

Review Meeting

‘**W**e’re optimistic that we will meet the sales target in the next quarter. My team has already identified large pockets to absorb the volumes needed to fulfill the numbers,’ Sunil Sehlar said, winding up his presentation. He looked around the boardroom at his audience, heads of departments of High Gear, and smiled nervously, relieved they’d allowed him to take a full fifteen minutes without interruptions. As the head of After Market sales department, he’d made numerous presentations, but only a few of them went as smoothly as this one.

‘What about the cumulative shortfall?’ Bobby Verghese, the chief finance officer spoke just as Sunil shut his laptop and picked it up. ‘How will you make up for that? After Market sales is miles behind the OEM sales figures. At the same time, the receivables in your market segment are at an all-time high. After Market is the reason for the ballooning working capital requirements of the company.’

Sunil stood still for a moment, placed his laptop back on the table in a slow and deliberate movement, taking his time to think. The question had caught him off-guard. Had Verghese timed it to put him on the spot, he wondered.

‘It’s After Market sales we are talking about here. Not OEM sales,’ Sunil said, his tone icy. ‘After Market sales are retail, unlike OEM sales which are nothing but the sale of huge volumes to four or five large vehicle manufacturers.’

‘I have to sell to 200 difficult customers: distributors, who are spread across the length and breadth of the country. These distributors then have to supply to thousands of retailers. It doesn’t end there. The retailers have to push our products to millions of mechanics. Distributors, retailers, mechanics—this number could be as large as the population of a small country,’ Sunil’s delivery was almost menacing. ‘Let’s not forget the distinction between After Market sales and OEM sales, Mr Verghese.’

‘We don’t need lessons on the distinction between selling to a vehicle manufacturer and selling to a distributor,’ the CEO, owner and the founder of High Gear, Godbole’s voice boomed from the other end of the long faux-wood table. Apart from his lips, which formed the words, no muscle moved on his expansive, fair-complexioned face. Godbole was a man known for his calm demeanour, except on the golf course, where it was common to see him shout an expletive or two if the game did not go according to his plans. In official meetings, he substituted anger with sarcasm.

‘The contrast between sales of the two segments is too striking to be overlooked. OEM sales figures or sales to vehicle manufacturers, as you educated us,’ his words were laced with sarcasm, ‘have overshoot the budget, but After Market or retail, if you prefer to call it that, Sunil, is trailing behind by miles. What’s happening in your department?’

Sunil rummaged through his mind for a civil pitch that fit presentations at such review meetings and spoke with forced calm. 'With all due respect to my colleagues in the original equipment manufacturer sales segment—'

He chose the expanded version of the common abbreviation for effect, enunciating the three words as if unsticking them from his tongue with great force.

'—whose presentation on the outstanding performance I appreciated, I beseech you not to critique After Market performance using the same magnifying glass. I must admit it was a tough act to follow. However, the OEM sales figures are tied to the sales of the manufacturers. The more vehicles they make, the more widgets and rotors they buy from High Gear. Boom! OEM sales figures shoot up. But we, at After Market, don't have it as easy. Our lot has to fight for every inch, every centimeter, in the intensely competitive market,' Sunil argued, his bushy eyebrows knitted together, and he lost the civil tone of the pitch somewhere along the way.

'Actually, there are no sales to be done to the OEMs.' Sunil continued arrogantly. Turning to his counterpart in the OEM sales department, he stated, 'They—the OEMs—make vehicles, and you supply the components for those vehicles. Your sales are automatic!'

'It is far more complex than that!' responded the head of OEM sales. The petite, round-faced man looked at the CEO as if urging him to discipline Sunil. 'Since we are talking about it, let me be honest. Things are not *that* rosy. We've managed to keep the numbers high by bringing in more customers and introducing new products. At the same time, the share of business from some of our old OEM customers has been falling. You need a more nuanced approach to understand these things, Sunil.'

'Okay! Let's refrain from making personal remarks,' Godbole directed them, much in the manner of a judge rapping a counselor.

