

## cover story | MAHINDRA

In the automotive segment, the export of Bolero and Scorpio to markets such as France, Italy, Kenya, Malaysia, the Middle East, Mozambique, South Africa and South and Central Americas have helped enhance the brand reach.

Anand Mahindra is also tickled by the branding possibilities thrown up by Tech Mahindra (M&M's Rs 1,200-crore telecom-centric IT services arm) winning a bid to facilitate mobile (3G) downloads connected with the UEFA Cup in Europe. With this, airplanes and timeshare pitching in, brand Mahindra could acquire overseas sheen, but building an all-world brand will take more. M&M will need to penetrate existing markets more and expand into new ones to attain global stature. Anand Mahindra knows that. He's strengthening the local equity. The Scorpio promo-

## The Drive Into Acquisitions...

WHEN	COMPANY	BUSINESS	COST	STAKE
Nov-04	SAR	Gear Cutting	14.5	51%
Nov-04	Jiangling Tractor	Tractors	35.5	80%
May-05	Amforge	Forgings	128.5	47%
Nov-05	Axes Technologies	Telecom Solutions	240.0	100%
Dec-05	Plexion Technologies	Design & Engg	37.0	88%
Jan-06	Stokes Group	Forgings	27.2	99%
Sep-06	Jeco Holding AG	Forgings	408.0	68%
Nov-06	Hinoday Industries	Ferrous Castings	--	66%
Jan-07	Schoneweiss & Co	Forgings	--	90%
Mar-07	Punjab Tractors	Tractors	951.0	44%

Figures in Rs crore

## ...And Joint Ventures

YEAR	COMPANY	PRODUCT	STAKE
1987	British Telecom	Telecom Software	46%
2005	Renault	Passenger Cars	51%
2005	International Truck	MCVs/HCVs	51%
2006	AT&T	NLD/ILD Licence	26%
2007	Renault and Nissan	Cars and MUVs	50%

Source: M&M

tions are ensuring visibility and a slew of IPOs have helped establish a closer connect with the masses.

But Anand Mahindra isn't stopping there. The 51-year-old nephew of Chairman Keshub Mahindra, recently exhorted his team to evolve a consumer-centric approach to build a strong brand.

## The Roadmap For Realisation

And Anand Mahindra's team is indeed taking his advice to the heart. Rajeev Dubey, President, Human Resources, says the 42,000-strong group (excluding PTL and Schoneweiss) has strategic teams and shadow boards to come up with ideas to take the company and the brand global. Another philosophy ingrained in the team is to be among the top three in each business. Tech Mahindra may not be the biggest player in IT—its revenues (Rs 1,205 crore for 2005-06) are little more than a tenth of TCS' (Rs 11,236 crore)—but it is looking to emerge as a big force in the telecom vertical. Contrary to popular belief, for the moment, the Mahindras have no plans for entering the global car business. Says Pawan Goenka, Presi-

Q&A | BHARAT DOSHI, EXECUTIVE DIRECTOR AND PRESIDENT, TRADE AND FINANCIAL SERVICES

## "All divisions must become leaders"

**M&M Finance is widely perceived as your baby. How did the idea of floating M&M Finance arise?**

At a dealers' conference organised by M&M, some dealers talked about their need for funds to finance truck purchases. That's how the idea of setting up M&M Finance germinated. Initially, we financed only Mahindra products, but by 2002-03 we moved on to non-Mahindra products. We started off with 30 branches and now we have 400.

**You have been associated with the Mahindras for over three decades now. Share with us some of the challenges that you have faced!**

In 1991, we decided to identify our strengths and weaknesses. We realised we could produce 38,000 vehicles and 32,000 tractors with 80,000 employees while Maruti, with less than 4,000 employees, could make 200,000 cars. Clearly, we needed to work smarter rather than harder, and called the task *Badlo Purane Raste*. But this met with resistance in the form of a strike at our Igatpuri plant. The Communist union at our plant said they would produce 80 engines with 1,100 workmen, while 100 of our white-collar engineers produced 30 engines. Those were difficult times, but we overcame them successfully.

**Tell us about the concept of "managing in good times."**

M&M decided all businesses divisions must become leaders in their respective businesses. The ROCE too needed to be higher than the cost of capital and also higher than that of our competitors. "Managing in good times" is about creating a buffer in the business cycle (through such initiatives), to be able to manage global volatility and breakeven even at 50% capacity utilisation.

SAMEER JOSHI/FOTOCORP