

DIGITALISE OR PERISH

CEOs of leading industrial products companies concur that rapid adoption of new technologies is the only route to revival following the setbacks caused by the Covid-19 pandemic. Pursuing sustainability during the transformation will further help growth

Debashish Mukerji

The industrial products sector was badly hit by the Covid-19 pandemic. What are they focusing on as they strive to recover? What were the main challenges they faced, and which of them remain? How can sustainability also be pursued alongside the recovery?

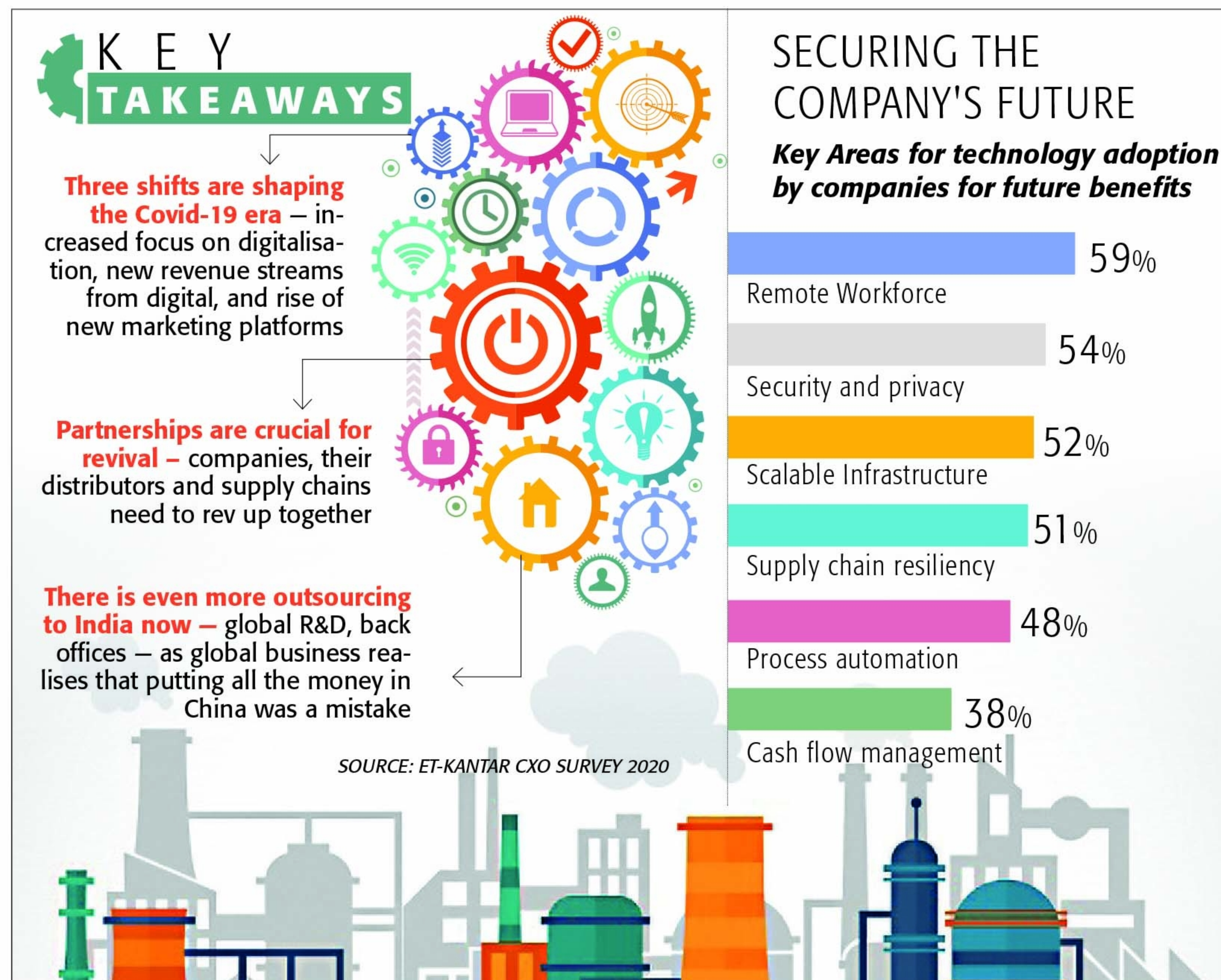
These were among the questions debated at the ET-IBM Reshape Tomorrow roundtable of industrial sector CEOs titled 'Racing from survival to revival: Industrial Products in 2021 & beyond'. The discussion was moderated by ET's senior editor Alokesh Bhattacharyya and senior assistant editor Suchetana Ray.