'I see why you were suggesting team-building activities,' he said, turning to the Head of Human Resources, Anupam Banerjee, sounding exasperated. 'I don't doubt that we need it. But we can't afford to take time out for at least a few months.'

Banerjee gesticulated with his hands to indicate that he was ready to plan these activities whenever the CEO commanded.

'Back to you, Sunil,' Godbole ordered sharply.

Sunil took his time, turned his stocky frame toward the white board behind him. Then, facing the room again, concluded on a promising note, 'Next month, we will exceed the budget by at least 10 per cent and maintain those levels throughout the remainder of the quarter.'

Having said this, Sunil ambled back to his chair, his short, stocky frame gliding behind the row of high-backed chairs that seated the department heads. The silence lasted only a few seconds.

‘That was overly optimistic. But how do you plan to exceed the budget when you have repeatedly failed to meet targets in the last three quarters?’ Godbole spoke as he leaned forward. ‘Even if you manage to achieve that, we will not be able to make up for the cumulative shortfall in the next three months. Come on, Sunil, be realistic.’

‘The annual business plan was very aggressive to start with...’ Sunil trailed off, deliberately leaving out the ‘Sir’.

‘But those numbers were far from aggressive,’ Verghese interrupted. ‘To meet the bottom-line numbers, we were planning on a very conservative increase in the top line. In fact, if we can’t achieve a decent top line, we can’t possibly grow our bottom line. As it is, our profits are barely anything.’ Verghese glanced at Godbole and then fixed his glare on Sunil.

‘We’ve grown four per cent in the last year—despite tough market conditions. We have met 85 per cent of the budget...’

Sunil said, flashing the silver lining.

‘The 15 per cent shortfall is enough to upset our plans,’ Verghese declared. ‘The margin in After Market is about 50 per cent more than in OEM or exports. We all know that. I don’t have to reiterate this. For us to meet our profit figures, the After Market sales team has to meet the budget!’

‘Yes, if that doesn’t happen, we will have to cut a sorry figure before our shareholders...’ Godbole paused for an instant as the thought settled in, ‘A second year in a row! This is unacceptable, Sunil!’

‘The plant has not helped After Market sales in the least,’ Sunil deflected. ‘The sales team cannot be blamed for the entire shortfall. We’ve been up against terrible shortages in the new model of rotors through the last three quarters. I can meet all your expectations if production gets its act together.’

‘That’s not the whole picture,’ Majumdar, the Head of Operations spoke up. ‘We have had a few issues in the recent months. I’ve rectified those. For the last few months, I’ve been supplying the rotors exactly as per your forecast. Those sold faster than you expected! I am not to blame for the shortages. And what about the widgets we manufactured exactly as per your forecast? They’ve been lying around. You could’ve met your numbers if you’d sold those.’

The animosity between them was no secret. The bitter rivalry between the two departments, After Market and Operations, and displays of the mutual contempt between Sunil and Majumdar no longer raised eyebrows. ‘They can’t stand each other’: that was common knowledge. Five years Majumdar’s junior, Sunil enjoyed equal rank, drew a higher salary and incessantly violated the typical corporate protocols by expediting After Market orders in the plant without even keeping Majumdar informed.

‘Why are we so wrong in our forecasts? Any answers?’ Godbole spoke before Sunil could launch into another diatribe. He looked around at the men seated at the conference table.

'The forecasting module of our ERP (Enterprise Resource Planning) system has not been implemented properly. Our forecasts are not scientific,' Verghese diagnosed. 'Currently, forecasts are ad hoc, based on hunches and intuition. We need a proper system.'

'We have been going over this problem time and again,' Godbole said impatiently. 'We all know *why* our forecasting module failed.'

The truth was the sales team had vociferously disagreed with the very first output that the system had thrown up. They felt that their hunch—deriving from their years of experience on the ground—was more reliable than the module's forecast. They soon managed to sway the entire organization to come around to their point of view.

'Let's keep that debate out for now,' Godbole put an end to that line of thought.

