

## Manifold Views on India 2006

### Executive MBA HSG Delegation Visit

By Peter Oertli\*

For the second time running, OEC was assigned the task of organising and implementing an educational business tour of India for a total of 48 executives from EMBA HSG (University of St. Gallen). The objective of the visit was to give the Executive MBAs (EMBA) a first-hand view of India's booming economy, industry, culture, politics from many perspectives looking at the country from "all possible angles", including insights into the issues concerning the poorest people and NGO initiatives designed to meet these challenges. This article presents an overview of all the organisations visited and of all the topics discussed. The report is sorted in chronological order, starting on Sunday, 25<sup>th</sup> June 2006 in New Delhi, continuing in Trivandrum, Kovalam Beach, and ending in Bangalore on July 5<sup>th</sup>.

#### Hinduism and its influence on Indian Politics

The ex-President of BJP and former Union Minister for HRD, Science, Technology and Ocean Development, Dr. Murli Manohar Joshi, gave the delegation an interesting introduction into the "Hindu Way of Life" (a term he personally prefers to "Hinduism"). Here the holistic integrated way of thinking is essential, in contrast to the West where analysis, separation and manipulation takes priority e.g. mind and matter. As a professor of modern physics, he observes many parallels between quantum physics and the Hindu way of seeing things in the world: Heisenberg's uncertainty relation has shown that you cannot precisely and simultaneously measure the position of an electron and its momentum. In the Hindu universe all is interconnected, *Brahman* being the unchanging, infinite and transcendent reality. Our soul *Atman* and the *Atmans* of our neighbours are all part of *Brahman*, in essence "we are all the same". Truth and reality is one, but life can be looked at from different angles. There is no reason to fight for any truth: no person has the monopoly for the ultimate truth. Basically, the Hindu way of thinking is truly democratic by tradition, encouraging long discussions in order to come to higher levels of perception. India is the country with the highest religious tolerance, where Hindus tolerate and accept other views and religions, even atheism, as being part of the whole

one family. In his enlightening speech, Dr. Joshi recommends the West to focus more on traditional family values and less on the world as a market for firms and individuals alone. Similar thoughts are to be found in Amartya Sen's brilliant book: "*The Argumentative Indian*" (1).

#### The TATA Group and TCS Noida

In the most impressive building designed by the Swiss star architect Mario Botta in Noida, the delegation had the opportunity to meet Mr. Debashis Ghosh, General Manager of Global Delivery and Mr. Sanjay K. Gupta, the Center Head, and listen to their presentations on the TATA Group, the Indian IT Industry and TATA Consulting Services (TCS). TCS is the largest IT Company of Asia, currently employing around 60'000 associates in 145 offices spread over 34 countries, with revenues of more than 2.5 billion USD. TCS aims to be among the Global Top 10 IT services firms by 2010. The high level of company ethics defined by the TATA Code of Conduct and the philanthropic tradition of the TATA family over generations were also seen as most impressive. Today, several TATA trusts control 65.8% of the shares of TATA Sons, enriching the country in many unique ways which could be viewed as "capitalistic by definition but socialistic in character".

#### Moser Baer Limited Greater Noida

In Greater Noida, the delegation visited the world's largest state-of-the-art optical disc manufacturing plant for CDs and DVDs with a surface of 100'000 m<sup>2</sup>. Chief Operating Officer of Moser Baer, Mr. Girish Baluja, gave an introduction to this company with Swiss roots and its incredible development since 1983. MB ranks among the top three optical storage firms in the world and enjoys strong ties with all major global technology brands. Today MB is a world leader in the development and manufacture of removable data storage media, growing at a five-year CAGR of over 42 percent. Small groups were taken round different sections of the factory producing the jewel box (slim case) and were even allowed to enter the clean rooms and study the production of optical discs in high precision injection moulding machines.



*Members of the Delegation with H.E. Dr. Avul Pakir Jainulabdeen Abdul Kalam, President of India.*

**Embassy of Switzerland: ICICI Bank and A&A**

Ambassador Dominique Dreyer and Economic Counsellor Jacques Derron gave the Executive MBAs and two Indian speakers a warm welcome in the Embassy of Switzerland in New Delhi.

