

# Fasttrack

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**Distribution Redefined**

**INSIDE**



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# Foretelling The Future

Forecasting in business has gone way, way, beyond merely predicting demand. Predictive analytics is slated to become crucial in logistics – from warehouse management to last-mile delivery.

**Perna Raturi**

It is common knowledge that data is important in today's technologically-driven world. Why, last year, Mukesh Ambani, India's richest man, spoke for everyone when he compared data to one's core product/service and said, "We are at the beginning of an era where data is the new oil."

However, mere data isn't enough. Eric Siegel, author of *Predictive Analytics: The Power to Predict Who Will Click, Buy, Lie, or Die*, puts it succinctly. He talks about the importance of using data right and explains: "As data piles up, we have ourselves a genuine gold rush. But data isn't the gold. I repeat, data in its raw form is boring crud. The gold is what's discovered therein."

It is this data mining, or call it data analytics if you will, that is becoming more and more crucial for businesses as they try to improve their operations, make their marketing pitch more customer-specific, put their production and manufacturing strategies in place, and predict future sales.

Like most industries, for supply chain & logistics, using data smartly could make all the difference. After all, supply chain & logistics plays a significant role in the cost of a product and, consequently, profits. It is also worth keeping in mind that in today's times, companies are under extreme pressure to make their supply chains do more for less. In other words, they have to become far more competitive than they are, for far lesser investment in terms of capital and human resources. To add to that, the

industry is undergoing a metamorphosis due to the new goods and services tax (GST), the pressure to control emissions and adopt more sustainable practices, new technology and, of course, the explosion of data and its endless possibilities. As a result, business intelligence (BI), which comprises the strategies and technologies used by enterprises for the data analysis of business information, has become an integral part of the overall strategy and planning of a company, irrespective of the sector. BI technologies can be used to decipher the hidden meaning behind a sea of numbers and data so as to improve supply chain efficiencies and make them more robust.

As Dallas-based entrepreneur and expert

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## MESSAGE



### ENDLESS POSSIBILITIES

Another year awaits us. Yet another 12 months to achieve all that we have set out to. So many weeks lie ahead of us, full of potential and possibilities. In times when change is the only constant, 2018 is sure to be a year of learning, unlearning and relearning for each one of us. Today, when survival of the fittest is the only way forward, learning to adapt to change is crucial.

It is also true, however, that technology is changing faster than we can. And yet, we can't do without it. Why, India is the second largest online market and is ranked only behind China, with over 460 million internet users. Statistics say that by 2021, there will be nearly 635.8 million internet users in India.

Technology adoption has also opened up endless possibilities for businesses to improve their services, revolutionise their products and make their pricing more competitive. Data mining is an important aspect of this, with predictive analytics slated to become a big advantage, especially for those in the supply chain & logistics industry. Our cover story this time explores the possibilities in predictive analytics and why it is important, especially for ecommerce companies.

Another must-read is the Leaders section, which has an exclusive interview with global thinker and marketing expert, Dr Jagdish Sheth, who shares his thoughts about consumer psychology, how it is changing and why logistics needs more room in top management. Then there is Inside Out, which talks about how truly unique family-run businesses are and so are their problems.

What has also become important in today's times is finding the time to address your fitness goals and adopt a healthier lifestyle. The Offbeat section looks at how fitness gadgets help you in your journey towards a healthier you, but only if you let them work for you, rather than the other way round.

We sincerely hope 2018 brings you lots of joy, luck, health and prosperity.

Happy New Year!

**Pawan Jain**

**PAWAN JAIN**  
Founder & Chairman  
Safexpress Pvt Ltd





Supply chain management is an area in which big data can have a huge influence and to which it can offer a vast amount of benefits. There are great examples of applications being utilised to manage inventory, forecast and transport goods.

**David R Kiger,**  
Founder, Worldwide Express Operations



We are in the process of scaling up our B2B business and have plans to achieve Rs 1,000 crore exit rate by the end of FY 2018. The platform jointly created by us will aid in managing the supply chain dynamics, which is crucial for the smooth functioning of any retail business.

**Abhinay Choudhari,**  
Co-founder and Head - New Initiatives, BigBasket



As data piles up, we have ourselves a genuine gold rush. But data isn't the gold. I repeat, data in its raw form is boring crud. The gold is what's discovered therein.

**Eric Siegel,**  
Author, Predictive Analytics: The Power to Predict Who Will Click, Buy, Lie, or Die

in strategy and tactics, David R Kiger, says, "Supply chain management is an area in which big data (voluminous, complex data) can have a huge influence and to which it can offer a vast amount of benefits. There are great examples of applications being utilised to manage inventory, forecast and transport goods." The founder of Worldwide Express Operations, Kiger, goes on to explain how digital cameras are being used in warehouses to not only monitor stock levels, but also to send alerts about actions needed to make corrections, sometimes the whole process being automated from end to end. "If this continues to advance, we will shortly have warehouses running themselves without the need for operators," he says.

One of the crucial arms of data analytics is predictive analytics, which is a gamut of statistical techniques such as machine learning, data mining, and predictive modelling, which use

current and past data to then predict about the future. Some of the ways in which it impacts supply chain & logistics are:

- Forecast demand at several points – store, retail, and distribution channels.
- Inventory optimisation, which not only has a direct bearing on costs, but also on customer satisfaction.
- Replenishment planning at several points again – store, retail and distribution channels.
- Optimum management of the various points in the supply chain with tools such as route optimisation and real-time tracking.
- Consumer behaviour analysis.

At a time when most products can be purchased online, ecommerce strategies have become integral to company's sales targets. Bengaluru-based startup and India's top online grocer BigBasket, for instance, relies heavily on its analytics team to become more competitive, and improve its overall customer

experience. No wonder then that the company which started with about a thousand customers now has more than 4 million registered customers, and sells 18,000 products across 1,000 brands.