All the participants agreed that the pandemic had given a big fillip to technology adoption. "The digitalisation of everything is happening, and whoever does not move in that direction will perish in the next four to five years," said Arvind Goel, MD and CEO, Tata AutoComp Systems. Agreed Sandip Patel, MD, IBM India and South Asia: "Companies accelerated their digital transformation over three months of the lockdown more than they would have done in the next few years. This in turn has made data a new

national resource."

Some even claimed that the pandemic had enabled their companies to improve. "In many of our factories, we are operating at 20 per cent higher productivity than in pre-Covid-19 times, because of our investments towards Industry 4.0," said B. Santhanam, Chairman and MD, Saint-Gobain India. "Our investments have not been in trendy technologies, but in empowering and training entry level employees to take better decisions." Sectors that lagged in digitalisation are rapidly catching up. "Real estate has been a laggard in digitalisation," said Arvind Subramanian, MD & CEO, Mahindra Lifespace Developers. "Customers rarely buy without visiting the housing site. But we have now taken steps to make our customer engagement process more virtual."

Yet all agreed that some of the challenges thrown up by the pandemic remain. "The main challenge was the sudden stoppage of all our mines and plants," said Arun Misra, CEO & Whole Time Director, Hindustan Zinc Limited. "If you stop something suddenly and restart, there is always a problem." Safety of the workforce was also



a prime concern once business resumed. "We had 30,000 migrant labourers on our projects, of which 15,000 fled when the lockdown was announced," said Vimal Kejriwal, MD and CEO, KEC International. "That was bad

enough, but how to keep the remaining 15,000 safe was our biggest issue." Even industries such as packaging, which functioned through the lockdown as it is linked to essential services, faced major

supply chain problems. "We say globalisation is an equaliser, you can buy anything anywhere and supply it anywhere," said Anantshree Chaturvedi, Vice-Chairman and CEO, FlexFilms International. "But the pandemic taught us

that local supply matters, and if you don't have local manufacturers, that segment suffers."

Can sustainability be pursued even as industries are recovering from the pandemic? All speakers agreed that going green could improve the bottom line in the long term. "Saving water and power are more important now when we are trying to conserve cash and reduce costs," said Misra of Hindustan Zinc. Added Subramanian of Mahindra Lifespace: "In one of our housing projects, an apartment's maintenance cost was cut by half due to sustainability measures. The response was tremendous."

In the power industry, pursuit of sustainability was already irreversible, with nearly a quarter of the total supply coming from renewable sources. "The power sector is going through a complete upheaval, as we move from coal to renewable," said Harsh Shah, CEO, IndiGrid. "In the process lines are changing, customers are changing, patterns are changing. We see the movement towards renewable energy continuing and the regulatory environment moving in tandem with the technology."

Send feedback to etgreycell@timesgroup.com



The pandemic was more of a Pause button, not Stop. When you pause, you are recharging. It was a bit of The Art of War – a time to get strong, prepare your ammunition, assess the competition



ASHOK RAMACHANDRAN
CEO and President
Schindler India

One challenge for us was to build safety protocols almost overnight for our employees to ensure smooth functioning. Packaging is an essential business, so even during the lockdown, our facilities kept running



ANANTSHREE CHATURVEDI
Vice-Chairman and CEO, FlexFilms International

The lockdown... we should forget those three months. Let us assume we were hibernating. There is no point in looking at annual growth rate for this year. But after the lockdown was eased, demand started growing