The EMBAs had the opportunity to listen to two speeches here:

- The Deputy Managing Director of ICICI Bank, India’s second-largest bank with total assets of around US\$ 39 billion, Dr. Nachiket Mor, gave a most encouraging speech on “The Future of Indian Banking”. The ICICI Bank intends to stay ahead of their competition with 80’000 franchise points by 2008.
- The Advocate of Amarjit & Associates, Mr. Amarjit Singh, confirmed the strong status of IPR in India and explained the current battles against product and brand piracy in India, China and the USA. The IPR laws in India have undergone amendments and are fully TRIPS compliant. In a case study, he explained the case of patenting of Basmati Rice by a US Company. Basmati is synonymous with a particular quality of rice originating from the northern part of India and with a geographical significance like Scotch, Emmentaler or Champagne.

Vivid discussions continued at the subsequent cocktail party offered by the Embassy and also

attended by further Indian guests of the Embassy including an old friend of Switzerland, Mr. Ramesh Bhasin, as well as members of the Swiss Business Forum of New Delhi (SBF) with its President, Mr. Martial Rolland.

**Fighting Child Labour in South Asia**

The Social Responsibility Manager for IKEA in South Asia, Ms. Vandana Verma, responsible for the application of the Child Labour Code of Conduct by all 80 of IKEA’s suppliers in India, gave the delegation an interesting insight into the 3 pillars of fighting child labour below 14 years of age:

- Develop the mindset of the suppliers
- External monitoring in Child Labour Audits
- Eliminate the root causes by social work.

Ms. Carlotta Barcaro from the Child Protection Section of UNICEF India, working hand in hand with IKEA went on to state that the social inequalities were particularly extreme in the states of Uttar Pradesh and Bihar. Child labour in South Asia is the highest in the world, estimated to be between 12.6 million (Government statistics) and 110 million (NGO estimation).

**Nestlé India Limited in Gurgaon**

Mr. Martial Rolland joined Nestlé India as Chairman of the Board and Managing Director in December 2004. He gave the delegation an

excellent speech about Nestlé's long activities in India since 1912 and the challenges the company had to overcome to be successful in India. One of the key success factors was to build and develop the trust of thousands of farmers supplying Nestlé India with milk, i.e. to convince them to produce more milk than they needed for their families and to introduce and uphold high quality standards. Today, Nestlé and its key brands like Maggi have a healthy and profitable growth rate, also thanks to R&D and the introduction of new products adapted to the taste of Indian consumers. Although Maggi Noodle Soup is currently most popular and available in all corners of the country, a new generation of healthy soups such as the Tomato soup "Taste Bhi Health Bhi" with high taste, low fat, free of cholesterol, no added preservatives etc is expected to be an even greater success. The EMBA's were able to taste this new product in the canteen of Nestlé's futuristic HQ building.

### **Final Lesson by the President of India**

H.E. Dr. Avul Pakir Jainulabdeen Abdul Kalam, one of India's most distinguished scientists, is a leading expert in missile and aerospace technology. H.E. became the 11<sup>th</sup> President of India in 2002. The EMBA's were most privileged to be received to tea and live music in his Residence, the Rashtrapati Bhavan, and to listen first-hand to his visions on leadership and on India. Dr. Kalam encouraged the Executives to veer away from the mainstream. He said "*Great leaders are identifiable through their desire to travel unexplored paths*". The President said even managers should have the courage of treading on untouched paths. The President gave the example of young Albert Einstein's story who kept on failing entrance examinations everywhere in all subjects except in Mathematics and Physics. A wise principal in Berne spotted the 16-year-old's talent and relaxed the rules of admission for him, giving him a place in his institution. Dr. Kalam gave an overview of India's economic progress and its vision of becoming a developed nation by 2020 (2). The resources for this would be the country's natural resources and its youth numbering 560 million. India's core competence is its democratic system of governance with a billion people with multiple diversities, a unique phenomenon on the planet. Dr. Kalam hoped that a developed India would not lose its 5000-year-old civilizational heritage. What India desires as a developed nation is to maintain its family and societal value system alongside prosperity. The

48 EMBA's were subsequently invited to recite a proverb together with the President, reading it out loud - line by line - and learning their final lesson on "Righteousness" from the President, shortly before their final EMBA graduation:

- Where there is righteousness in the heart
- There is beauty in the character.
- When there is beauty in the character,
- There is harmony in the home.
- When there is harmony in the home,
- There is an order in the nation.
- When there is order in the nation,
- There is peace in the world.

### **Kutub Minar and the Taj Mahal**

On their day off, the EMBA's visited the Kutub Minar in South Delhi, the Red Fort and the Taj Mahal in Agra, all well known on the list of UNESCO's list of World Heritage Monuments.