Last year, the company focused its attention on regular kiranas (mom and pop stores) by collaborating with SnapBizz, a retail technology firm. Together, the companies will enable the kirana stores to automate the supply chain and inventory management process by creating an auto-replenishment supply chain platform for retailers to give them a competitive edge. As Abhinay Choudhari, Co-founder and Head – New Initiatives, BigBasket said, "We are in the process of scaling up our B2B business and have plans to achieve Rs 1,000 crore exit rate by the end of FY 2018. The platform jointly created by us will aid in managing the supply chain dynamics, which is crucial for the smooth functioning of any retail business." He further added

that BigBasket's large-scale sourcing of commodities, staples, fruits and vegetables and FMCG products, and the wide assortment of products will act as a single source of supply for kirana stores.

With more and more ecommerce companies such as BigBasket using predictive analytics for increased efficiency in operations, its market is growing. According to research by MarketsandMarkets, the global predictive analytics market is forecasted to reach \$12.41 billion by 2022 from \$4.56 billion in 2017, at a compound annual growth rate (CAGR) of 22.1% during 2017-2022. This would be driven by the changing business need to forecast outcomes to make better strategic decisions, while the Asia-Pacific market is projected to grow at the highest CAGR during the forecast period. Will you be one of the beneficiaries?

## PREDICTIVE ANALYTICS GIVES BOTH FORESIGHT AND PLANNING

Dhruvil Sanghvi, Co-founder and CEO, LogiNext, the Paytm-backed logistics analytics provider, talks about how and why predictive analytics is becoming crucial to logistics.

*What are the main challenges when it comes to predictive strategies in logistics?*

Predictive strategies involve building actionable data relating to the target market and locations, and using this historical data intelligently to make future projections of possible demand and the field resources required to fulfill this demand satisfactorily. The primary challenge while considering predictive strategies for logistics is the lack of analytical base for deduction. This means that companies don't operate with information collated over a wide-enough base to make the sample size relevant across various geographic and demographic distribution patterns.

*How is that disadvantageous to companies?*

This leads to a point where the companies are in the dark about how many vehicles they would require for, perhaps, a local festival spike in sales. Just being aware of this spike won't tell them how many extra work-hours their resources and vehicles would require at that time. This would eventually lead to a resource crunch which would turn into delayed deliveries and, possibly, lost business.

*How does predictive analytics help supply chains & logistics?*

Foresight and planning should go together and that is what predictive analytics gives. With such analytics, they can accurately predict the forthcoming

demand and supply chain requirements. They wouldn't have to compensate for a lack of market knowledge. They can, hence, avoid a situation where they find themselves with excess resources that go unutilised or, in the case of a shortage of resources, rush into acquiring market-sourced vehicles to fill in the high demand. Predictive analytics helps keep the supply chain & logistics movement agile and aligned with the original production and business strategy.

*Any specific verticals predictive analytics works best for, or can you point out verticals that need it as a must-have?*

Predictive analytics is, simply put, key market insights. Its greatest benefit is efficient supply chain & logistics, which makes the picture between the strategy and ground-level execution clear. Accurate predictions in turn give the company the ability to be well-prepared for any surge or lull in the market. There are also parallel benefits in the marketing and production departments. Predictive analytics gives insights into how the demand is moving in terms of new demographics or new product feature requirements. For example, if forecast suggests that demand from the coastal belt is outgrowing the interior markets, then the marketing strategies can evolve to better address this target audience. Furthermore, the product can be evolved to fit better with the requirements of the growing target-set.

*How does predictive analytics help ecommerce specifically?*

Ecommerce is moving extremely fast across the world. According to a recent BI

Intelligence report, Southeast Asian ecommerce market is set to reach \$88 billion by 2025. Global ecommerce market by 2021 would look at around \$4.4 trillion according to Statista. This means consumerism is actively moving towards the ecommerce space, which would ultimately evolve to a merger between ecommerce and retail. When you deal with customers at their homes or their workplaces for home deliveries, you must be sure about the accuracy of your address or contact information, to ensure that you don't infuriate the customer. Competition would increase multifold in ecommerce, and everything else kept constant, the main differentiator would be who knows how much about the market and his customers.

*Where does LogiNext come into the picture?*

LogiNext employs machine learning tools to gather targeted information in the form of individual location data points, of which we now have more than a billion, to structure business intelligence around appropriate distributive-use cases across industries such as retail, ecommerce, manufacturing, maintenance, energy, construction, banking, and transportation. This business intelligence is built on deep learning that factors in traffic and weather predictions to pinpoint the best schedules and routes for the companies that would turn into profitable utilisation of their resources.

Furthermore, the comprehensive analytical reports help the companies to better plan their future strategies and keep them in line with market realities and developments. LogiNext gives the companies end-to-end visibility across their supply chain & logistics processes through real-time tracking to ensure consistency, accountability, and efficiency across departments.





Professor Jagdish Sheth, on consumers and their psychology, what they want, and how businesses can listen in.

# SUPPLY CHAINS SHOULD BE VISIBLE TO CUSTOMERS AND SHAREHOLDERS

Perna Raturi

Professor Jagdish Sheth is a renowned scholar and internationally recognised thought leader. Last November, he was selected by the American Marketing Association's Consumer Behaviour Special Interest Group (CBSIG) as recipient of the CBSIG Lifetime Achievement Award. The award acknowledges the accomplishments of a consumer behaviour scholar who has made significant and long-standing contributions to the field of consumer research.

