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Manufacturing - from revival to leadership

Outsourcing is an opportunity to understand the rules of the game and place emphasis on continuously improving quality of service to customers

Bharat Forge Ltd. (BFL), the flagship company of the Kalyani Group has significant presence in the key sectors of the Indian economy. As the largest forging company in Asia and one of the three largest and most technologically advanced commercial forge shops in the world, Bharat Forge is a major global supplier of automotive engine and suspension components. The company manufactures a wide range of forgings and machined components for the automotive, diesel engine, railway, earthmoving, cement, sugar, steel, coal, shipbuilding and oilfield industries as also general engineering equipment. In its relentless efforts to meet and exceed the needs and demands of its customers, Bharat Forge has made rapid progress in the international market. BFL has strong technology and human resource base to meet the exacting standards of the most demanding customers in the world.

An ISO 9002 accredited company, it is also internationally reputed for its cutting edge technology, established quality processes, and capabilities developed over the years. With customer satisfaction as the foundation of its entire operation, Bharat Forge is dedicated to maintaining the highest quality products, the best customer service, and the safest operating conditions in the industry.

Nevertheless considering the competition and the overall industry scenario, over the last decade, there has been a huge change in the dynamics of manufacturing in India. Change has been radical and has resulted in many companies having achieved international benchmarks in quality, productivity, costs and cycle times. The revival of the Indian manufacturing industry is reflected through improved performance across the manufacturing sector.

More important however is the intangible impact of this revival on Indian companies who now believe that they can compete successfully in global markets. It is this change in mindset that is driving the Indian manufacturing industry to become a global player.

Can Indian companies realistically aspire to be global leaders? The answer is a categorical 'Yes' - may be not in all segments of manufacturing industry, but certainly in a select few.

The opportunity due to outsourcing is not restricted to auto components. Apparels, consumer products, and many other goods where we have competitive advantage make India a potential global outsourcing base. Outsourcing is an example

of how our international customers are leveraging resources to their advantage. Besides the obvious cost advantage, they are deriving benefit from improved productivity - leading to faster, better and cheaper ways of extracting value.

At company level, Indian companies are responding to emerging opportunities by undergoing comprehensive restructuring. In the past 3-5 years many Indian companies have radically re-structured to become globally competitive. Some of the initiatives that they have taken are in areas of operations; technology and product development, marketing and human resources. As a result, many Indian companies are now strongly positioned to manufacture quality products in plants that are of international scale, using modern processes with lean organisational structures. This is the platform on which they have begun to address global opportunities.

While exports from India will continue to be the driving force, in the next 3-5 years many Indian companies will set up multi country operations making them truly global players.

A large number of Indian companies will also look at inorganic growth through overseas acquisitions. This trend is gaining ground very fast and is bound to accelerate.

Indian manufacturing industry has all the ingredients that are needed to succeed. Our manpower strength is a source of great advantage. We have more than 2 million engineers who can transform India into a vibrant global manufacturing base. This is a resource that is unique to India. Indian manufacturing industry has attained critical mass and is now at a take-off stage. Indian manufacturing companies will need to build new sources of competitiveness through enhanced design capabilities, products/technology innovation and brand building. Once this happens, there is no holding us back. We are entering a new era of competition in which Indian companies will have to learn to leverage resources from around the world. In the new challenging business environment, Indian companies will need to actively pursue innovative strategies and think creatively to explore all opportunities and channels to attain and sustain competitive advantage. I am sure Indian manufacturing industry will rise to the challenge and that our country will, in the next 3-5 years, and become a major global manufacturing power. ■



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- B. N. Kalyani

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