'The market is dynamic,' Sunil said, fully aware he was lapsing into rhetoric. 'It's not what it used to be three decades ago. We are not in the pre-liberalized economy. Production mindset is still set in that era. We have to be more customer-oriented. Demand is highly fluctuating; therefore, the plant has to be more flexible. *Grahak aur maut kabhi batake nahi aate*. (Customer and death arrive unannounced)' Sunil looked around the room but avoided Majumdar's gaze.

'Sunil has a point. Why are we so rigid? Don't tell me you work exactly according to plan,' Godbole said to Majumdar. 'You indulge the OEMs, change schedules to meet their demands. Why can't you offer the same support to Sunil? Why this step-motherly treatment to After Market?'

This jarring doublespeak from the CEO infuriated Majumdar. OEMs shall be priority number one—that is one of the top commandments of the auto world! No point arguing right now, he thought, swallowing the urge to issue a sarcastic comment.

'I planned for excess raw material for rotors. But the additional batch I produced had to be channelled to the OEMs. At the last moment, the vendor couldn't supply more raw material.'

'Which vendor are you referring to?' Godbole moved to the next problem.

'Kapadia. Santosh Kapadia. He supplies the shafts for rotors.'

'Is that so? But just last week, at the vendor meet, he was complaining that the business he gets from us does not load his capacity fully!'

Majumdar sat up, taken by surprise. 'Sir, these vendors concoct stories to secure more business from us. The fact is that Kapadia doesn't deliver on time. He's highly unreliable. He tends to bite off more than he can chew.' This wasn't the first time a vendor had gone directly to the CEO. This particular vendor would surely have to answer for bypassing me, Majumdar thought.

'Do you have a supply problem with all vendors or is this an exception?'

'We do have this problem on and off...with all the vendors, not just this one.'

'Your vendors complain about too little business from us, yet Sunil isn't getting the material he needs?' Godbole put on a confused expression.

'Some vendors are unreliable!' Majumdar shot back. He wanted to add, 'And you can't generalize that all vendors are sitting on plenty of capacity after talking to just one,' but he thought better of it.

'I don't want to hear sales people complaining about material not being available. Go straighten out the mess,' Godbole ordered sharply.

Majumdar nodded slowly. The vendor was not only unreliable, but he was also an unreliable liar. Kapadia has some explaining to do, he thought.

'Vendors are not a big problem. Let's deal with the real issue, the *bigger* problem—widgets sales!' Majumdar deflected the heat back to Sunil. The two men exchanged glances. 'If we had sold that stock, we'd not be breaking our heads over meeting the budget. We'd be celebrating.'

'But the demand for widgets has fallen!' Sunil shot back loudly, clenching his teeth. He leaned forward and thumped the table hard. His palm turned red.

'That can't be true. Guardwell has grown 30 per cent in the same product line. And we are posting a mere three or four per cent growth.'

'What's happening?' Godbole demanded, on hearing the company's arch nemesis' name being brought into the board room.

There was a moment of silence. Sunil spoke slowly, 'Without price support, it's just not possible to compete in the market—'

'What? Price support? Again?' Verghese said jumping up in his seat. 'Our material costs are high, overheads are high. If we offer any further discounts on widgets, our margins will take a severe beating.'

'Why don't we become more aggressive with value engineering to make our widgets more cost effective?' Godbole addressed the Head of Engineering who, sagging in his chair, sat up, surprised at being dragged into a discussion on sales targets.

'Already done, Sir,' he said without thinking. His response arrived as if it was automated. 'We've reduced the steel content in widgets. Could try again, but the way steel prices are fluctuating, it will not really help our numbers.'

'But why are we talking about reducing cost and value engineering?' Majumdar asked. 'Last month, Guardwell increased prices by five per cent and its widget sales are still heading skyward.'

'Mr Majumdar, it seems you know a little more about the market than I do,' Sunil said. The sarcasm made Majumdar flinch. 'Our company would have been better off if we knew how to improve production to meet the dynamic demand.'

'Gentlemen, gentlemen...' Banerjee intervened before Majumdar could return Sunil's insult. 'We are not opponents. We all work in the same company. Please remember that.'