Professor Sheth has published more than 300 research papers and more than 30 books on various disciplines and topics. His insights on global competition, strategic thinking, geopolitics, and emerging markets are considered revolutionary. As a thought leader, Professor Sheth has made hundreds of presentations to business leaders, academic scholars, and public policymakers from around the world. He is frequently quoted and interviewed by Fortune, Financial Times, The Economic Times, The New York Times, and The Wall Street Journal. He is also a regular guest and frequent commenter for major news networks: BBC, CNBC India, and CNN. Professor Sheth's timely advice aids business leaders, and policymakers looking to develop long-term strategies for positioning for the future. In an interview, Professor Sheth talks about a gamut of subjects – from consumer psychology, the difference between China and India, the importance of a chief supply chain officer, and about his latest book on the cultural differences between the North and South regarding punctuality, individualism, social distance or territorialism (turf), and the role of women in society. Edited excerpts:

*One of your first works was on consumer psychology and how marketers can capitalise on it. In the past decade, have consumers changed their buying behaviour? Has their psychology for consuming products and services changed?*

There are three ways in which the psychology of consumers has

transformed significantly. First, consumers are more and more time-driven and are looking for convenience and personalisation. No one likes to be held hostage by time and place. Therefore, shopping, searching, buying and consuming are more continuous than discrete.

The biggest outsourcing now takes place at home. The next generation does not know how to cook, clean and take care of children. All of these activities are outsourced. We are making less at home and buying more. What happened to pickles and papad, is happening to chapati and dal.

Second, families are living more like roommates. I call this the rise of the roommate family. A family today does not have the time to eat together. Each member is connecting with their outside world through social media instead of engaging in a conversation with the family members. This change is due to the growth of the internet and mobile devices.

Finally, since the liberalisation of trade, consumers have choices of brands and products that were not accessible or affordable in the past. Today, through ecommerce, I can virtually shop the world without visiting the country.

*Your 2008 book Chindia Rising talked about how global economies will benefit from China and India re-emerging as business and economic powers. A lot of water has flown under the bridge since. Your views?*

Since 2008, the speed with which economic, social, and political changes – both in China and India – have taken place is unprecedented. China is now the largest consumer market for virtually every product or service, and India is the second-largest market. This ranges from smartphones to appliances to TVs to packaged goods. China is now the largest market for luxury brands in the world, including automobiles.

Competitively, China has moved ahead faster than expected, especially in globalising its state enterprises. Many of the top three global competitors are now Chinese corporations. This includes Lenovo in personal computers, Huawei in

telecom infrastructure, and Haier in appliances. It is also true in basic industries such as steel, cement, aluminium and chemicals.

On the other hand, India has been slow in globalising its corporations in both public and private sectors. I think India needs to globalise its public sector enterprises and lead the private sector. It is doable as well.

The biggest change has been political. Both China and India have new political leaders who are determined to make both nations globally recognised and reckoned with. Secondly, China has decided that a peaceful rise of China is not enough to gain global recognition as a superpower. It has embarked on a strong military expansion, especially in the Pacific Region. This has resulted in new geopolitical and military alliance between India, Japan and the United States, with Australia and ASEAN countries likely to join the alliance.

The world focus will gradually shift from the Middle East to Asia.

*You are one of the most active management gurus when it comes to advisory and consulting. From your experience, where do Indian companies fall short when it comes to achieving greatness?*

There are three key issues. First, many Indian companies are still ethnocentric and either unable, or unwilling to have a global mindset. This means global benchmarks for standards, quality processes and practices. Second, Indian enterprises are still family owned and, therefore, do not have the governance structure comparable to other multinationals, especially with respect to ownership and management. Often, the professional management believes that they report to the owner (chairman) and not to the board. Similarly, succession planning in many Indian enterprises is to ensure that the founder's children will inherit and manage the business. Consequently, the professional CEOs often do not have an "ownership" mindset.

Finally, except for a handful of enterprises, Indian corporations



Supplier relations are key to competitive advantage because more than 60% to 70% of the final assembly cost is procurement. The factory or internal operations add only 30% of the value.

think of domestic diversification and make entrepreneurial investments and diversify too soon at the expense of the core business and often lose the core business to global competitors.

I believe that the real corporate assets of the nation are the public sector enterprises. If they are allowed and empowered, they can become good competitors, both domestically and globally. This has been true for Chinese state enterprises and also many British enterprises such as the Heathrow Airport, British Airways and British Telecom.

*On the outside, marketing seems like the most glamorous and aggressive vertical in the business world. Everyone calls supply chain & logistics the backbone of a business, and yet it remains in the background. Do you think companies need to highlight it more?*

Yes, supply chain is not as visible externally as it should be to the customers and the shareholders. It also needs to be positioned as strategic and not just operational competence. The best way to do this is by creating a position of chief supply chain officer (CSCO) who is responsible for both procurement as well as internal operations.

The CSCO should be elevated to the board as an executive director and be a part of the top management team. Also, supplier relations are key to competitive advantage because more than 60% to 70% of the final assembly cost is procurement. The factory or internal operations add only 30% of the value. In the personal computer industry, the internal value-add (labour, capital and management

overhead) is only 11%. Of the total, 89% is procurement.

*As you know, India now has a law for its companies to contribute 2% of its profits towards corporate social responsibility. And yet, enough isn't happening when it comes to giving back to the society. How can this change come about?*

Actually, a lot is happening, but it is not visible because it is more internal than external. This includes employee training and employee wellbeing. Secondly, many larger corporations are establishing their own foundations and education institutions. Finally, some medium-size companies are contributing to well-established charities such as Akshaya Patra, Pratham and Habitat for Humanity.

I am also pleased that in addition to Azim Premji, the Mittal family will contribute about Rs 7,000 crore to the Bharti Foundation and provide free education to low-income families.

