

■ **Railways are going through a radical change, and success is not assessed by looking at the numbers alone**



Indrajit Mookerjee is the executive director and vice chairman of Texmaco Rail & Engineering and an executive of the Adventz Group. He is trained as an engineer, has worked in the industry for over 40 years, and is a frequent speaker on the Indian economy as well as the global rail industry.

India runs on rail, and one out of every four freight cars running on Indian railroads has rolled out of Texmaco Works. Part of the Adventz group of companies (with a market cap of US\$3 billion), the historic Texmaco Rail & Engineering, is vital to Indian infrastructure, with five manufacturing units over 170 acres in the outskirts of Kolkata. It operates through three segments: heavy engineering, steel foundry, and rail EPC.

We are talking to different business leaders about how they define success, so let me ask you, what is your definition?

Business success is not just numbers; it is a combination of both qualitative and quantitative factors or parameters. A business must exceed expectations to justify investments, where questions about logic and cost are raised. On the one hand, the numbers define whether success has been achieved. But there are other questions: are we achieving success by hardcore cost reduction at the expense of the environment or by exploiting people? When combined, profit and positive impact are two different aspects that indicate whether we have achieved success in a competitive market.

In a competitive area, we must have unique products to offer. Uniqueness can vary based on how we address our customers' requirements and cost competitiveness – keeping in mind that we reduce costs without its leading to an adverse effect on the environment or the human resources at hand.

In short, success is not about numbers alone but a harmonious combination of numbers and the feeling that, as an individual or a company, we have done something good for the corporation, our colleagues, and society.

Considering your vast and successful career span ranging from industrial gases to mobilities and more, would you view success in different sectors with a different perspective?

Success depends on the satisfaction of your customers. If your customers are not satisfied, can you say you've been successful? A combination of cost competitiveness, timeliness, delivery, access to supplies, meeting expectations and quality of the product and service together create customer satisfaction. When they are all added up, the result can be counted as a success. So, the fundamental factor that transcends all sectors is, in the end, overall customer satisfaction. Repeat customers in business are essential, and this can be ensured by various methods – personalisation of the product offering, competitive costing, and offering exemplary customer service and speed of delivery. From my career, I have learnt that although customer satisfaction is at the forefront, the route to this success can depend on your industry and the type of product or service you are offering. Each industry must follow a refined and personalised approach



when catering to its clients. Go to your clients, don't expect clients to come to you.

Do you have any success stories which you would like to share?

During my days at Praxair, we decided to move into the Indian market. (Founded in 1991 in the US as a spin-off from a large corporation listed on the Dow Jones Industrial. Praxair is India's leading industrial gas supplier, with more than 35 operating locations). We had a presence in China but not in India. We agreed that we should not just try to be the largest company in India but also the best-performing company in India.

Our competitors at the time were manufacturing gases in different locations and reaching the customers via retail marketing; we strategised by supplying a bulk volume of gases in the pipeline through long-term contracts by installing plants inside the premises of the main consumers. These plants were designed to have an extra built-in capacity for catering to small and medium-sized consumers in the open market.

The cost of manufactured gases for the retail market is highly competitive due to the economic scale of production. However, the bulk-buying customer had already covered most of the fixed costs, making the retail supply very competitive. Along the way, we made a series of timely and strategic

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acquisitions, allowing our overall strategy to come to fruition in two to four years.

Are mergers and acquisitions as a strategy an essential contributor to success?

It depends on the company, the industry, and the market at the time. When I was working at Praxair, we began making strategic acquisitions of small companies that enhanced our reach from the largest to the smallest clients. A combination of these strategies and acquisitions, over about five years, helped us achieve the position as the number one player in the region; this was a highly satisfying experience and an excellent education on gaining market share.

Two factors need to be considered before heading into an acquisition or strategic partnership: geographic location and cost synergy. One prominent feature that also needs to be noted is an organisation's culture (both acquirer and the acquired). This integration needs to be handled delicately

and planned precisely to ensure a smooth transition and combined success.

You have had a very successful career in one of the most significant growth industries in India. Looking back on your career, is there anything you know now that you wish you had known then?

We must always be cautious of who we conduct business with, particularly with old clients with whom we've become close or others who have financial issues. In many ways, the wisdom we all gain over time guides us along. At first, when we start a business, every opportunity seems shiny, without vast experience and extensive research, we could and would burn our hands often. However, as everyone in business knows, this is how we learn. Still, as time progresses, our organisations grow, and we learn to take highly calculated risks and mitigate the damages that would otherwise be fatal.