'So, maybe we need to look at what Guardwell is doing. We should know what is happening in the market,' the Head of Exports butted in.

The cloaked insinuation that he was ignorant of competition strategies hit Sunil squarely between the eyes. But he held a straight face, betraying no signs of the strong urge to retort.

'I think...they are spending more on mechanics. We should do the same,' the head of brand management took his eyes away from his cell phone to comment.

'Boss, let's make money first. We just keep talking about shelling out more and more,' Verghese said.

'Right!' Godbole said. 'We are going around in circles, talking about Guardwell as always. We're never sure of what they are doing.' He stood up, resting his palms on the table. And then, Godbole thought in frustration, '*God, how much longer can I go on about these same problems.*' But he quickly recovered from his musings, and assumed his normal professional demeanor and turned to Sunil.

'Sunil, find out what's pulling down widget sales. And while you're at it, do some research on exactly what Guardwell is doing with mechanics. If there is a special scheme, I want you to dig up more on that. Majumdar, learn to juggle the needs of both After Market and the OEMs. Don't blame the vendors for delays. You are not clued into what's happening with your vendors. Base your decision on data, not anecdotal information. I want well-researched presentations in the next review.'

With that, Godbole called an end to yet another meeting. Like all other meetings, this one too had meandered without getting anywhere. His last lines left Majumdar wondering whether Godbole himself had not concluded that vendors had spare capacity based on some 'anecdotal information'?

Capacity Mystery

‘So, do you think he has excess capacity?’ Majumdar said, eyes fixed on the road, breaking the silence 10 minutes into the ride.

‘Who, Sir?’ Tarun Shah asked, sitting uneasily in the passenger seat.

‘Santosh Kapadia, the vendor we’re going to meet today,

Tarun. Didn’t I tell you where we are going?’ Majumdar said, yawning. He had climbed out of bed earlier than usual; the morning shave had done little to wash off the deep-set fatigue. And his team member’s inability to keep pace with him was not helping his mood either.

‘I don’t think he has excess capacity, Sir. He is rarely prompt with deliveries.’ The young subordinate’s asymmetrical eyebrows made him appear more clueless than he actually was.

‘I know. But our CEO seems to think otherwise.’

Godbole’s insinuation that Majumdar, the Head of Operations, wasn’t clued in to his vendors’ state of affairs, had weighed on him since the review meeting earlier that week. He had to see for himself the ‘excess capacity’ this particular vendor—Kapadia, notorious for missing deadlines—claimed to be sitting on.

‘I’m sorry, Sir,’ Tarun mumbled, ‘but we should have turned right after the previous signal.’

‘What? I thought you were familiar with these roads!’ Majumdar yelled, jamming his foot on the brakes. ‘If you had kept a better eye on Kapadia, I wouldn’t be driving all this way to confront him,’ he scolded Tarun. The purchase manager’s ignorance of the route only added to his increasing annoyance.

Majumdar forcefully yanked the steering wheel. ‘You should have kept an eye out for that turn!’

‘It’s very confusing around here, Sir,’ Tarun pleaded weakly. ‘The roads all look the same. The addresses are not that easy to find. The turn is so inconspicuous...’

The Ford Ikon wound its way through a maze of roads, dotted with little puddles of muddy water left after washing of trucks.

After more wrong turns and back-tracking a couple of times, the duo came upon the medium-sized iron-gate that opened into Kapadia's manufacturing plant.

Getting out, Majumdar recognized the unmistakable— 'intoxicating,' as some industry men described it—scent of lubricant meeting metal. He stretched his tall and lanky frame to ease the pain from his stressed back and strode briskly towards the plant, not waiting for Tarun to catch up.

The scene at Kapadia's manufacturing facility wasn't very different from the one at Majumdar's, only the scale was much smaller. Men fussed over machines; the clanging and clattering of metal filled the air and there were heaps of material all around. The buzz of activity was impressive. One hundred per cent utilization, he thought with satisfaction.