*Could you please mention some interesting research/consulting you are currently doing, or a new book/paper that you are working on?*

My latest research is on how North-South climate differences between the arctic, the temperate and the tropical climates determine what we eat, what we wear and how we dwell (food, clothing and shelter). It also provides a theory of why cultures vary with respect to punctuality, space, friendship, and collectivism vs individualism. The title of the book is Genes, Climate and Consumption Culture: Connecting the Dots. It is published by Emerald Publishing. It is available on Amazon.



Purna Raturi

When it's all in the family, it's good news, says research. According to Credit Suisse Research Institute's (CSRI) "CS Family 1000" 2017 report, India has 108 publicly-listed family-owned businesses (FOBs). That puts it at number three, behind China, which has 167, and the US, with 121 such companies. In terms of average market capitalisation, India stands fifth with \$6.5 billion in the Asia-Pacific region (barring Japan), and at number 22 globally. FOBs in India are far older, too; 60% of Indian companies surveyed in the study were in the third generation, while only 30% of Chinese companies had achieved the same feat. More than half of the Indian and Chinese family businesses that Credit Suisse surveyed generate revenues in excess of \$500 million, with the majority of these businesses located across information technology,

industrial and financial sectors. Family businesses make for nearly 80% of companies worldwide and are the largest source of long-term employment in most countries.

That FOBs are successful not only in India but the world over is no coincidence or stroke of good luck. There are several reasons why they work. When businesses are run by family members, personal capital and name is at stake. So, naturally, personal interest is far higher. Family members don't shy away from investing their own savings, foregoing salaries, and burning the midnight oil during tough times. Experts point out to several advantages that FOBs have over non-family owned businesses. Some of them are:

#### Passion and dedication

Since it is one's own, family business brings in a lot more passion and dedication into it, be it with following the company's vision, strategy, targets, work ethics, and earnest commitment to make it work.

#### Creative and proactive

Since the buck stops with the person running the show, there is a greater degree of thinking out-of-the-box and coming up with creative solutions to problems. This also hones their risk-taking

abilities, something that plays a crucial role in breaking the mould and becoming more successful. This goes hand-in-hand with proactive action since the structure in FOBs is more hierarchical.

#### Trust

There is a great degree of reliance within the company since it is family members and blood relations running an organisation. Hidden agendas and conspiracy theories have little or no room here.

#### Industry insights

By the time second generation entrepreneurs are at the helm of things, an organisation has a good understanding of the market and competition.

Also, the new office-bearers have their elders to advice them when it comes to overcoming challenges.

#### Foresight and long-term planning

FOBs don't just plan for the coming financial year, but have a long-term vision for the company. This helps them strategise better and chase the goal with single-minded focus.

#### The Problem Areas

If everything is all right with the FOB world, why then are most credible management schools running special post-graduate courses and executive programmes for family businesses?

That is because not only do these enterprises

have their unique strengths, they have a unique set of dynamics, too. Ergo, challenges which are typical to these companies, in addition to the usual ones. As world-renowned management guru Jagdish Sheth has remarked in the interview (See Leaders) for the current issue of Fasttrack, "Indian enterprises are still family owned and, therefore, do not have the governance structure comparable to other multinationals, especially with respect to ownership and management. Often, the professional management believes that they report to the owner (chairman) and not to the board. Similarly, succession planning in many Indian enterprises is to ensure that the founder's children will inherit and manage the business. Consequently, the professional CEOs often do not have an 'ownership' mindset."

It's not just governance issues. There are other challenges that are unique to a family-owned business. Which is why a number of such enterprises fail. According to a paper published in the Harvard Business Review, only 30% of family-owned organisations last into a second generation, 12% remain viable into a third, and 3% operate into the fourth generation or beyond. The paper published these findings based on claims made by Family Business Institute, a professional services firm. "Even those that do continue often see their value decline significantly when power changes hands at the top. Joseph Fan, a professor at the Chinese University of Hong Kong, tracked the market performance of 217 family-run firms in Taiwan, Hong Kong and Singapore; he found that on an average their shares dropped almost 60% in the eight years surrounding a change of CEO."

Here's a look at some of the challenges that may be unique to a family run business:

#### Family conflict

Like they say, your biggest strength can also

be your greatest weakness. Cracks in relationships in the family can shatter business dreams and lead to conflict and quarrels. Case in point: After the death of Dhirubhai Ambani, Reliance was divided between his two sons Mukesh and Anil after an acrimonious dispute.

#### Lack of structure

While an informal structure usually spreads across the organisation, making it more family-like and friendlier, it can also give rise to governance problems and less professionalism at workplaces.

#### Nepotism

This one is an age-old grouse – that heads in family businesses give control to their family members even when they don't deserve it. Not only do others in the company find it difficult to accept that power, often, undeserving candidates may do more harm than good. At other times, family members are coerced into joining the business even when they don't want to.

#### Tunnel vision

With family members running the business, there is often a lack of objectivity and companies suffer from tunnel vision, which can be overcome by welcoming more professionals having a say as influencers.

#### Conservative attitude

Family businesses may be more proactive in leading change, but that can also mean that elders resist the same change when it comes to reforms suggested by the younger generation.

#### Succession planning

Passing the baton is crucial to the survival and success of FOBs, but it isn't half as planned as it should be. To be fair to Indian businesses, a number of enterprises are now looking into the

matter seriously and are putting processes in place for the same. Some are now even seeking external help from consultancies for succession planning.

#### Seeking Help

According to a 2016 report by PwC (PricewaterhouseCoopers) India, the issues that FOBs need to address include:

- Acquire the right mix of talent, technology, and innovation to stay ahead of their competitors.
- Need to devote more time and resources on entrepreneurship and innovations in existing operations.
- Redefine their strategies and goals from time to time, and considering whether the strategies they are pursuing will be relevant five years from now.
- Cross-verify and check whether they are competent enough to grow their market share by penetrating into new markets, and even creating new ones.
- Examine their domestic performance thoroughly along with benchmarking with a peer group before taking steps to go global so that when it happens, they are fully prepared to have successful forays in international markets.