### **Gandhi Peace Foundation New Delhi**

Rajagopal P.V. is the Vice Chairman of the Gandhi Peace Foundation and the leader of Ekta Parishad (United Forum), a mass movement based on Gandhian principles of non-violence for enforcing human rights for the poorest layers of the population. He held a moving speech about the activities of EP, especially in favour of the landless farmers and the scheduled tribes (Adivasis) in the forests in their fight for survival. EP cooperates with a Swiss NGO CESCO, established by Maya Koene in Madurai, where social workers, mainly women, are educated (Centre for Experiencing Socio-Cultural Interaction). "Raja" is organising several padyatras (marches) in 2007, starting decentralised (also in Europe) and ending up in New Delhi, shortly after Gandhiji's birthday, in a meeting with the Prime Minister. The delegates were then shown a film made by a young Swiss documentary film maker, Jan Gassmann, entitled: "Word by word – pace by pace" documenting a case where an Adivasi was killed by rangers and how a long rally of Ekta Parishad finally helped the guilty ones to be jailed and the family of the murdered Adivasi to be compensated. This peaceful rally was accompanied by several policemen in charge of law and order. But fortunately they only had to march along in front of the procession. After watching a dance about the sufferings of rootless Adivasis, the delegation was offered a simple but tasty Gandhian type of vegetarian meal with yellow dhal.

### Confederation of Indian Industry (CII)

CII is one of the top business associations of India with 6100 direct members, including SMEs and MNCs, and an indirect membership of 95'000 companies in 325 national and regional associations. Here the EMBA's had the chance to experience a thoughtfully prepared professional panel discussion:

- Mr. Jayant Bhuyan, Deputy Director General & Head of International Operations, gave an overview of CII's multiple activities and services
- Mr. Vijay K. Mathur, Chairman and Managing Director of INAPEX Ltd spoke about "*Sustainable Competitiveness for Inclusive Growth*". He pointed out that already in 1887, India had built its own locomotives and that Indian Railways was in a position to advise British Railways. Today he sees a great potential in exporting automotive components and even finished cars. Maruti alone will manufacture > 500'000 cars in 2006.
- Dr. Pronab Sen, Principal Advisor to the Planning Commission, GOI, gave a vivid "*Economic Overview of India*", which covered many issues like the rising of India's Industrial confidence after the global success of Indian IT services, the new emerging India MNCs, the need to invest more in infrastructure, privatisation of power distribution, public-private partnerships in rural infrastructure, building-up activities in rural areas to avoid urban migration, IT-connectivity for farmers, e-governance etc.

### Kerala Hightech Industries Ltd (KELTEC)

The Managing Director of KELTEC, Er. G. M. Nair, and his team gave the EMBA's a warm welcome. After an excellent presentation of their activities, they were given a factory tour allowing them an in-depth insight on the products and the quality level. KELTEC is a single stop manufacturing centre with R&D, state-of-the-art CAD/CAM, manufacturing and testing equipment. The main customers are from the aerospace industry such as ISRO (Space) and DRDO (Defence). The manufactured parts include replacement units for Light Combat Aircraft, L40 propellant tank, booster motor cases, and assembly of Vikas engines. The delegates were particularly interested to see a lot of Swiss precision machines such as Hauser, Schaublin, Kellenberger, and other equipment like electron

beam welding. In certain cases KELTEC serves as a supplier to other parties too.

### H. E. The Chief Minister of Kerala

The meeting with the newly-elected Chief Minister "Comrade" V.S. Achuthanandan, the 83-year-old Politbureau member of the Communist Party of India (Marxist) or CPI-M, proved to be rather difficult due to language problems experienced as an interpreter translated our "Swinglish" into Malayalam and back. Generally, it seems that there is almost a "natural law" that every 5 years the people of Kerala want to switch their Government from one pole (left) to the other (right) and vice versa, not fully trusting either one. Kerala has had the first democratically elected Communist government in the world (1957). Thanks to the contributions of the CPI-M, Kerala has the best socio-economic indicators of all the states in India and even beats some corresponding indicators of China. This mainly refers to the education system with a very high literacy rate, reliable food supply for the poor and a social healthcare system leading to a very low infant mortality.