Majumdar shot a text message to his assistant, Sana Khan, instructing her to pull out figures that would confirm his finding. 'I was right,' he declared to Tarun, who had jogged in and was standing a couple of steps behind his boss. 'This man doesn't have adequate capacity, let alone the excess he was bragging about. I knew he was exaggerating, going behind my back and complaining to the CEO. Look at how tight things are!'

Majumdar's eyes stopped at a shaft that was receiving its finishing touches.

'Boss, why are you making this one? This isn't the shaft we need now. It's not on the schedule,' he demanded. His loud voice made a few workers stop and stare at Majumdar.

'Actually, Sir, we are waiting for Grade-II steel to make those M340 shafts. It will arrive day after tomorrow,' one of the supervisors offered, walking up to Majumdar.

'Why is it delayed?'

'There was a payment issue. That's been sorted out. The vendor has promised to supply the steel as soon as the money reaches him.'

'This payment issue...is it persistent?' Majumdar probed.

'Yes, we do have some problems from time to time—' the supervisor trailed off, shifting his gaze to something behind Majumdar, apparently relieved.

'My supervisor is already telling you about our payment troubles,' Kapadia announced his arrival with an uncomfortable smile. 'So, what brings you here, Sir ji? Have you come to check on the material you asked for last month? It's ready and waiting,' the small-built man said, head tilted up at Majumdar, scratching his forehead with his left forefinger.

Majumdar registered the hint of sarcasm in Kapadia's greeting. Yes, High Gear was guilty of not being prompt with lifting material as per schedule. But he wouldn't be lured into a discussion on that topic now.

'What's this excess capacity you told Mr Godbole about?' he demanded, looking sternly at Kapadia. 'If you have the capacity, why haven't you delivered the M340 shafts due last week?' 'That's what I was saying, Sir ji.' Kapadia said jumping at the opportunity to put a senior executive from High Gear, one of his largest clients, on the spot on his turf. 'Why are you not lifting the 50 Grade-I shafts that were due two weeks ago? The capacity I had allocated to you is all used up. Now, my working capital is stuck there!' Kapadia countered, scratching the same spot on his narrow, pockmarked forehead. The spot was a tiny pit, a result of many years of nervous scratching. 'Yes, yes. We will lift that. But you are not supplying what we need *now*.'

'Sir ji, I have already used up the capacity I allotted to

you. It has gone into all kinds of material. Now you are not interested in that. You want something else?' Kapadia repeated, slightly frantic.

'Your capacity is used up. Then why did you complain to the CEO that your capacity utilization is low?'

'It's not just about this month. Different varieties of shafts ordered six months ago are still lying with me and gathering dust,' he let out in one breath, pointing to a room on the left. Majumdar could see it was choc-a-bloc with inventory. 'Are we your personalized warehouse, Sir ji? It's not fair...take all that and then I will manufacture the next order,' Kapadia said, giving due attention to the pit on his forehead again.

'But we have to work through these fluctuations. They are inevitable in our industry. You should have more capacity to deal with them,' Majumdar said dismissively.

'I am not talking about a few mild fluctuations, Sir ji. You know that too.'

The vendor had a cause for the argumentative stance and he was using it to level up to his powerful customer. It had taken just one chat with the CEO to embolden him to talk this way, Majumdar thought.

'See, I brought you into the business four years ago. Now,

I am losing face because of you.'

'I understand, Sir ji. I am thankful for the introduction.'

Kapadia seemed genuinely grateful. 'But try and understand my constraints. My pockets haven't turned deep in the last four years. I don't have endless reserves of cash or the space to make and store material for you. If you keep doing this, my business will be finished—gone!'

'Make a list of all the old items you have lying around for our company. Send it to me. I'll look into why this is happening,' Majumdar resorted to a stock reply.

'Sir ji, I have tried contacting you many times, but you have never bothered to help. Now that you need material from me, you are asking for my help?' Kapadia said with a hurt look.

'Send me an email. I'll do the best I can. Okay?' Majumdar repeated impatiently.

'Let's see if you keep your word this time,' Kapadia said with a sheepish smile.

'Now, what about those shafts? When will you be delivering them?'

'Don't worry, Sir ji. I am working on your order,' Kapadia assured in a business-as-usual tone.

