



March 2019

EMPOWERING TIMES



THINKING ALOUD
Automobiles:
The Continuing Love Story!
Jay

PODIUM
Nandu Rangnekar
Managing Director,
Magna Steyr India



WE RECOMMEND
Crash
R. Gopalakrishnan

VOICES
I 'am' Powerment
because I am love
Krupali Bidaye



Dear Reader,

A very optimistic article published by Mckinsey last year revealed the potential of the Indian Auto Sector. The country is expected to stand out as the world's third-largest passenger-vehicle market by 2021. To help reach this target, it will be supported by continuing economic development with a projected annual GDP growth rate of 7% through 2020, urbanization, supportive regulations and policies, among other factors.

Buzzwords such as electric and hybrid vehicles, shared and connected mobility are no more a distant dream. Although the journey is going to be long and challenging, key stakeholders in the automotive sector are embracing every opportunity to leverage India as a hub for low-cost, high-quality products. India's ambitious plans (Read: Automotive Mission Plan, the National Electric Mobility Mission Plan) to facilitate long-term growth, reduce emissions and oil dependence are steps towards a bright future of the automotive sector.

ET this month features the theme, '**Developments in the Auto Sector**'. On the **Podium**, industry expert and Managing Director - Magna Steyr, India, **Nandu Rangnekar**, shares his thoughts about the future of this promising sector. In the **Thinking Aloud** segment, **Jay** explains the strides that this sector has achieved so far. We review R. Gopalakrishnan's book - **Crash**, which speaks of the 'soft' factors and qualities that help CEOs and top-level managers to succeed. **Krupali Bidaye**, in the **Voices** segment shares her thoughts on how love has empowered the transgender community over the years.

In **Figures of Speech**, **Vikram's** rendition of smart cars!

As always, we value your opinion, so do let us know how you liked this issue. To read our previous issues, do visit



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THINKING ALOUD

Automobiles: The Continuing Love Story!

Jay

Since the time when Henry Ford made the Model T an object of desire for the urban masses, the world has not been the same. As in many other fields, India remained a slow mover in the Auto Sector despite the fact that the first car used in the country was in 1897! Further, the manufacturing of automobiles started in 1942 (Hindustan Motors) with more capacity added when Premier Automobiles began operation in 1944. However, the car remained an aspirational luxury product till such time that Maruti made its mark. The Maruti 800 first entered the market in 1983 and given its wide popularity continued to be made till 2013. Given its controversial birth as Sanjay Gandhi's project, there is no denying that over the decades it became true to its role after being touted as the 'People's Car'. Today, the appetite for cars in India is at an all-time high with a newspaper report indicating that in May 2018, there were 6 cars sold per minute in India.

An interesting industry report from McKinsey last year spoke of the various factors that are driving this growth, chiefly demographic and macroeconomic elements. The good news for manufacturers is that this growth will not slow down in the coming years. From the current number of 7% contribution to the nation's GDP, the share is expected to increase to 12% as per the Automotive Mission Plan 2016-26. This is why new players are still joining the game: the ambitious goals set by the latest entrant - Kia Motors - is to make 3 lakh vehicles per annum and it has lined up an investment of over USD 1.1 billion. Surely, they have seen major potential in India - and the new

Plant in Anantpur (Andhra Pradesh) is ready to roll-out its offerings and a high decibel advertising campaign has been unfurled.

While the government has welcomed investments in the sector, it has kept both eyes firmly on its global commitments to reduce emissions. Therefore, the National Electric Mobility Mission Plan (NEMMP) is a major initiative that is attracting commitments from all firms, especially since the Government's own procurement is focused on such vehicles, including e-buses. There is a mountain to climb in this aspect: passenger vehicle electrification in India has been termed to be a pygmy-size in comparison to the US, Europe and the growing market in China. Will Tesla come to India in 2019? While Tesla is the most attractive name in the E-car business, I think this question is not the right one to focus on. There are many new players waiting to enter the country, especially Chinese ones, as the market attractiveness is a magnet for those making future bets. Of course, hybrids too are in the fray, but it seems to be clear that this is seen more as transition technology towards an electrified world of mobility.

What of shared mobility and autonomous vehicles? Yes, there is more excitement in the offing. No one is clear how the landscape will change and therefore, it is not surprising that Hyundai (and group company Kia) have invested USD 300 million in Ola. Other firms too are making similar moves. Clearly, vantage positions are being taken with an eye to the future on smart mobility, building infrastructure and getting a slice of all emerging technologies.