The railway industry is going through radical changes in India with the electrification of railways, expansion of



new lines, the building of new stations, and the overall development of a high-speed train network. What is your business doing to remain the market leader and ahead of the competition?

The railway sector has suddenly opened up and offers many opportunities in the domain. Investments are expected in many areas: laying new and modernising tracks for speeding up trains, buying high-speed, modern trains, wagons, locomotives, electrification, signalling, developing railway stations, and last (but not least), making a quantum jump in terms of railway safety.

Texmaco is a historic company with a proven track record and skilled workforce, and so these are numbers which Texmaco has done before. It is nothing new, but I must admit that there were hardly any orders from railways and this segment was very dull. In this situation, inefficiencies did start creeping in.

We needed to improve our efficiency and quality to get it right the first time and improve our productivity as well. We also have started working round the clock, which we were not doing. These are the very first copy book style operations which we need to do and which we are doing right now to meet up with the challenge.

Now, we have to see how things move, and we also have plans to expand capacity or divest certain portfolios. But it is too early to say that.

What areas of business and industry are destined for future success in India?

India can be perceived as an island when compared to other Asian countries. India is a difficult region because it is so vast it is difficult to access the most remote parts. It is also hilly and mountainous, which makes railway construction challenging in some areas. There are large areas of old, obsolete, and quite dangerous tracks that need to be removed and then replaced, which is time-sensitive and challenging.

India is a large and complex market with a population of 1.4 billion. This large population is a positive aspect in that it also means there is a large workforce and a large customer base at the same time. To run a successful business in India, business leaders must understand and consider

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the country's overriding emotions and the socioeconomic factors affecting the people.

One area of utmost importance is infrastructure. The success of one industry can be positively impacted by the success of another industry. Quality infrastructure paves the way for the success of various industries like coal, chemical, steel, refineries, and so on. Businesses like passenger mobility and goods mobility heavily rely on the quality of infrastructure we put out. Developing a quality infrastructure will directly impact other industries and allow them for substantial growth. Consumer goods and durables are destined to grow with infrastructure enhancement.

Is there any other businessperson with a notable success story you would mention?

During the nascent stages of Praxair, I had the privilege of meeting many captains of the industry. They shared experiences, introduced our company into the marketplace, and championed the quality of our products. Several business leaders in India, through their start-ups, have made great strides, learnt, and shared lessons and have paved the way for many business leaders to follow in their footsteps.

To sum up, what does success mean to you?

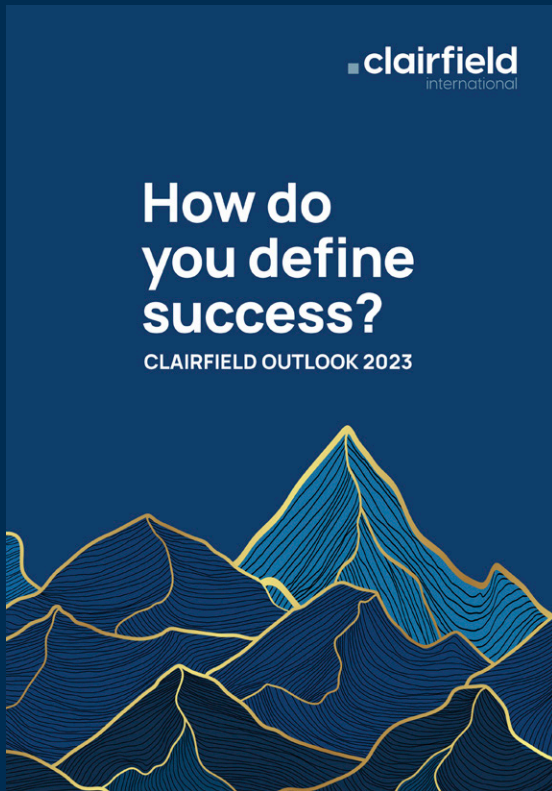
I would like to describe success using an analogy from Indian culture. The idols and icons we celebrate during Durga Puja or Ganapati Puja are often regarded in awe and treated with respect and ceremony. But if you want to analyse it further by breaking it down into elements, you will get straw, earth, bamboo, and some paint. Success is like that – a combination of factors. A beautiful and satisfying icon is created when all the components are put together. ■



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10 definitions of success

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