### From Asthamudi to Ayurveda

At the weekend, most of the EMBA's enjoyed a house-boat trip on the Asthamudi Lake followed by a first-hand experience of an Ayurveda Massage in their newly-renovated luxury hotel at Kovalam Beach.

### Infosys Technologies Ltd Bangalore

The Chief Operating Officer and Deputy Managing Director of Infosys, Mr. S. Gopalakrishnan, the Delivery Manager EMEA, Mr. Avinash Chandrakar, and the Group Manager Corporate Marketing, Ms Richa Govil, delivered highly informative speeches about the incredible development of Infosys from an IT-company of 7 people in 1981 to a global leader with 53'000 employees in 17 countries which generates revenues of over one billion USD. Infosys focuses on creating strategic long-term partnerships with its clients: over 95% of Infosys' revenues come from existing customers. The business world is being affected by the confluence of four global trends that all are in favour of India's IT Industry: 1. Opening of emerging economies, 2. Structural shifts in global demographics, 3. Ubiquity of technology, and 4. Accountability regulations. The outlook for Infosys is more than bright. The concluding visit to Infosys' campus with its dozens of modern buildings, restaurants

and gyms reminded one of being in Berkeley, Stanford or UCLA.

### **International Institute of Information Technology**

Just across from Infosys on the Hosur Road in Electronics City, the EMBA's visited the new institute of iiit-b in Bangalore. Its Founding Director, Professor Dr. S. Sadagopan, explained the background for this non-profit Graduate IT School for highly talented students, which was established in 1999. The mission was to create a world class institute with a focus on education, research (think tank), entrepreneurship, and innovation. It is a joint venture between the Government of Karnataka and the IT industry. The top faculty from India, Canada and the USA as well as the governing body, such as the Chairman of Infosys, President of HP India, Chairman of ICICI Bank, Director of MIT India Program, President of Intel India, Chairman of Microsoft India etc ensure that iiit-b's Logo Statement in Sanskrit is really justified here: "*Gyanam uttamam*" (i.e. Knowledge is supreme).

### **Biocon Limited Bangalore**

The Head of HR and Change Management of the Biocon Group, Mr. Gautam N. Reddy, gave an overview of Biocon's development. Established in 1978, Biocon is one of India's premier biotechnology companies. It has a robust product portfolio of recombinant biotherapeutics, statins and immuno-suppressants, focusing on solutions for diabetes and oncology, with strongly growing sales and profits. Biocon employs more than 600 highly qualified scientists. Together with two subsidiary companies (Syngene International and Clinigene International), they offer custom and clinical research. Biocon delivers products and solutions to partners and customers in more than 50 countries and has won many awards. Most of Biocon's products have US FDA and EMEA acceptance. The long-term goal is to reduce its generics business and to develop more innovative products.

### **Bharat Fritz Werner Limited (BFW)**

Mr. S. N. Mishra, the President and CEO of BFW, one of the largest Machine Tool manufacturers in the Private Sector, is one of the grand Indian Gurus in Manufacturing Technology. He held an excellent speech, giving the EMBA's a most interesting overview of India's strengths and potentials

concluding with BFW's history. The company started in 1964 with a strong collaboration with a German partner that continued in recent years with an alliance with the Swiss company StarragHeckert, making 5 axis machining centres for turbine blades. BFW provides standard solutions but also special purpose machines mainly for the automotive industry (CNC vertical and horizontal machining centres). BFW provides high-end top technology solutions but also simple CNC milling applications for the small scale industry. In this respect, Mr. Mishra pointed out that there is a "*Fortune at the Bottom of the Pyramid*" if you can also provide solutions for smaller, less affluent companies. He quoted from the book of Professor C. K. Prahalad<sup>(3)</sup> and confirmed that this is exactly the successful strategy that is being followed by BFW. By offering different levels of product sophistication, you can fulfil a higher range of customer's needs and thus be more competitive. Is it coincidence that this is the same strategy that Charmilles Technologies in Geneva followed 15 years ago? See the case studies in our article "*You can't fool your customers*"<sup>(4)</sup>,<sup>(5)</sup>. This exceptional presentation held in a breezy wedding tent of the gardens of BFW was followed by a factory tour and a wonderful buffet lunch in those same gardens.

### **Central Manufacturing Technology Institute (CMTI)**

The EMBA's interested in Manufacturing Technology Research took part in an optional visit to CMTI. The Joint Directors Mr. Somashekara Rao, Mr. Pillarisetty Babin and Mr. H.B.V. Shanbhogue gave them an introductory presentation about the activities of the institute and showed them around the different sections of research: Design & Development, Technology Development, Rapid prototyping, Clean Room assembly & testing (class 10'000), Ultra Precision Manufacturing Technology, and an underground laboratory (nanometer precision range).