Can autonomous vehicles work in India's chaotic traffic environment? Never say never! We in India will find our own unique model - don't rule that out! Keep in mind that India is also initiating changes in the overall transport industry environment (car registration changes, new kind of driving licences, limitations on life of vehicles, etc.). So, the landscape is changing rapidly.

Yes, India is the place to be for any manufacturer of vehicles. If not frugal engineering, it is the availability of managerial and technical talent and the potential of a large market that calls you to 'make in India'. In a nutshell, the Auto sector will be a place of action well into the next decade. Stay tuned.

[back to top ^](#)

Podium

Nandu Rangnekar Managing Director - Magna Steyr India



Nandu works as Managing Director of Magna Steyr India, a division of Magna Automotive India. Magna International, headquartered in Toronto Canada, is the 3rd largest automotive supplier in the world.

Nandu has a degree in Mechanical Engineering and MBA from Pune University. He joined Tata Motors in 1992 as trainee engineer in the R&D department. He was part of the Tata Motors team which developed the first indigenously developed car in India, Tata Indica. Nandu joined Magna in 2001 in USA. He worked for Magna in Michigan, USA for 6 years and then 2 years in Germany before joining the management team of Magna in India from December 2008. He became the MD of Magna Steyr India in Jan 2016.

Nandu lives in Pune with his wife and has a keen interest in music and travel.

ET: Can you please describe the Indian automotive sector and where it features globally?

NR: The automotive sector currently contributes to 7% of India's GDP and is projected to rise to 12% in the next 5 years. Last year also marked India surpassing Germany as the fourth largest automobile market for passenger vehicles on a global scale to stand right behind China, the US, and Japan. In 2021, we are projected to cross Japan to become the 3rd largest in the world.

The automotive industry in India produced more than 29 million vehicles including passenger vehicles, commercial vehicles, three wheelers, two wheelers and quadricycles in April - March 2018 registering a growth of 14.78% over the same period last year. The Indian automotive industry is still dominated by two wheelers which contributes for almost 80% of the total vehicles produced in India. Cars and UV sales which contributes 14% of the total volume rose by 9.5% in 2018 to cross the 4 million mark for the first time in history.

ET: What are the challenges faced by automotive players in the Indian landscape (technical know-how, skills, etc.)?

NR: If we focus primarily on the passenger cars and SUV segment, there are some significant challenges ahead. There are some immediate technological challenges stemming from new government regulations getting implemented in next 2 years such as emission upgradation from BS-IV to BS-VI and safety regulations. Although Indian original equipment manufacturers (OEMs) and top engineering service providers (ESPs) are capable of meeting these challenges, India being a very cost sensitive market, the impact on the vehicle price after implementing these technologies could have a negative impact on OEMs.

Then there are major technological challenges in the next 5 to 10 years such as electrification, advance driver Assist Systems (ADAS) and connectivity. India currently lacks the technical skills and experience in this area but ESPs like us who are working extensively with our parent companies in Europe to support European, Chinese and Japanese OEMs in this area, are getting ready to implement these technologies for Indian OEMs in the near future.

The third major challenge for automotive players in India is physical infrastructure and the shift from personal mobility to shared mobility. Both these challenges are affecting the growth of the automotive sector as people in cities are moving away from owning personal vehicles to using shared vehicles and metro-rails.

ET: As a leader in the automotive design industry, what is your comment on the availability of talent for your sector? And, how would you compare Indian talent vis-a-vis global talent?

NR: In India, we never lack in talent, but we lack in experience. Many global OEMs have set up large R&D centres in India. Some of them are using these R&D offices to work on global projects which provide Indian engineers the

possibility of gaining experience on the latest technologies in the world. Indian OEMs are using ESPs like us to do turnkey projects where this know-how is shared to upgrade their skills. The biggest challenge for the industry is to get the right talent at the right cost.

ET: What does the future of the Indian automotive sector look like, given the regulatory landscape and the thrust towards electrical vehicles?

NR: As per Automotive Mission Plan 2026, the government seeks to achieve two objectives - facilitate long-term growth in the industry and reduce emissions and oil dependence. The government and industry have set a target to triple automotive revenues to USD 300 billion and expand exports sevenfold to USD 80 billion. To meet these, it is estimated that the sector could contribute more than 60 million additional direct and indirect jobs.