There are numerous consultancies that are working in the field of FOBs and have expertise in addressing their unique challenges and shortcomings. These consultancies partner with FOBs to address issues such as vision & strategy development, governance, organisation structure, succession planning, leadership development, reward strategies, and so on. In other words, family businesses are and should be open to seeking outside expert help to play on their strengths and address their weak areas.

# ALL FOR ONE, ONE FOR ALL

Family businesses make for nearly 80% of companies worldwide and are the largest source of long-term employment in most countries. What makes them flourish and what makes them flounder?

## The Emami saga

Started by two friends Radhe Shyam Agarwal and Radhe Shyam Goenka, Emami has interests in FMCG, retail, healthcare, realty, art, cement, edible oils, biodiesel, writing instruments and solar power. With over 25,000 employees, the group's turnover is Rs 12,000 crore, with market valuation of around Rs 50,000 crore. The duo's partnership of so many decades has also meant their children are actively heading top roles in the company.

What has made the partnership last for so long? Tolerance, the policy of giving and not taking, managing one's ego, and supporting each other, among other things. The two septuagenarians

have also made sure their children walk the straight and narrow path when it comes to ethics of the company, and family values that have stood both Agarwal and Goenka in good stead. The two patriarchs ensure there is equality among all, and differences of opinion are sorted out through communication, no matter how loud it gets.

On the practical side, both families have equal holdings in each Emami venture. There is also a business council that is made of family members who are promoters, senior management, and consultants. The family council also has a strict code of conduct for all family members.

## Dabur did it differently

Way back in the 1990s, Dabur Ltd was one of the oldest family managed businesses in India. Not second nor third, the company was being managed by the fifth generation of the Burman family. At that time, it was a Rs 100 crore company and things were looking up. And yet, the family decided to relinquish all professional roles in the company for the sake of a brighter and bigger future for Dabur: attract the best talent, and to ensure the family stayed intact. The advice was given by McKinsey & Co – an advice the family members accepted.

At present, only the chairman and the vice chairman's posts are given to

Burman family members, although the family still owns 60% of the shares. A family constitution was also formed, which spelled out rules in black and white regarding the family's responsibilities towards Dabur's myriad business concerns. There is also the family council, which is made up of all male family members above 25 years of age.

Today, the 133-year-old Dabur India Ltd is one of India's leading FMCG companies, with revenues of over Rs 7,680 crore and market capitalisation of over Rs 61,500 crore. The company has a portfolio of over 250 herbal Ayurvedic products.

## Learning lessons

### Top 10 courses in family and business entrepreneurship

1. **Indian School of Business**  
Management Programme for Family Business
2. **Indian Institute of Management Bangalore**  
Management Programme for Entrepreneurs and Family Business
3. **SP Jain Institute of Management and Research**  
PG Programme in Family Managed Business
4. **SP Jain School of Global Management**  
Global Family Managed Business
5. **Institute of Management, Nirma University**  
MBA (Family Business and Entrepreneurship)
6. **NMIMS School of Business Management**  
Master of Business Administration (Entrepreneurship & Family Business)
7. **Entrepreneurship Development Institute of India**  
PG Diploma in Management (Business Entrepreneurship)
8. **Amity University**  
MBA in Family Business Management
9. **Hindustan University, Chennai**  
MBA in Family Business and Entrepreneurship
10. **Universal Business School, Mumbai**  
PGP in Family Managed Business



## SME WATCH

SMEs in the electronics system design & manufacturing for LED lighting stand to gain from the government's help and big market opportunities.

Ritu Raj

It's as clear as day. The technology of light-emitting diodes (LEDs) is well on its way to revolutionise the lighting sector not only in India but globally as well. Energy-efficient and a quality source of white light, LED lighting solutions are smaller, have a longer operating life, have no mercury, and no UV or heat emission. Not just that, media reports state that each LED bulb has a life expectancy of 25,000 hours. Also, it helps a consumer save anywhere between Rs 160 to Rs 400 every year, thus making the cost recovery in less than a year.

In India, demand for LED lighting solutions – both residential and public – has grown in the north and south. According to the Electric Lamp and Component Manufacturers Association of India (ELCOMA), it is estimated that by 2020, the LED market will be approximately 60% of the total lighting industry and grow to Rs 21,600 crore.

With the Central government's scheme Unnat Jyoti by Affordable LEDs for All (UJALA) that calls for replacing all lighting solutions with LEDs, the future for the sector is indeed bright. The government has also set up Energy Efficiency Services Ltd (EESL) to implement the world's largest energy efficiency portfolio, which includes Street Lighting National Programme, UJALA, and Agricultural Demand Side Management Programme.

UJALA, flagship initiative of EESL, has revolutionised India's access to energy saving LED bulbs and is set to reduce carbon emissions by upto 27 million tonnes every year. That the price for LED light bulbs has come down dramatically in the past few years will only make these lighting solutions more welcome. Government initiatives, combined with increasing awareness about energy conservation and better lighting LED options, will make India the top LED user in the world. Not just the domestic market, India could also become the hub for electronics system design & manufacturing (ESDM) for the global market as well. The country's economy will also benefit since domestic manufacturing will mean the balance of trade will be in India's favour. The challenges: heavy dependence on imports for electronic components and LED chips, as well as end products.

### LEADING THE WAY

True to their entrepreneurial spirit, many existing SMEs in the LED lighting market have already found their groove and are innovating for LED lighting solutions at affordable prices for retail as well as industrial use. A case in point: VIN LED Lighting, which is one of the first few companies to have introduced LED lighting solutions in India. There is also Litwel India Ltd, which sells luminaires, lighting fixtures and accessories under the brand name VISMA. It started producing LED solutions in 2011 and caters to both domestic and international markets.