Later that evening, the delegates enjoyed a great farewell dinner at the hotel poolside before leaving to the Airport of Bangalore.

### **Conclusion: Shared Values**

In conclusion, if one compares the socio-economic visions of India's President, its captains of industry and its people at all social levels with what Jeremy Rifkin described in his book "*The European Dream*"<sup>(6)</sup>, there is a high level of congruence in the objectives of both the Indian

and European societies when it comes to human rights, sustainable development, democracy, secular tolerance, inclusive acceptance of multiple diversities, and a non-violent relationship to their neighbours. These shared values by 1.5 billion people could and should become a paradigm for the rest of the globe in the 21st century. Quote from the President of India: “*You can learn from India that peace and prosperity can exist in a society of multi-parameters*”.

#### Literature:

- (1) Amartya Sen: “*The Argumentative Indian, Writings on Indian Culture, History and Identity*”, Penguin Books, London, 2005.
- (2) A. P. J. Abdul Kalam, Y.S. Rajan: “*India 2020; a Vision for the New Millenium*”, Penguin Books India, 1998
- (3) C. K. Prahalad: “*The Fortune at the Bottom of the Pyramid; Eradicating Poverty through Profits; Enabling Dignity and Choice Through Markets*”, Wharton School Publishing, Pearson Education, 2005
- (4) Peter Oertli, Thomas Wach: “*You Can't Fool Your Customers*”, Information Bulletin of the Swiss-Indian Chamber of Commerce, Zurich, No. 78, 2005
- (5) Peter Oertli: “*Multiple Market Positioning – The Smart Way of Adapting your Strategy*”, Lecture at the India Symposium of Uni St. Gallen, 2005.
- (6) Jeremy Rifkin: “*The European Dream*”, Tarcher/Penguin, New York, 2004

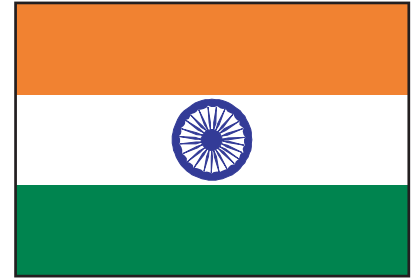
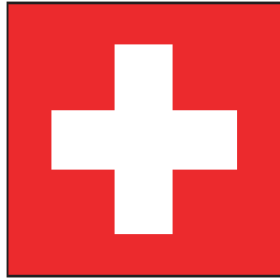
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#### Comment by H.E. Amitava Tripathi, the Ambassador of India to Switzerland

*“I fully agree with your conclusion of the visit. Given the multi-religious polyglot composition of India, the country in many ways resembles in ethos the EU as a whole rather than just a nation State. India is, indeed, more of a civilization like Europe than a nation in the Westphalian sense. It is for this reason that the cultural dimensions of India extend well beyond its political frontiers and cover vast swathes of Asia and beyond. The twenty million plus Non-Resident Indians and Persons of Indian Origin have spread India's basic message of tolerance and co-existence across the globe making Indian immigrants anywhere among the most law-abiding and industrious elements in the countries of their adoption. In fact, there is very little dissimilarity in the basic messages of Gautam Buddha and Jesus Christ. The Father of our Nation Mahatma Gandhi drew extensively from the teachings of both in propagating his message of non-violence and universal brotherhood. It is Europe's and India's firm commitment to multi-culturalism, inclusiveness and democratic freedom of choice that would eventually triumph over the distorted vision of fundamentalism and particularism that continue to poison today's world”.*

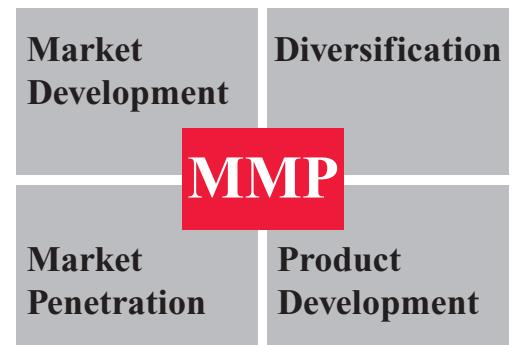
Berne, August 2006

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