structure, systems & processes, and competencies (functional & behavioural), upon which parallel actions were initiated.

The objective of this initiative on Marketing Excellence, was 'to develop organizational wherewithal to achieve the vision of Accelerated Profitable Growth.'

With support from Indian School of Business (ISB), Dr. Sridhar Balasubramanian (Associate Dean and Prof. of Marketing at University of North Carolina's Kenan-Flagler Business School), was handpicked to bring forth his domain expertise, wealth

In February 2015, we organised a two-day intensive Marketing Excellence Workshop that was led by Professor Sridhar Balasubramanian from University of North Carolina's Kenan-Flagler Business School

of practical research and teaching experience, to lay down the objectives and deliverables for the initiative. The objective ensured that the participants get positive, value added learning experiences that could help them realize their individual and business potential.

The two-day intensive and highly interactive workshop was held on 26-27 Feb 2015 at Rane Institute for Employee Development (RIED), and it was customized and exclusively designed to meet the needs of Rane Group. The entire workshop revolved around six powerful themes that were co-created by interacting with Dr Balasubramanian.

The Themes were:

1. Understanding the big picture of marketing strategy
2. Becoming innovative
3. Designing and delivering world-class services
4. Understanding customers and managing customers well
5. Converting created value back into profitability
6. Building a culture of innovation, customer focus and market focus

The following specific frameworks



Some of the projects that we worked on during the Marketing Excellence Workshop were – pursuing focused business development; winning new businesses in unserved markets; OEM service delivery blue print; profitability improvement; market share improvement and entry into global markets.

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and techniques were covered with practical applications of the same:

1. Macro and Micro-innovation
2. Value curve approach
3. Conjoint analysis
4. Approaches to deliver world class services
5. GAPS Model
6. Customer segmentation
7. Farming vs Hunting
8. Leveraging customer psychology using seven effects
9. Silo busting for true customer and market focus
10. Benefit-decision maker stack for business markets
11. Value based pricing

Multiple pedagogical methods such as case studies, experiential learning, sharing sessions and more were deployed to maximize learning. Being highly focused on ensuring that the learning intervention was effective, multiple review sessions were organized to guide participants right from the project selection to execution of projects, resulting in tangible business results.

The sessions were facilitated by three business heads who carry extensive experience and wisdom in the field of

marketing. In one of the sessions, the business heads also participated and provided valuable inputs.

Rane strongly believes that any learning & development intervention has to focus on facilitating achievement of business results. Some of the projects that we worked on during the Marketing Excellence Workshop were – pursuing focused business development; winning new businesses in unserved markets; OEM service delivery blue print; profitability improvement; market share improvement and entry into global markets. While executing the projects, the participants had to use a combination of frameworks and techniques from the workshop.

Furthermore, an experience sharing session was also organised with all business heads and the Chairman, in which the participant teams presented key learnings and project details from the workshop. In the future, two more sessions are being planned for Q4 2015-16, with a specific agenda of ensuring that marketing excellence journey moves in the right direction, within the next twelve to eighteen months. One of the sessions will be on sharing failure

stories and the learnings from them, for after all, failure is the stepping stone for success.

In fact, further measures are also being identified and pursued. Some of these include internalizing and institutionalizing learning, integrating learning into our strategic business plan, continuous education for marketing professionals, involving engineering professionals in future sessions, and developing a training tool kit for future training, are some of the ideas being discussed.

Overall, this process has provided the necessary fillip and buoyancy to the participants to demonstrate application of learning to produce business results. Through this exercise, the participants' marketing acumen has become more broad-based and deep rooted, their customer centricity has significantly shifted to a higher level, and there was extensive cross-learning for the participants as well.

Of course, this is only the beginning and we're sure our renewed focus on marketing excellence will continue over the long term.

A note from Rane Holdings America Inc. (RHAI)

RHAI's role has been to identify significant revenue opportunities in the U.S. across various product categories of the Rane Group.

In the coming years, the automotive sector will need to achieve a fine balance between its traditional, product-driven past, and its disruptive innovation-driven future. And, the North American automobile market is no different.

RHAI plays a vital role in capturing opportunities for Rane Group in North America in the automotive component space.

RHAI's objective is to promote the Rane brand and enhance business for the group in North America. We came up with a set of enablers to meet our objective. RHAI's activities are focused on identifying significant revenue opportunities across various product categories, apart from accelerating new customer orders, acquisitions and supporting strategic business initiatives of the group.

The U.S. market saw one of its best years since 2000 with close to 17 million vehicles being sold. In other words, North America appears to be a market, ripe to be tapped. Unemployment has fallen and manufacturing has gathered a pace not seen since 2008. Customer buying preferences have changed, with lines separating product differentiations getting blurred. Quality levels have risen and the Detroit Three have caught up with their rivals from Asia. Regulations have tightened, leading to optimization of design solutions. Autonomous driving, increased telematics and 'talking cars' have become buzz words. And, an enhanced mobility service

Objective

To promote the Rane brand and enhance business for the group in North America

Enablers

GO TO MARKET APPROACH

Enter New Markets / Segments
New RFQ generation
Obtain LOIs

MAINTAIN CURRENT BUSINESS

Customer Support
Management
Pre-proposal tracking
Development of key program deliverables

ACQUISITIONS

Organisation
Scale up
New Technologies

ALLIANCES

Organisation
Economic
Strategy



Much of 2015 was spent in introducing the Rane brand to many North American customers, while continuing to enhance the business relationship with existing ones

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Source: istockphoto

CHEVROLET BOLT ELECTRIC VEHICLE ON DISPLAY DURING THE 2015 DETROIT INTERNATIONAL AUTO SHOW AT THE COBO CENTER IN DOWNTOWN DETROIT.

through increased liaisons between traditional automakers and technology companies is expected to be seen. In fact, Ford wants to link its F150 pickup truck with drones made by technology company DJI.