After a few seconds of silence, Majumdar switched to what was really on his mind. 'Fine. But why did you tell our CEO you have excess capacity when you clearly don't?' Majumdar demanded looking around at Kapadia's shop floor.

'I do have the capacity. It goes to waste or gets locked up in material you ask for and then don't lift.' Kapadia swung back to being argumentative. 'The capacity will be released the moment you lift the stuff—'

Kapadia was cut off mid-sentence by Majumdar's cellphone going off. Sana's name flashed on the screen.

'Here, you want to talk to the client?' Majumdar bluffed,

taking half a step towards Kapadia, holding the phone near the latter's eyes. 'Explain to him why you've not been delivering on time,' he challenged, knowing fully well Kapadia would balk at the mention of client. It was a card Majumdar always used to put vendors to work.

Kapadia stood still. Looking down, he scratched the spot on his forehead as Majumdar moved away—out of everyone's ear shot—to talk on the phone.

'Sir, Mr Bhaskar from Automac is here at the plant. He asked for you since the head of OEM sales is out of the country and Uttam Dave, the technical sales manager, is not available either,' Majumdar heard Sana report from the other end of the line. 'Says he was in town and dropped in to inquire about one of their orders. He wants to meet you immediately.'

'Keep him engaged,' Majumdar instructed, slightly thrown off. 'Tell him I am out meeting a vendor regarding his order.' He hung up, and without a word to Kapadia, half-jogged towards the car. Tarun followed.

As he sped to his office where the 'big' man sat waiting, the whole situation struck Majumdar as comical. Here he was, a client, making a surprise visit to a vendor and his client—the bigger brother—was doing the same to him, at the same time! He laughed out loud, startling Tarun.

'Bhaskar, the general manager from Automac is at my office waiting for me. Surprise visit.' Majumdar explained wryly to Tarun, who was visibly confused at the sudden departure from Kapadia's plant.

Tarun threw a cursory glance at his boss, then resumed watching the road full of vehicles racing past with scant regard for lane discipline.

'Automac gives us 40 per cent of our business and 80 per cent of our headaches. We go around proudly declaring this carmaker is our first and oldest client, that High Gear was set up to service Automac, etc. But nobody knows how much hard work it takes to keep these fussy customers happy. Nobody wants to talk about that,' Majumdar said, pursing his lips, his fingers tightening around the steering wheel.

'That's true, Sir,' Tarun said quickly, eyes fixed on the chaotic stream of traffic.

'Bhaskar must have an agenda. I'll get to know soon... Hey! Switch on the indicator, you idiot!' Majumdar shouted, gesturing at the car changing lanes ahead of him.

'Maybe we should stop fitting cars with indicators. Nobody likes to use them.'

The two then drove in silence for several minutes, until the visit to Kapadia's shop floor popped back into Majumdar's mind. 'So, what did you think of Kapadia's shop floor? Utilization is very high,' Majumdar said, pleased that this intuition had matched the reality on the floor. 'The shop is overloaded; he doesn't know how to manage it. M340 shafts are on the schedule, but he's making Grade-I shafts! He's got huge problems.'



The Ford Ikon zoomed past the security gate without stopping for the mandatory security check. Halting at the executive entrance, Majumdar jumped out and dashed in, leaving Tarun to park the car. Walking past Sana, he ordered, 'I need that vendor capacity utilization data today. Don't look at our material receipts. Call Santosh Kapadia and ask for his production figures. Compare that with his capacity. That will give me the true picture.'

Majumdar pushed open the glass door into his office.

'Good morning, Majumdar. I've been waiting for you since over 30 minutes,' the impeccably dressed guest, Bhaskar Iyer, opened icily. 'I've barged in unannounced, as directed by our vice president. Yet again, our assembly schedules have been seriously disrupted because you have not been supplying full quantities—as per schedule. We can't operate with 50 per cent of the required material,' the general manager of Automac said in a thick voice with a snippy tone. He had an air of decisiveness about him.