The picture isn't all rosy, however. One can't deny the initial beating LED companies took from cheaper options from China. A number of LED manufacturing companies either shut down, or decided to trade products from China themselves and make better margins. Things are changing now, however, what with China losing its manufacturing edge.

The hard-to-please Indian consumer is also looking for quality products, and not just those that are cheaper. The spate of

substandard LED offerings from China in the past few years has made the Indian consumer wary of Chinese lighting solutions. Also, with time, the cost difference between an LED bulb made in China and the one made in India is decreasing. Thanks to the government's schemes such as UJALA, the demand for LEDs has grown; the government has also made it clear that precedence will be given to those that are manufactured in the country itself. What has also helped is the certification standard that requires all imported bulbs to be certified by the Bureau of Indian Standards (BIS). This has led to a sharp decrease of imports from China since these bulbs obviously didn't meet BIS standards.

### SEIZING THE DAY

Indeed, this is a golden opportunity for the ESDM market. In such circumstances, while the bigger players such as GE and Philips will have to rethink their strategy for a market where LED will be king and come up with solutions that are capital intensive, it is the SME sector that can have its cake and eat it too. Not only can these

smaller units react faster and better to the changes, they can take advantage of the economies of scale and have more hands on the deck at little extra cost.

Various schemes and incentives by the government also make it lucrative to become an entrepreneur in the ESDM sector. According to government documents, of the many such schemes, some include:

#### National Manufacturing Competitiveness Program

Aims to develop global competitiveness among Indian SMEs by improving their processes, designs, technology, and market access. The programme also envisages substantial investment towards enhancing the entire value chain.

#### Lean Manufacturing Competitiveness Scheme

Assistance in reducing manufacturing costs through proper personnel management, better space utilisation, scientific inventory management, improved process flows, reduced engineering time, and so on. Lean manufacturing also brings down costs, which is crucial for competing in both domestic and global markets.

#### Promotion of Information and Communication Tools

This includes setting up of E-readiness centres, developing web portals for clusters, skill development of employees/staff, preparation of local software solutions, and networking cluster portals on national level portals to assist SMEs in reaching global markets.

#### Technology upgradation and quality certification support

Sensitise SMEs about the benefits that come from usage of energy-efficient technologies, reduction in emission of greenhouse gases, and improve the acceptance of their products by quality certification.

SMEs also need to invest adequately in research and development for LED lighting solutions. The government's scheme UJALA promises a number of things that will open up the market like never before. For instance, it offers free and affordable LED light bulbs to all. It also plans to replace all lights in public places with LED bulbs. It is also crucial to have stringent standards for quality control. It is worth mentioning here that the purpose behind using LED lighting solutions because they are environmentally-friendly will be defeated, once they are manufactured in bulk but have to be trashed before their regular product lifecycle due to poor quality.

UJALA, flagship initiative of EESL, has revolutionised India's access to energy saving LED bulbs and is set to reduce carbon emissions by upto 27 million tonnes every year.

# LIGHT THEM UP





## IN FOCUS

**TATA MOTORS STARTED ITS TRIALS FOR AN ELECTRIC BUS IN GUWAHATI WITH A SEATING OF AS MANY AS 34 PEOPLE. IN JUNE 2017, THE COMPANY COMMENCED TRIALS OF ITS ELECTRIC BUS IN CHANDIGARH.**

Purna Raturi

The news is electrifying, pun unintended. Where electric cars and their future on Indian roads were topics that were considered merely for analytical write-ups until a decade ago, they have become a real possibility now. In November last year, the Indian Oil Corporation (IOC), in association with taxi aggregator company Ola, launched India's first electric charging station at one of its petrol-diesel stations in Nagpur. According to the company statement, "As India's leading oil refiner and marketer, IOC considers promoting ecological sustainability as part of its core business. Thus, this partnership with Ola is the right step forward as we re-imagine how India will commute in coming years."

Leaning towards the re-imagined bit is the government. Last August, Minister of State for Power, Coal, New and Renewable Energy, Piyush Goyal said the Centre is preparing a roadmap to ensure that only electric vehicles will be produced and sold in the country by 2030.

Ola has already invested more than Rs 50 crore on electric vehicles and charging infrastructure, and is on its way to have more than 50 charging points across four strategic locations in Nagpur.

Tata Motors' launch of Tata Nano electric vehicle will change the dynamics further. As the company statement said, "Tata Motors has plans to be a significant player in the electric vehicle market and plans to develop a series of products in passenger cars and commercial vehicles in the EV space. It has already won a prestigious order of 10,000 EVs from the Government of India."

Not to be left behind, Uber has collaborated with Mahindra to deploy electric vehicles in India. The pilot project will be launched in Delhi and Hyderabad, and people will be able to book EVs – e2o Plus and eVerito – via the Uber App. This isn't all. Companies such as Suzuki and Toyota are frantically working on playing a major part in India's electric mobility program. After all, India is the world's fifth largest auto market. Pawan Goenka,

Managing Director, Mahindra & Mahindra, said, "Our collaboration with Uber is an important next step to help accelerate the large scale adoption of electric vehicles on shared mobility platforms and meet the nation's vision for EVs." He added that as pioneers of electric vehicles in the country, the company would like to be at the forefront, leading this change toward smart and sustainable mobility solutions. It is also worth mentioning here that Mahindra has committed to an investment of

the Chandigarh administration having started the process of introducing electric buses in the city under its Smart City plan.

