



Difficulties and challenges are a constant

BABA KALYANI, CMD, Bharat Forge

MY TOUGHEST MOMENT

The year 2008-09 was the most difficult for the global economy in the past 75 years. Amid high inflation, global trade declined the sharpest since the Great Depression. Overnight, demand collapsed across the board. The sudden change caught everybody off guard across sectors and geographies. Despite having a de-risked business model, Bharat Forge along with our global subsidiaries was severely affected. We went down from roughly 80% utilization levels to less than 20% within no time. Worse, in those volatile and uncertain times, the bottom was not yet visible.

HOW I HANDED IT

We embraced the challenges head on. We strengthened our resolve to leverage technology to improve our efficiencies, throughput and cost structures. The clarion call for 2009-10 was: "raise productivity, cut costs, improve efficiencies, and ride the storm".

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Our business is widely exposed to developments in Europe, North America and China with about 35% of our workforce and most of our global customers based there. The meltdown had severely impacted the business and market sentiment in those regions, far more than in India. We maintained a positive growth-oriented environment on the people front, created a belief that we will win and transcend this belief at our global manufacturing plants. Our people helped us in first engineering a turnaround and then in changing gears to achieve rapid growth.

On the market side, we put enormous

focus to further diversify across sectors, gain new customers, improve market share and enhance product portfolio. As most of our customers were severely impacted by the meltdown, we built a mutually empathetic view and worked towards developing new platforms to ride the storm and emerge successful. This has brought in a lot of diversity, made us leaner, not over-leveraged and diversified across geographies, sectors and product segments.

WHAT I LEARNED FROM IT

That difficulties and challenges are a constant. Only those with character and resolve confront them and win.

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