

Great leaders have many of the attributes that inspire and motivate the team to achieve extraordinary results.

Vimal Mahendru is the CEO of Indo Asian Pvt. Ltd. Mahendru was involved in setting up the new joint venture with M/s. Heinrich Kopp AG of Germany and now heads the International Division, involved in the export of electrical and lighting products. He is President of the Executive Council of Indian Electrical and Electronics Manufacturers' Association (IEEMA), a recognized body in India for the promotion of the electrical industry across the globe.

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**Interviewer:** Could please describe your career to date starting education and then when you first entered a management position?

**Mahendru:** I was born and brought up in Jalandhar, Punjab which is a small city and almost everybody knows everybody. I grew up in a very protected and loving way, but all along I had a desire to do something different. I have two brothers who were also studying in Jalandhar with me but I opted to go to boarding school. In 1981 I went to the Thapar Engineering College, Patiala where I did a four year course in Industrial Engineering. After graduation I was accepted by George Washington University in Washington DC. In 1988 I worked with a US company, Essex Engineering, which was in the business of manufacturing and marketing high-end vending machines, dispensing expensive products like video cassettes for self-managed video stores.

**Interviewer:** Did you see liberalization around the corner?

**Mahendru:** Exactly. When I got back from USA, I was involved with the setting up of a joint venture from scratch. I was involved right from buying the land to designing the plant and machinery, how much, in what capacities and where to buy from and recruitment right from the first worker. That was a major learning experience with many diverse decisions to be taken. I was involved with the manufacturing in Indo-Asian till about 1998, first only at the joint venture, then having some group level responsibilities. In 1998 we started looking at exports very seriously and strategically. We were exporting before, but then the approach was to export excess plant capacities. We were satisfied with the Indian market; we had enough customers, we were getting enough profit margins and we were growing in a healthy manner. Around that time we decided to actually put resources behind exports and I took up the challenge of working entirely in exports and then moving slowly away from manufacturing. Our export markets have grown tremendously and now there is a focused pressure on developing these further, mainly where our strengths are. We have even

developed some products specifically for the Gulf countries which don't have much of a demand in India because of the price consideration.

**Interviewer:** How did you decide what kind of markets to get into, especially when the multinationals were around?

**Mahendru:** We grew with a bit of a price differential and got some market share. This was one consideration, another was proximity. Now for us to sell to the Gulf countries is very easy because almost every Gulf country's capital is directly linked to Delhi and, because of culture, face-to-face interaction is very important for transactions, which may not be so in some other cultures. They need to know you before they can do business and that was very much aided by us being in close proximity.

**Interviewer:** So you concentrated on building your market in the Gulf region rather than elsewhere.

**Mahendru:** Employees in the entire electrical sector in any of the Gulf countries constitutes at least one third of Indian expatriates. They help the process and also aided us because most of them had heard of Indo-Asian or Indo-Kopp as a brand that existed in India and now it was approaching them in one of the Gulf countries. In the 90s, we looked at Australia, New Zealand and at South Africa and now these markets are steady but the Gulf continues to be our biggest single market. Alongside that we have a niche market in Australia and New Zealand where we are branding for some multinationals. Besides these markets, we have started looking at North Africa in a more focused manner; Egypt, Libya, Sudan, Somalia etc. We were already doing business in Tanzania, Uganda and Kenya we, but we are approaching the northern rim countries right now and I believe there is good potential there.

**Interviewer:** What do you think are the strengths of Indo-Asian in trying to achieve your vision?

**Mahendru:** Two strengths come to mind. Firstly, the commitment of our people working in the organization; the kind of team we have and the bond that we all share with the organization is tremendous. Our chairman has a very clear philosophy that says, "If you take away everything else but leave my people with me, I can make Indo-Asian again. Take my people away, I can do nothing".

Secondly, I think is our strong commitment to ethical dealings. In today's times where quick bucks are in vogue, thankfully Indo-Asian has steered clear of apparent temptations simply

because we believe that the only way to sustain business in the long run. That kind of unflinching faith in ethical dealing, straight talking at all levels with stakeholders is important and that's what has helped us. I must also say that strength of our company is the strong family values we have, because it is family owned business and the family is totally committed to the business.