All this frenetic activity in the EV space is good news not only for the auto companies getting ready for changing market dynamics, but also for the country's air quality. Environmentalists feel things couldn't have been worse than they are. Why, in terms of pollution, 2017 has been the worst year on record. To be more precise, on November 7, 2017, the particulate

# SHIFTING GEARS

**INDIA IS LOOKING AT GETTING CLEARER SKIES AND CLEANER AIR, THANKS TO A PROACTIVE STEP TOWARDS GETTING MORE ELECTRIC VEHICLES ON THE ROADS. HOW SOON WILL IT HAPPEN, THOUGH?**

Rs 6 billion over the next two to three years in the field of electric vehicles development and will launch two EVs in the Indian market by 2019. For the charging infrastructure, the two companies will work closely with public and private players who are working on setting up a common charging network across India. Apart from Mahindra Reva, the company markets e2o Plus and eVerito electric cars, as well as commercial vehicles Supro minivan and e-Alfa Mini.

What's more, last October, Tata Motors started its trials for an electric bus in Guwahati with a seating of as many as 34 people. In June, the company commenced trials of its electric bus in Chandigarh. With a capacity to seat 31 passengers, the Tata Ultra ELECTRIC bus runs for over 15-days, with the trial jointly carried out with Chandigarh Transport Undertaking (CTU) and the State Transport Department, alongside

matter was at a terrifying 999 – that number because the machine could not measure beyond 999! The Central Pollution Control Board recorded "severe" air quality, meaning the intensity of pollution was extreme. Consequently, schools had to be shut down, the National Green Tribunal banned all construction activities, and the state government started the odd-even scheme for vehicles.

Taking smoke-belching vehicles off the road is sure to help with the situation. According to industry figures, EVs will cut the oil bill by nearly \$60 billion, reduce emissions by 37%, and slow down the pressing demand for increased road infrastructure in the next decade. Of course, there are challenges as well.



## All charged up

### Fully electric cars

- Mahindra e2o Plus
- Mahindra eVerito

### Hybrid cars

- Toyota Prius
- Toyota Camry Hybrid
- BMW i8
- Mahindra Scorpio Micro Hybrid
- Maruti Suzuki Ciaz Diesel SHVS
- Maruti Suzuki Ertiga SHVS

### Buses

- Ashok Leyland Circuit
- Tata Starbus Electric 9m
- Tata Starbus Electric 12m

### Mini pickup trucks

- Mahindra Electric Maxximo
- Tata Motors Ace Electric
- Ashok Leyland's Dost Electric

### Electric two-wheelers by

- Tunwal E-Vehicle Pvt Ltd
- Lohia Auto Industries
- Hero Electric
- BPG
- BSA Motors
- TVS
- eKo
- Okinawa Autotech Pvt

The batteries, for instance. The reason electric vehicles are expensive is because of their batteries, which are imported. And with the Indian customer being most sensitive to pricing, getting people to buy vehicles that cost more than their diesel or petrol counterparts may take some doing. The battery prices may have declined, but they will need to come down even more for EVs to be more lucrative for the end consumer.

There is also the question of charging infrastructure. At present, there are less than 100 such stations in India. In November last year, the Committee for Standardisation of Protocol for Charging Infrastructure has come out with recommendations for charging systems Bharat EV Charger AC-001 and Bharat EV Charger DC-001. This standardisation will allow electric vehicles of all models from all auto manufacturers to be charged at any station.

Also, industry experts feel that the Electricity Act should be amended so that private companies can set up charging stations, which can be done either in the public-private partnership mode, or solely by the private sector players.

## PRIORITY

### FLYING HIGH

The year 2017 ended with a number of remarkable accomplishments for Safexpress. The Q4 quarter started with the firm's participation in multiple events throughout the country. Safexpress participated in the ELSC 2017 and CII Building Warehousing Competitiveness 2017, both held in Mumbai. The firm took part in the Agra Leather Fair 2017 as well.

Safexpress was honoured with the highly prestigious award for "Overall Excellence in Supply Chain & Logistics" at the CII SCALE Awards 2017. The award was conferred upon Safexpress for its exemplary contribution in the field of



Road Transportation, 3PL, Warehousing and Skill Development. The award ceremony took place at Hotel Novotel, Hyderabad on the 24<sup>th</sup> of November, 2017. The award was bestowed upon Safexpress by the Hon'ble Deputy Chief Minister of Telangana, Mr. Mohammad Mahmood Ali. Mr. Vineet Kanaujia, Vice President – Marketing and Mr. Amit Kumar, General Manager – Retail, accepted the award on behalf of the firm. Safexpress was also honoured with the title of "Retailer Supplier of the Year – SCM & Logistics" at the Franchise India Awards in New Delhi.



Like every year, Diwali was celebrated with great enthusiasm at the Safexpress offices across the country. Employees put on traditional Indian attire and decorated the offices. As Safexpress has been running a Go Green Campaign for the last decade, so the employees celebrated a Green Diwali. They did not burn any crackers, and ensured that neither any pollution happened due to their celebrations, nor wastage of any kind happened.



Safexpress as a company has always believed in giving back to the society. In mid-November, a blood donation camp was organised at the firm's Corporate Office where employees gathered for the noble cause of donating blood to save lives. The camp witnessed huge participation from employees across all levels.



Safexpress also partnered with Ritinjali Foundation for their Golf Tournament organised at the Delhi Golf Club. The proceeds from this event will be used for the education of children from poor economic background.



## OFFBEAT

Ritu Raj

One in three Indians over 30 years of age suffers from one or more lifestyle diseases such as diabetes, high cholesterol, blood pressure, thyroid and cancer. According to a 2017 report by the California-based virtual fitness coaching platform, GOQii, no less than 9.4% people suffer from high cholesterol; 7.7% from diabetes; and 6.76% from thyroid irregularities.

According to company CEO and Founder Vishal Gondal, "Over the years, there has been an increase in the number of chronic diseases due to the disruptive lifestyle changes in the country. Lack of exercise, erratic eating habits, increase in stress level and poor sleep patterns are just some of the key reasons behind the increase of this epidemic."