Chevrolet Bolt, the US \$35,000 electric car with a 200-mile driving range, will hit the markets within a year, according to GM. The company plans to promote the Bolt as a small crossover utility vehicle, or CUV, aligning it with one of the hottest segments in the global car market. In fact, GM can benefit in many ways from promoting the Bolt, one of which is to partner with ride-sharing services companies such as Uber and Lyft. Why? Because selling electric cars to individual consumers has so far yielded meager sales for GM and other mainstream automakers. Hence, GM's association with Lyft will help it meet electric car sales

mandates that will be going up over the next several years in the US, a market that is seeking to crack down on greenhouse gas pollution.

At Ford, the company plans to allocate more capital towards ventures designed to capture a share of the market for transportation services beyond building and selling vehicles. The investments won't come at the expense of the company's core business, which derives most of its profits from sales of big Ford pickups and sport utility vehicles. The company plans to develop 13 new electrified vehicles by 2020, including gas-electric hybrids.

At Ford, and many of its competitors, the electrification of vehicles will merge with efforts to develop vehicles that can drive themselves. In fact, Ford plans to put a fleet of 30 autonomous, plug-in hybrid Ford

Fusions on the road, as it accelerates efforts to develop self-drive cars. Uber also envisions autonomous cars that could someday replace its network of contract drivers.

Much of 2015 was spent in introducing the Rane brand to many North American customers, while continuing to enhance the business relationship with existing ones. We have been able to win business nominations to support major OEMs such as General Motors for global programs and also to potentially widen the customer base. New business wins have also been achieved with existing customers.

In a nutshell, it would be prudent to state that RHA will continue to work towards meeting the objectives and deliverables of Vision 2020, leveraging the business prospects in North America.

RELIEF MEASURES CARRIED OUT BY RANE GROUP

Over 85 employees from across Rane Group companies came together to offer relief material to 5,000+ flood affected victims across Chennai and surrounding regions.

In December 2015, when the city of Chennai and its surrounding regions witnessed the highest rainfall the State has recorded in 100 years, it brought to light the humanity and compassion that lay deep within the hearts of this wonderful city. Every day, scores of residents, youth, law enforcement personnel and organisations came together to grant physical and material relief in every flood affected area across the region. Among those that actively participated in getting the city and its people back on its feet is Rane Group. With support from over 85 employees the group partnered with various NGOs and news channels and travelled across Chennai and Cuddalore to deliver relief material such as clothing, medicines, food, blankets and more to the affected people.

Impact Overview

Within Chennai, the group distributed 250 food kits (thoor dhal and cooking oil) through Ramakrishna Mission, served 500 food packets to people in Tondiarpet and Velachery through Agni Foundation, and offered 300 packets of food for children and adults in Ambattur. Aside from rations, the volunteers at Rane also distributed 650 kits comprising basic amenities such as medicines, mosquito repellents, sanitary items and candles in the Mudichur, Chithalapakkam, Porur and Villivakkam region, and in partnership with News7 (channel) 300 sets of vital relief medicines such as Paracetamol, Dociline & Savlon were offered to the people



in various affected areas within the city.

As the relief activities paced up, the volunteers supplemented rations and essential supplies with a grant of 175 clothing kits (each kit containing a dhoti, saree, shirt, towel and blanket) in Valancherry and Singaperumalkoil, and 150 kits containing blankets, towels and rice (5kg bags) to the people in the Periyar Nagar & Beema Rao Nagar areas in Cuddalore. Partnering with Little Drops Trust at Paraniputhur, 75 sets of blankets, towels, pillows and sanitary items were distributed. In collaboration with Freedom Trust, tricycles (8), wheel chairs (12), auxiliary clutches (13), and elbow clutches (5 pairs)

were distributed to the physically challenged. Last but not the least, the group also organized a medical camp in Omsakthinagar (situated near Madruavoil), and distributed 300 medical & living kits (mats, bedsheets, & vessels), cleaning materials (phenol and bleaching powder), and personal hygiene kits (soaps and sanitary pads) to the patients.

Apart from distributing relief materials to numerous flood affected areas, Rane Group also donated funds totalling over Rs.59 lakh to various institutions such as the Chief Minister's Public Relief Fund and Satyananda Yoga Education Charitable Trust.



“IT IS NO LONGER
ENOUGH TO SATISFY YOUR
CUSTOMERS. YOU MUST
DELIGHT THEM.”

- DR. PHILIP KOTLER, RENOWNED MARKETING GURU AND S.C. JOHNSON &
SON PROFESSOR OF INTERNATIONAL MARKETING AT THE KELLOGG SCHOOL
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