The Indian government also recently launched Faster Adoption and Manufacturing of Hybrid and Electric Vehicles (FAME-II) which incentivize electrification of the public-transport fleet of buses, 3 wheelers and taxis. The government is also pushing for the adaptation of electrification of public transport system through the Smart City initiative which will also help in setting up the infrastructure for EV charging. The Indian automotive sector is gearing up to take this challenge.

ET: Can you please share some of the strides made by your company, Magna Steyr in the automotive landscape?

NR: Magna Steyr is in a unique position to be the front runner to meet the challenges of the changing Indian automotive landscape. We are the pioneers in electrification of passenger vehicles, with the first project completed in the early 80s. We have the know-how and experience of successful execution of many such projects in Europe, USA, China and Japan. We also have the added advantage of manufacturing electric vehicles in our Graz, Austria plant. Magna Steyr is the only company in the world with the experience of complete vehicle engineering and manufacturing under one roof. We also take pride in our development system which allows new entrants in the automotive sector to be successful in the first attempt.

In India, we have successfully executed many projects from passenger cars, SUVs, commercial vehicles, 3 wheelers, farm equipment and speciality vehicles. We have helped Indian OEMs to upgrade their vehicles to

meet global requirements and helped global OEMs to bring their vehicles in India to meet Indian requirements.

[back to top ^](#)

We Recommend

Crash

R. Gopalakrishnan



The word Crash brings to mind any event that is unfortunate or negative in nature. R. Gopalakrishnan in his book, has attempted to throw light on some of the challenges that top managers face to not only maintain their positions but to also ensure the success of the company.

Divided into two parts, the first few sections generally highlight the indicators of success and some key derailers. Despite the distinctive processes of interviews, reference checks and psychometric testing to fill in the CEO's post, 'cracks' start to appear. R. Gopalakrishnan throws light on the 'soft' challenges that leaders are confronted with. He reflects that the hard truth for business leaders is that performance cannot be judged only through one part which is tangible and measurable. There is another part - a soft part which includes culture fit and leadership style.

The author is of the opinion that to be successful, a CEO requires both cognitive

intelligence as well as an intuitive emotional intelligence. This essentially means that he or she must have a responsive sense of empathy for the views of various stakeholders. Moreover, the power of the leader causes 'brain damage', which cannot be avoided. Any rising leader is prone to the dangers of hubris, ego and loss of emotional intelligence. These dangers are called derailers. To be more specific, a derailer is a factor - a lack of emotional capability - in the leader's behaviour that can derail their leadership journey.

The book examines and lists some common derailers after studying fifteen cases (which forms the second part of the book). For example, being disconnected as a derailer has been examined with Carly Fiorina's conviction of the HP-Compaq merger; it became so important that she became less open to the views of her employees, analysts and even the founders. Similarly, Paul Singer of Elliot Management was convinced he knew it all. Unpredictability as a derailer has been examined in the case of Citibank's Chairman Michael O'Neill who missed his chance of becoming the CEO. The author has explained other derailers that can stress top level executives.

R. Gopalakrishnan is a corporate adviser at The Mindworks. He has authored several books including, The Case of the Bonsai Manager and When the Penny Drops. He currently serves as an independent Director of listed companies and is actively engaged in both instructional and inspirational speaking. However grim the situation at the top is, the author offers some practical mitigating strategies to avoid derailers and 'brain damage'. The book is simple and easy to understand and is a recommended read for veteran leaders and for those aspiring to venture in to the world of entrepreneurship.

[back to top ^](#)

VOICES

I 'am' Powerment because I am love Krupali Bidaye



'Empowerment' is acknowledging that 'I can do it', and it has to come from within. 'Empowerment' is an intrinsic emotion and cannot be given to somebody. Empowerment comes from a space within our hearts which we may have nurtured over a period of time, a space full of unconditional love and support, a space to express our true self and true nature, and a space from where innovation, creativity, acceptance, and compassion can emerge. Empowerment cannot be looked at as a negative emotion, or a reaction to oppression. Because reactions can be short-lived and will fizzle out in the absence of a trigger. Empowerment therefore, cannot sustain, if it is in reaction to a trigger, and hence this space should emerge out of a collective effort of self and of loved ones. Unconditional love is a space of 'enlightenment' and it is a space of immense power, faith, and support.

In the past issues, we have discussed gender diversity, livelihoods, motherhood, sanitation, mental health and importance of family, through the lens of a transgender person. In this issue, we shall explore, how an initiative based on the idea of 'Love' made a difference to the lives of transgender individuals and culminated into the idea of a 'Trans and Hijra Empowerment Mela'.