The bad news doesn't end here. A 2017 study by the Ministry of Health and Family Welfare shows India's health scenario in an extremely poor light - from lifestyle related diseases to malnutrition.

The silver lining? Due to health scares and lifestyle diseases becoming more a norm than an exception, Indians are waking up to the need for exercise and fitness goals. Never before have marathons and half-marathons been organised in such big numbers across metros, towns and cities. Gyms are doing brisk business - and not just before the party seasons and beach-time phases - and personal trainers are the go-to guys for body toning and flab-melting. Yoga studios are bending over backwards to accommodate a large number of yoga enthusiasts, and jogging tracks have never been so crowded, be it early morning or evening. Words such as Muay Thai, kickboxing, fitness bootcamps, Zumba, and Pilates are becoming fashionable to use while talking fitness. In other words, people are becoming more health conscious. But in this world of

# MEASURING YOUR FITNESS

Wearable technology has become a buzzword for fitness enthusiasts. But how do you boost your performance with these fitness gadgets?

tangible results and instant gratification, setting fitness goals and measuring the consequent achievements have become crucial. This is where fitness gadgets come in handy. These gadgets not only act as motivators, but keep you going when it comes to pushing your limits.

### Counting calories and more

The usual suspects when it comes to fitness gadgets are Fitbit, Mi Band and innumerable smartwatches that measure your daily activities. Fitbit products have become bestsellers, and include the most popular Fitbit Tracker, which measures the number of steps you take daily, calories burned, floors climbed, the activity duration and intensity. It even measures sleep quality by tracking periods of restlessness, how long you take to fall asleep, and how long you have slept. Fitbit Flex tracks your movement through the day, as well as sleep patterns. The smartwatch called Fitbit Blaze can auto-track exercise and also has a heart monitor, just like what is offered by Apple Watch, Pebble Smartwatch, and Android Wear. It is connected to the GPS and can display notifications, incoming calls, texts, and calendar appointments. Mi Band by Chinese smartphone maker Xiaomi is also a fitness tracker that was released by the company in 2014.

Fitness gurus give thumbs up to these gadgets for several reasons. For one, they measure your activity and its intensity on a daily basis, pushing you to do

a little more the next day. Why, if your tracker showed you walked 8,900 steps today, you would like to walk that little bit extra to clock 10,000 steps the next day, wouldn't you? In other words, you have a sense of personal accountability, one that is crucial to succeed when you are pursuing your goal. No amount of inspiration and motivation can cut it if you don't promise to do it yourself, be it waking up on time, quitting smoking, or following a fitness regime. Should you choose, you can go social with your fitness routine as well and post your daily activity on social media. If you're lucky, you can even find like-minded workout enthusiasts in your area and take it from there.

Since these fitness trackers are all about setting realistic goals that you decide, you can start easy, switch to a moderate pace, and then aspire to push yourself even further by going intense. In other words, you decide the distance for your marathon. These gadgets also help you understand how you can monitor your weight loss or your stamina and what will the result be if you continue the same pace for, say, a month. This gives you a fresh new perspective on whether you can increase the intensity, or if you are doing just fine with your fitness goals within reach.

### Getting wiser with gadgets

There is a rider to the thumbs up, however. Always remember to make the gadget work for you rather than the other way round. Initially, most users would try to align their workout goals to what the gadget thought was apt for them. Now, gadget users are setting their own pace for their activity and its intensity, and then checking its outcome.

You can't be entirely dependent on them either. According to a US study on gadgets in 2016, "Among those who are overweight and obese, the use of wearable technology combined with standard behavioural weight loss intervention results in less weight loss after two years of use, when compared to usual weight loss interventions."

Last but not the least, you have to wear them. Merely doing your research about them, purchasing them with great excitement, going through the initial period of obsessing with them and then relegating these gadgets to the back of the drawer won't really work. But you would never do that, would you?

Always remember to make the gadget work for you rather than the other way round.

Initially, most users would try to align their workout goals to what the gadget thought was apt for them.

### NEW KIDS ON THE BLOCK

Move over smartwatches, the Fitbits and Jawbones. Here are some of the coolest in wearable technology for your fitness goals:

#### HAPIfork:

Tired of eating too much, too fast? This gadget will vibrate and tell you when your mouthfuls are in quick succession. It can also track for how long you sat at the dining table, and the amount you ate.

#### Trace:

If sea surfing, skateboarding and snowboarding is more your thing than jogging or cycling, Trace, the advanced tracker for action sports is perfect.

#### Adidas miCoach Smart Run:

There's workout review, alongside visual messages that deliver coaching, strap-free heart rate sensor, GPS-based speed, distance, cadence and route records. What else do you need to get the game face on for running?

#### FINIS Neptune:

Love swimming, but miss the music? This gadget can be secured into your eyewear to relay your best music to you through bone conduction audio. Who wouldn't want this?

#### Sportiiiis:

Cycling will become way cooler and safer with this one since you won't have to keep looking at the gadget to check your performance. The Head-Up Display indicates your speed, heart rate, cadence, and power via voice. All you need to do is mount it on your sunglasses.

#### Under Armour Gemini smart shoes:

You can do away with gadgets altogether and opt for a pair of shoes that have an accelerometer fixed on the soles to record your running metrics and then transfer all the data to an app via Bluetooth.

#### JBL UA Sport Wireless Heart Rate Headphones:

Listen to your favourite music and get audio updates on pace, distance, and heart rate. These headphones also keep your past records for reference.

#### Garmin Vivomove HR:

This is a smartwatch that doesn't look like one. What it looks like is your regular wristwatch and doesn't clash with the power suit you are wearing. It has features such as activity tracking, heart rate, sleep, calories burnt, intensity minutes and notifications. It is also waterproof.