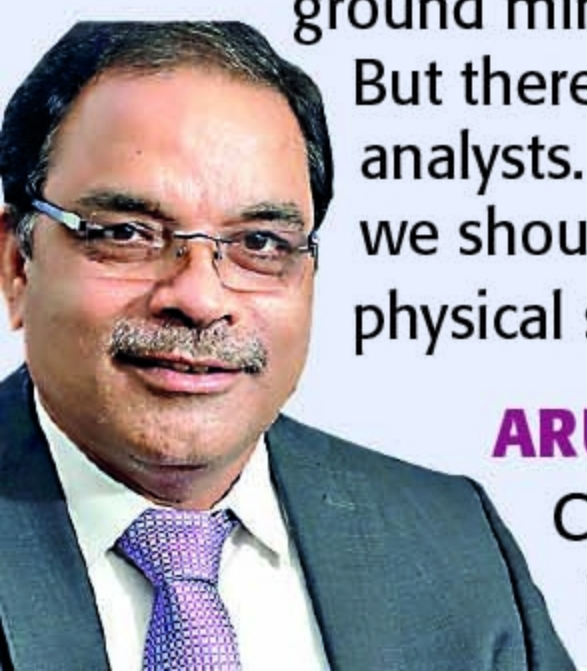
HARSH SHAH
CEO
IndiGrid

There should be optimism with caution in the coming days. I expect a shift in thinking from extreme digitalisation towards resilience, a greater focus on cyber security, and an effort to remain relevant in new ecosystems



SANDIP PATEL
MD, IBM India and South Asia

We had embarked on a huge digitalisation strategy before Covid-19 struck. Our underground mines are fully connected. But there is a lack of skilled data analysts. Also, with so much data, we should be able to reduce the physical size of machines



ARUN MISRA
CEO & Whole Time Director
Hindustan Zinc Limited

We didn't do too badly in earlier quarters because of our strategy of de-risking and diversification of our infrastructure projects, both segment-wise and geography-wise across the world. We realized we have to be very selective about customers



VIMAL KEJRIWAL
MD & CEO
KEC International

Covid taught us how to preserve our ecosystem... we used our cash reserves to support our vendors and customer base, many of whom were MSMEs. In terms of digitalisation, we accomplished in six months what we thought to achieve in the next three years



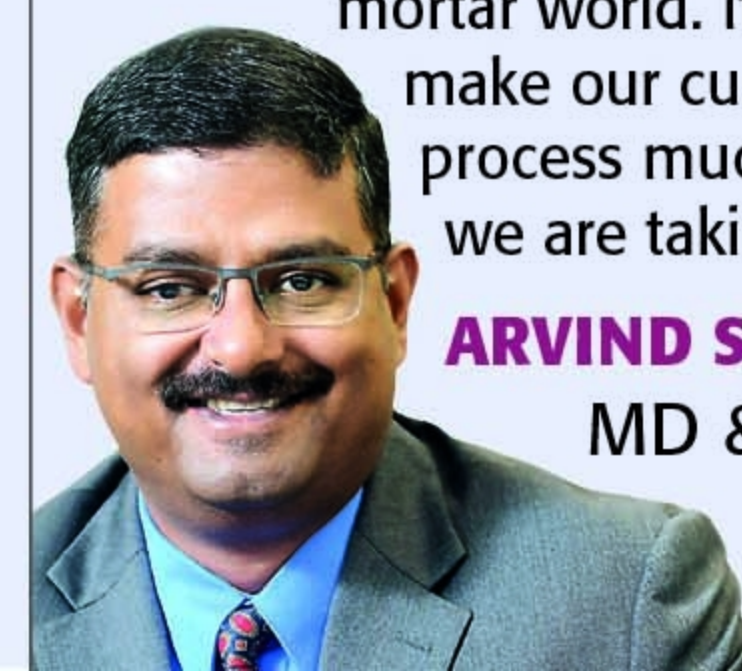
B. SANTHANAM
Chairman and MD
Saint-Gobain India

The auto industry was very badly hit, but there has been a revival. Cars and tractors are doing well, though not commercial vehicles or two and three wheelers. Tractors are doing better as the rural market is flourishing, with two good monsoons



ARVIND GOEL
MD and CEO, Tata
AutoComp Systems Ltd

Real estate has been a laggard in digitalisation. It is literally stuck in the brick and mortar world. It is necessary to make our customer engagement process much more virtual, and we are taking necessary steps



ARVIND SUBRAMANIAN
MD & CEO, Mahindra
Lifespace
Developers