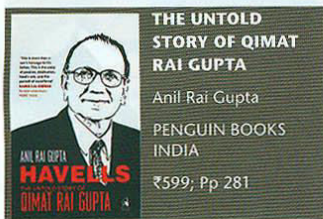


Arriving at the global scene

A son discovers his father's entrepreneurial journey from a trader to a manufacturer



Anil Rai Gupta, CMD, Havells India, is the eldest son of Qimat Rai Gupta, who founded the Havells group. QRG (as he was fondly called) started his career as an electrical trader and went on to build the global electrical goods giant, Havells. He lived his life by a simple principle – if your mind can conceive it, and your heart can believe in it, then you can achieve it too. He started his journey with ₹10,000 and left behind him a ₹17,000-crore empire. His story makes for an inspiring read for many first generation entrepreneurs, who dare to dream big, when they enter the world of manufacturing. Told rivetingly by his son, this book is an account of how QRG braved poverty, ill health, competition, corruption and bureaucracy to turn his dreams into reality.

Gupta Senior's mantra of 'growth through quality, innovation and market consolidation' steered Havells to launch products, cultivate strong market reach and build everlasting relationships with unwavering commitment to customers. His focus on research and development enabled Havells to develop products that offered great value. His belief in team work, seamless communication and quite transparent ethical values made Havells one of the largest electrical manufacturing players, with more than 14 plants located across India. QRG was not only an astute businessman but also a philanthropist who firmly believed in energy conservation, safeguarding the environment, and the upliftment of the economically

weaker sections of society.

During his last years, Havells acquired German giant Sylvania, which was twice its size. When Sylvania's losses pushed Havells to the brink, QRG fearlessly decided to keep the company. It was under his mentorship that Anil, present chairman of Havells, turned Sylvania around.

Courage and foresight Indian companies snapping at the heels of multinationals and even beating them have become increasingly common today. But the founder of Havells India had edged out global electrical giant Siemens way back in the early 1970s single-handedly, to bag a prestigious order from the Modinagar-based Modipon. Anil writes about how QRG used to drive on his bike to Modinagar in the morning, where he would check the Modi group's requirement for cables etc, on the notice board, and place his bids. A modest order of ₹1 lakh was a big one for QRG because it gave him confidence to bag more such deals from the large corporates in the country.

The author writes about how, despite his serious health issues, QRG showed an indomitable spirit and an unwavering commitment to the job at hand, to take Havells to great heights. QRG had a heart attack, and also suffered from rheumatoid arthritis, dry eye syndrome, interstitial lung disease, and severe osteoporosis. He had also fallen victim to double pneumonia and septicemia. Yet, none of these health complications could dent his will power to lead from the front.

In 1999, QRG had developed an interstitial lung disease, which reduced the capacity of his lungs. "They (the doctors) told him (QRG) not to hold large meetings and to meet fewer people. But they could not stop him. Not only did he live for another 15 years, but he also raised the company's turnover from ₹200 crore to ₹8,000 crore during that period," says Anil.

In another instance, when QRG was diagnosed with double pneumonia, which later led to septicemia, in 2001, the symptoms were so bad that the doctors gave QRG only less than 50 per cent chances of survival. It was also the time when Havells was contemplating entry into the highly competitive fan segment.

"One day at the ICU, though he could barely speak, he told me, 'Let's not do fans now'. Even in that state, his mind was ticking on. The author asked QRG to wait till he got home from the hospital, but the Havells founder had used the time in the hospital to think it over and had made up his mind. "These people (the team devising the fans strategy) are nowhere close to the vision I have. We will revisit it sometime later," he told the author. It was only a year later that Havells entered the fans segment and, today, it holds 15 per cent share in the highly fragmented market.

Talking about the M&A activity of the group and the lessons learnt, Anil gives a good account of the acquisition of the small, domestic, Standard Electricals to the international Sylvania and also how bankers like Gunit Chaddha had helped the company finance some deals.

"Sylvania was one-and-a-half times larger than us in terms of revenues. We had little experience in global markets, except for our exports and the aborted acquisition of Electrium. 'Did we have the expertise, skill and management bandwidth to deal with Sylvania managerially, operationally and technologically, they asked. Were we about to bite more than we could chew? Clearly, Sylvania would be a much larger acquisition than Electrium in terms of its price tag. It was twice as expensive, or even more. We had the ability to raise the money required for the purchase but did we have the fortitude to manage such a huge expenditure? Finally, we clinched the deal and a decade later we have arrived on the global scene," concludes Anil.

• LANCELOT JOSEPH
lancelot.joseph@businessindiaingroup.com