**Interviewer:** What barriers might halt your progress towards the achievement of your long term plan?

**Mahendru:** There are some weaknesses we all complain about, such as the environment and making it less bureaucratic, but I don't believe those things are barriers. The real threat is the perception of the 'made in India' label. While we all go for export, in my experience, the moment I go to export our products, I have to first export the image of 'made in India', then I have to export the image of Indo-Asian and then I have to export my own image; that I am a good guy to deal with and a person you can trust. Somewhere or another, on all four of these accounts, India on the whole comes up short. I recently visited Saudi Arabia and in one of the meetings with the Chamber of Commerce, some of them were pretty frank and said whenever they came across any India made product they had questions about it. We asked them why, and each one of them had some story, which was not linked to anything that we were doing but yet the impression was there. For example, one said they'd bought an India made filter five years ago which was so bad it had to be replaced within two months. Just because he had one bad experience with one air filter in his car, it doesn't mean that the rest will be bad, too.

This happens with a lot of different countries: made in China, made in India, made in Taiwan, made in Korea; each have a certain connotation and each country is trying to address these issues. My question is: how is India addressing the challenge of improving its brand image? I don't know and unfortunately when I say I don't know it is a cause for concern because there are lot of *I don't knows* there and I feel that our embassies and as a nation we are not doing enough to try to change that image. Of course, countries like South Korea or Japan are doing very well. Nobody thought Koreans could make cars 20 years ago and today they are taking multinationals head on which was totally unthinkable.

**Interviewer:** What do you think is missing in the Indian approach?

**Mahendru:** I believe that we Indians tend to get satisfied with the little that we have very quickly. Somewhere our religion also has taught us to be content with what we have and not try to struggle against destiny; it's all fated, it's all written in those books and those books are

dictating what you do. Whilst this philosophy has a positive side, the negative side appears to be a lot stronger on the business front. We just appear to be taking it easy and saying it was supposed to be like this and we end up hearing this a little more frequently than we should. We tend to philosophize a lot of our failure by saying it was ordained this way. But how many times do we explore whether we really did do our best? What more could we do? How many times do organizations look at the successes and failures and find out why they succeeded and at the same time if we failed.

Very few companies do that kind of analysis, but we have become conscious of this and have started doing that in a lot of our tenders lately; not only where we fail but also where we have succeeded so that we try and formalize those processes and practices which make the difference between success and failure. It's not that we are already there; we have just become more conscious of it and we want to wake up to this reality that the world is moving ahead and whatever our ethos and religious feelings are, people don't care; businesses don't give discounts for that.

**Interviewer:** Do you think India should forget about manufacturing and become a total solution provider?

**Mahendru:** I don't think so. In my opinion India will continue in manufacturing. We may become niche players and there may be certain areas where we continue to have strengths in this sector, but there may be other areas where we may not. For example, in the electrical industry India has a specific strength in the manufacture of transformers and exports them all over the world every year. China has not been able to develop that strength. There are lots of niche areas in India. There are certain kinds of stitched garments which China is not able to do well, for instance embroidered garments. There are some areas where I believe India will continue to have strength and those areas will develop very well and alongside that, which India will have to get into the service industry or a total solution kind of an approach to manufacturing, which might be a good idea.

What I would like to suggest is to encourage those companies which have either strength or already way ahead in the race to do the hard core R&D. Let us take their research work and develop innovations or commercialize those ideas coming from their R&D. I think that's where we can do much better. We can benefit by collaborating.

**Interviewer:** Do you think Indo-Asian has a role model organization?

**Mahendru:** I am a lifetime student of HR and for me *Amul* cooperative's Dr. Kurien and what he has achieved is phenomenal.

**Interviewer:** What would you say are your individual strengths?

**Mahendru:** I have the ability to think strategically and objectively. That means, a bird's eye view or a helicopter view and yet, when required I can get into the minutest of details. That, I think, I have developed as a unique strength.

**Interviewer:** What is your philosophy of management?

**Mahendru:** My tag line, which I write on all my e-mails, is: '*Together we can make it happen*' and it's very simple.

**Lessons Learned:** Great leaders in the field of business tend to have an understanding of business environments of other countries; they are quick at learning from the strengths of other leaders.