Beyond the introductory 'Hello, Mr Bhaskar,' Majumdar could not get in a word edgeways. He took his seat quietly, allowing the visitor to say his bit.

'We haven't yet received the consignment of rotors that were needed two days back. What's happening here?' Bhaskar demanded.

'Give me a moment, Mr Bhaskar, let me check,' Majumdar said deferentially. He was tempted to soothe his back on the little cushion on his chair, but chose not to copy his guest's posture.

'Where are we on the rotors for Automac? The consignment had to be delivered two days ago. Mr Bhaskar is here in my office telling me he hasn't received them,' he spoke into the landline receiver with a forced calm.

Majumdar held a blank expression as Tarun, on the other end of the short line, cited shortage of square plates as the reason for delaying the manufacturing and shipping of rotors.

'Why didn't you tell me this when we met this morning? I want to talk to you later,' Majumdar said, maintaining his cool in front of the outsider.

'Mr Bhaskar, the rotors—'

'Never mind what's happening with the rotors this time, Majumdar,' Bhaskar cut in. 'I need to know if you can get your act together.'

It was evident that Bhaskar's visit wasn't about inquiring after the tardy rotors. He could have picked them up from any of the numerous Tier-I vendors who'd drop everything to process his order. Automac, which was among the top five heavy commercial vehicle manufacturers in the country, was at least 40 times the size of High Gear. It could move on without looking back.

'We have been working overtime, Mr Bhaskar,' Majumdar tried to pacify his customer. 'We've had some problems with our production lines, a few of our vendors have been defaulting. There's no cause for worry, however. It's already sorted out. Your rotors will reach you in 24 hours.'

'Verbal guarantees will not do, Majumdar. I need to see a concrete plan of action to solve these delivery problems permanently. No more stop-gap arrangements and expediting. I expect you, along with your OEM sales head, in my office on Friday to make a formal presentation before our vice president.' Bhaskar stood up and picked up his coat.

'Is there an ultimatum hidden between those lines,' Majumdar wondered.

Bhaskar got up, pushed open the glass door and marched towards the exit. Majumdar followed him.

'In the last 15 years, High Gear has grown to be a respected Tier-I component vendor in the auto industry,' remarked Bhaskar, looking straight ahead. 'I will give you this: your engineering is superior. You stand head and shoulders above the others. But along the way, you've lost focus.'

'No, Mr Bhaskar. I am sorry to point this out. It's not always our fault,' Majumdar ventured bravely, 'We plan our production according to your schedules. When your schedules change, our plans go haywire. Our vendors' plans go haywire. If you wouldn't change your schedules during the month—'

‘Schedules can’t be rigid. You don’t understand the huge complexity that we have to deal with. Don’t give me this spiel, Majumdar. Act!’

Bhaskar’s parting words hit Majumdar like whiplash. Their sharp sting reminded him of his CEO’s equally sharp reprimand. He instructed Sana over a text once more, ‘I need to see the vendor capacity utilization data in half an hour. We need to send the data to the CEO.’ Walking on, Majumdar grumbled under his breath, ‘He appreciates only data, won’t care for what I saw with my own eyes.’



Majumdar did not return to his office, but moved towards the shop floor for his daily round—a 40-minute ritual that never failed to remind him why he chose manufacturing auto parts for a career.

It was like strolling through a garden with machines. Technicians hovered over and tended to the machines. Lingered around, he took in the familiar sounds of metal, the hissing of steam and the forceful blast of high velocity air. He belonged there, thrived in that environment. He wouldn’t give it up or give up on it.

Majumdar’s presence on the shop floor did not go unnoticed. Conscious of the boss watching them, the men picked up their pace. The 50,000-square-foot shop floor engaged 300 workers. Standing a few inches away from the yellow line, which demarcated the safe walking track on the shop floor, Majumdar checked whether their shiny yellow helmets were fastened correctly, whether their tangerine overalls were buttoned all the way up, and if black safety shoes were still on their feet. *‘If nothing, I have at least managed to instill some discipline. I truly deserve credit for the low accident rates and good safety records,’* he thought, cheering himself up after such an unbelievably hectic morning.

