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Forging Ahead

Anup Jayaram November 13, 2019

It has started to feel like another annus horribilis when nothing seems to go right. Business sentiment in India is on a downslide; most economic indicators have fallen; tax collections are way below the target; exports are nowhere near projections and, at 5 per cent, GDP growth hit the lowest in six years in the first quarter of FY2019/20. Furthermore, the march of technology continues unabated, leading to huge job cuts. Under such circumstances, business chronicles may not be widely popular, but these three corporate stories can be quite inspirational when it comes to surviving testing times.

The book on the House of Tatas, penned by stakeholder management strategist Shashank Shah, gets deep under the skin of India's most diverse group with well over 100 companies, 7,00,000-plus employees and \$100 billion in revenues. Then there is the book by family business historian Sonu Bhasin. The writer depicts the story of the paint shop owner Kuldip Singh Dhingra who acquired the multinational company, Berger Paints. Finally, journalist Tamal Bandyopadhyay narrates how Aditya Puri built the country's largest private-sector bank and gave it the digital edge.

Each of these stories is different. The business empire of the Tatas started in 1868, but the 'Leviathan' has lasted even in the era when an average company lasts under 20 years. Instead, the group has managed to think ahead and set up an IT jewel like TCS (ranks second in the BT 500 list). The Dhingras, who had been paint sellers for the last five generations, are successfully leading a multinational. And HDFC Bank, a poster child of liberalisation, has managed to deal with disruptions. The common theme here: Each company has moved and changed with the times. But none of them had it easy, and there lies the reason to peruse the insights.

Shah's book is full of anecdotes that bring to light the proverbial Tata culture and how decisions are made in the country's leading conglomerate. For instance, he talks about the Early Separation Scheme (ESS), brought in at Tata Steel by Jamshed Jiji Irani in the mid-90s, and how it became a win-win for both management and employees. By 2006, more than 40,000 workers had left the company, and Tata Steel's labour force came down to 38,000. Of the 40,000, around 25 per cent went due to normal attrition, retirement and death, while the rest accepted the ESS.

Here is a quick look at the scheme: Those aged over 55 years drew their existing salary

THE TATA GROUP:

From Torchbearers to Trailblazers

BY SHASHANK SHAH

Publisher: **PENGUIN
PORTFOLIO**

Pages: **320**

Price: **₹699**

UNSTOPPABLE:

Kuldip Singh Dhingra and the Rise of Berger Paints

BY SONU BHASIN

Publisher: **PENGUIN
PORTFOLIO**

Pages: **336**

Price: **₹599**

HDFC BANK 2.0:

From Dawn to Digital

**BY TAMAL
BANDYOPADHYAY**

Publisher: **JAICO
PUBLISHING HOUSE**

until 61, and those aged between 45 and 55, got 1.2-1.5 times their salary until their retirement age. In this case, the key savings came as there were no salary hikes for employees who opted for the scheme. Otherwise, the company would have had to benchmark it to inflation. Tata Steel's decision to engage with trade unions and devise an amicable approach to downsizing is considered one of the best business decisions. It could still be relevant as public and private sector giants struggle to bring down their overheads and stay afloat.

One must have come across quite a few books on the Tata Group, its business strategies and (recent) internal strife. But the same is not true about Kuldip Singh Dhingra, who built an empire almost from scratch. Yes, he grew up in Delhi's tony Golf Links, but it has been a classic story of grit all along. Singh, who lost his father at a very young age, inherited a paint shop in Amritsar. The business grew from there (under the brand Rajdoot Paints), and Kuldip and his brothers (Gurbachan and Sohan) started exporting their merchandise to the erstwhile Soviet Union. But in 1991, they decided to take the plunge and purchased Berger Paints from United Breweries chairman Vijay Mallya. It actually helped as the USSR collapsed soon after.

The next hurdle was donning the multinational corporate hat as Kuldip realised that "professionals were not all the same and many

Pages: **452**

Price: ₹**499**

were not up to my expectations". An insight into his personality by friend and associate Jerry Adams, an American based in Australia, explains how he dealt with the challenge and grew.

"Kuldip is the most relentless person I have ever met in my life," says Adams, and that grit came into play. Interestingly, in the BT 500 rankings, Berger Paints India has made it to the 87th spot this year, from 112 in 2018, and saw a 17 per cent rise in market cap during the October 2018-September 2019 period.

Much like Dhingra, Aditya Puri of HDFC Bank had the initiative thrust upon him. In HDFC Bank 2.0, Bandyopadhyay tells how HDFC Chairman Deepak Parekh first convinced him to shift to Mumbai and help set up the bank. At the time, Puri was working for Citibank in Kuala Lumpur. The author also talks about the famous 13 who played a vital role at that stage and even took salary cuts to be there. However, the entire book revolves around Puri and what he did (or got his team to do) to emerge as a digital-first entity. Incidentally, HDFC Bank came up with a tagline that says: Go Digital: Bank Aapki Mutthi Mein.

And it epitomised the bank's vision - that of connecting the corporate and rural India and minimising the digital divide. Could Puri accomplish what he had set out to do? Let us look at the data. Digital transactions at the bank rose from 44 per cent of overall transactions in March 2013 to 85 per cent in March 2018. In that year, phone banking transactions stood at 1 per cent, branch banking at 8 per cent and ATMs accounted for just 6 per cent. For the curious, HDFC Bank ranks third in the BT 500 listing, but it will still take some time to match the size of state-owned mammoths like State Bank of India.

One thing is clear, though. As long as Indian companies think out of the box, there is hope, even if the economic indicators are in trouble. The best corporate houses always find an opportunity to bounce back when the going gets tough. It is the quality that makes them better than the best.

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