

Innovation matters in a time of slowdown

At the DuPont-Autocar Professional event held in Chennai on the challenges in the automotive sector, speakers tap their experience and in-house insights to suggest a range of solutions. An on-the-spot report by Brian de Souza.

Speakers at the Du Pont-Autocar Professional panel discussion on November 27 in Chennai on solving the problems of the automotive sector touched upon a variety of topics. These included safety, energy and fossil fuels, the challenge of introducing the latest technology in a price-sensitive market like India's and the promise of advanced materials.

The discussion was moderated by Hormazd Sorabjee, editor, *Autocar India*, who went straight to the point saying the slowdown – unprecedented in India's auto sector – is the key topic and then led the debate into how companies are coping with the impact it has had on their businesses.

Throwing open the discussion with the issue of excess capacity, he put the first question to S Parthasarathy, CEO, Rane (Madras), who spoke about his own company's experience in tackling the unprecedented demand for tractors and how in a slowing economy, the need is for a diversified portfolio, flexible production lines and a mindset change in the organisation.

Another speaker, Aravind Bharadwaj, Head – Technology, Auto & Farm Equipment sectors, Mahindra & Mahindra, spoke about the need for

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L-R: S Parthasarathy, CEO, Rane (Madras), Aravind Bharadwaj, Head – Technology, Mahindra & Mahindra, B Venkat Subramaniam, executive director, corporate strategy & planning, Ashok Leyland, Hormazd Sorabjee, editor, *Autocar India* (who moderated the discussion), and Rajeev A Vaidya, president – South Asia & ASEAN, DuPont.

creative destruction in a time of slowdown and referred in some detail to M&M's own experience with the XUV500 and the Quanto.

To a question about product development, B Venkat Subramaniam, executive director (Corporate Strategy and Planning), Ashok Leyland, said the need of the hour, alluding to the CV sector, is to find the sweet spot between a product's utilitarian character and yet not deprive the buyer of benefits. He said that



H P Nanda, director – Strategy & Growth Initiatives, DuPont India, gave a brief overview of DuPont's main business verticals.

apart from product per se, issues like maintenance, aftermarket loyalty, IPR and driver training also matter. He added that while the CV sector game is not a T20 kind of game, the fact to be borne in mind is that with limited energy resources, fuel efficiency is paramount.

To a question about dealing with suppliers, one that got a diverse responses, Parthasarathy said the key issue is to never lose sight of the end customer and constantly understand his needs. He acknowledged that TPM and kaizen have

helped create an enabling culture in companies. (Incidentally this was the week in which Rane Brake Lining had bagged the Deming Grand Prize).

COLLABORATION, GAME-CHANGERS

The need for better collaboration was also highlighted as well as the need for game-changing products. In the CV sector, Ashok Leyland's Subramaniam added that concepts like the automated manual transmission and the low-floor rear engine



S Parthasarathy, CEO, Rane (Madras): Flexible production lines can help companies succeed.



M&M's Aravind Bharadwaj dwelt on the need for creative destruction and the OE-supplier equation.



A display of DuPont products for the auto sector generated considerable interest from the over-100 participants at the Dialogue series in Chennai.

WHAT'S NEEDED?

The session ended with a question about what the panelists would want from India's government and here are their answers. The need to enable innovation was suggested as well as a long-term stable policy on fuel and safety. The issue of better infrastructure – always an issue that pops up at seminars – came up and finally, perhaps the most important, was the need for good governance and transparent policies.

In the Q&A that followed the debate, the HR issue came, as it seems to quite frequently nowadays at a variety of fora including the ACMA session last September, and it was reiterated that at the end of the day, people are key.

Speakers were unanimous that engaging the workforce and getting people to be more involved is vital. One pertinent observation was the fact that given that young talent tends to have a shorter work tenure of 3-5 years as compared to the previous generation, companies must attempt to get the most value in this period. Young talent wants to be challenged and that may be one of the ways in which a company, whatever the sector it may be operating in, might just be able to hold on to its scare talent.

The panel discussion came to close with a Q&A session and a screening of DuPont's corporate film, *The Power of Shunya*, which H P Nanda, director, Strategy and Growth Initiatives, explained as being 'the greatest aspiration' – zero malnutrition, zero accidents, zero wastage, zero darkness and zero emission.

Over 120 people from various Chennai-based auto companies and suppliers attended the event. ■

● **Interview with Rajeev A Vaidya, president – South Asia and ASEAN, DuPont, p27**

bus have helped enhance the profile of the CV sector.

Rajeev A Vaidya, president - South Asia and ASEAN, DuPont, said that while technology can be global, it has to have local relevance in terms of costs, price and value. The current slowdown, he said, is an opportunity to accelerate the pace of innovation and unlock the potential of science that his company is ready to offer and partner for solutions.

On the role of advanced materials, Vaidya said that new technologies do not come cheap but the need is to identify value. Vaidya referred specifically to solutions that DuPont has worked on to improve commercial vehicle reliability, and also for tyres

in particular. The need, he emphasised, is to look at total system costs.

To a question as to whether the use of advanced materials conflicts with the costs, Vaidya said that in the context of India, the supplier has to ensure that value is provided.

To a general question about the evolving needs of customers, whatever the segment they may be in, Bharadwaj referred to the fact that the key things to be kept in mind are the absorption rates of technology in each segment, that what is important is the emotional content of a product. "The need is to balance this out with revenue generation," he said.



Ashok Leyland's B Venkat Subramaniam: Game-changing products and initiatives can make a difference.