Love is a force, a way of life, and an emotion highly under-rated. At the end of the day, we all want love, need

love, and need to love. But when it comes to giving it, we harness doubts, we question its healing power and we bring our 'practical outlook' or bring in relevance of numbers, facts, figures, and how much or how little love is needed and how many people it can heal. What we miss in this discussion is that change need not always be tangible and cannot be always measured or quantified. With this thought that love can break barriers, can heal and can be the solution to all the conflict, Anam Prem, a Mumbai - based volunteers group set out to step into an unknown zone, an initiative of Love and Dignity for Hijra persons (transgender women). A humble beginning in 2005 that started with reaching out to as few as nine transgender persons from an NGO Dai Welfare Society in the Govandi slums in Mumbai, has now reached out to many transgender persons in Mumbai and across India in almost 15 states. This initiative by Anam Prem has become a space of love, respect, dignity, belongingness for the community, and they look forward to be a part of its annual get together.

What did they do differently? What worked for a volunteers group with no full-time staff support, no funding to build faith in a community that is sensitive and very closed? It was unconditional acceptance and love that had reached the community, and the 'family meets' initiative, where transgender persons and some families of non-transgender persons spent time together to understand each other, had become a space for mutual healing, love and respect. It was in this journey of the initiative that after spending more than ten years of developing trust and strong relationships, an idea for Trans and Hijra Empowerment Mela culminated which strongly echoed the aspirations of some of the young transgender persons.

The Trans and Hijra Empowerment Mela which took shape in 2016, and was curated in Mumbai, aspired to give a platform to young transgender persons to try out their hand at various entrepreneurship options. The Mela brought together aspiring trans entrepreneurs from across India and connected them to mainstream markets. Mentoring and support was provided to encourage and motivate these community networks to try their hand at different livelihood options and explore the opportunities that came their way.

It was a perspective change to see the food stalls anchored by the



hijra community get 'sold off' in a record time of four hours. With a footfall of over 1,200 people, visiting 30 different stalls presenting saleable handicrafts, food, snacks, beverages and providing services such as beauty make-overs, hospitality and personal care, the Mela turned out to be a successful experiment. It presented the community that was engaged in the traditional occupations of begging, sex-work, and dancing, into an entrepreneur mode with a professional outlook. In a way, it communicated aspirations, inclusion, acceptance, talents, capabilities, potential, desires, determination, all of which signified empowerment and the base of which was Anam Prem's movement of love. It could have been possible only because of the trust that the community had built in with the volunteers of Anam Prem, and the efforts of healing with love that had taken roots over the years. The Mela is now a yearly feature and is being curated this year in Mumbai too.

The Trans and Hijra Empowerment Mela has presented diversity of gender, caste, class, religion, region, beliefs and brought together people from all walks of life. It has opened up a space of confidence and 'belief in self', of the budding trans entrepreneurs who attempted to walk towards their dream destinations. Mind you, it isn't easy to come up and away from the forces of societal perceptions, beliefs, taboos, exclusion, and attempt to reassert one's identities, despite the hatred, anguish, anger that one may have faced. The Trans and Hijra Empowerment Mela personifies 'Empowerment' in the true sense because this empowerment comes from love, and the positive emotions of their hearts, who want to be loved and give love. The journey of this Mela has been that of challenges, fears and worries of being excluded/rejected by 'mainstream' visitors, and it takes tremendous courage for a community that has remained on the margins for ages, to come out of its shackles and march forward. And, in all this it echoes 'EMPOWERMENT - I 'am' Powerment because I am love.

As a part of Anam Prem's yearly inclusion initiative of Love and Dignity for transgender persons, a two-day event - The Third 'I' - Anandi Anand Gade - Joy for All is being hosted in Mumbai on 19th-20th April 2019. The Trans and Hijra Empowerment Mela 2019, which has been the first of its kind platform in India encouraging empowerment through trans entrepreneurship will be taking place on 20th April 2019 at Sanskruti Bhavan, Naravne Vidyalaya, Kandivali - West, Mumbai. Time: 3 pm onwards. Support the Mela through supporting Trans Entrepreneurship is welcome. For details please write to us on thethirdi.anamprem@gmail.com

[back to top ^](#)

THROUGH THE LENS



Bird watcher, **Rupesh Balsara** spots the Wall Creeper, a small bird found at high mountains of southern Eurasia. One can also spot these tame birds across the Himalayas, Nepal, Bhutan, parts of Tibet and Bangladesh. While in flight, it looks like a giant butterfly, but creeps on rock walls like a mouse.

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