Pushing his own yellow helmet firmly down onto his head, he proudly looked around at the machine shop. He noticed a few machines sitting idle. He could tell they had been idling for a while. Workers were missing from their posts. ‘Why is the LX35 idle? Where are the operators?’ he called out. A few men shuffled towards the resting machine.

When he turned to the left, he noticed material spilling out of its designated space, beyond the sacrosanct yellow line. ‘Why do we have all this lying around here? No material beyond the yellow line!’ he yelled, causing more men to run amok. Placing his hands on his hip, he stretched his back, shouting, ‘Let’s get more organized and attentive!’



Majumdar returned to the office and summoned Tarun. ‘Why did we not offload the square plates as soon as they arrived? Now Automac is complaining about their consignment of rotors being delayed. Why are we upsetting our most

important client like this?’ he demanded.

‘Sir, there was no space for the square plates. We had to

expedite the widgets order and all the space was taken up by the raw material required for it,' Tarun explained. 'If we are to accommodate all that comes in here, we'd need more space.'

'No, no. Don't give me that nonsense!' he said, raising his voice. 'We should be reducing space if we want to be more efficient. What have we learned from the Japanese? Super slim inventories! Small spaces! Isn't that what Automac is doing? They store material only for half a shift. That's all the space they have,' he said. 'Go fix it. Learn to manage your raw material. I don't want to hear of a delay because of such petty reasons again!' Majumdar ordered.

There wasn't much time before the Six Sigma project review was set to begin—2.00 p.m. Majumdar headed off to the next block, the venue of the quarterly event where 35 senior colleagues from other cities had flown in to discuss ongoing projects. Being one of the Six Sigma project sponsors, Majumdar could not skip it.

Away from his office and the shop floor, his mind raced back again to the review meeting. He replayed the CEO's instruction and felt the twinge of embarrassment again.

Dialing Sana's desk, he demanded, 'Where are those numbers I asked for? Do you have them yet?'

The data was already on his table, Sana replied. Hadn't he seen it?

The Six Sigma meeting turned out to be a drawn-out affair, worse than expected. The details of the 30-odd projects—all running for several months, none nearing completion—flew over Majumdar's plate. He couldn't get his mind off the many problems dogging his plant. And so, he left before the valedictory speeches.



The printouts sat on top of a pile of papers on his cluttered table. Majumdar reached out and grabbed them greedily, upsetting the pile. Then, he stood still, staring at the figures nonplussed, growing pale.

Holding the sheets lightly, he sat down staring at the figures in disbelief.

65.2 per cent

Santosh Kapadia had been right. And so was the CEO. *There was excess capacity.*

Just Another Scheme

‘Well, that’s just the way it is, Gupta. Sales forecasts change every few days,’ Sunil said into the phone, short of breath as he heaved his bulky frame up a flight of stairs. ‘Production has to change schedules to accommodate our requests. Tell them that. Tell Majumdar that!’

‘Sir, he wants an email from you with the CEO’s approval,’ sales manager Chandrashekhar Gupta said from the other end of the line.

‘How many emails do they need before they are ready to meet market requirements? The production department is stuck in its own world,’ Sunil said, then disconnected the call, panting. The exhaustion that came with climbing a single flight of stairs reminded him of the gym membership that would soon expire. Getting fit, losing at least 20 kilograms, were permanent fixtures on his list of goals. Of course, he was yet to begin work on those. He let out a loud sigh as he pictured yet another membership card lying forgotten at the back of some drawer.

Dabbing under his eyes and forehead with a handkerchief, he pushed his thick black spectacle frames back to place, and ambled to the distributor, Vinod Patel’s office.

‘Welcome, welcome! Long time,’ Vinod Patel greeted in a staged voice.

As Sunil sank into a chair, Vinod continued, ‘Thank you for the trip to Bangkok. But I had no clue you disliked your distributors so much!’ Vinod laughed, his nostrils flaring in a funny way.

Sunil responded with an amused expression.

‘What phaltu rooms and phaltu room partner. It wasn’t my first trip. I know how much fun Bangkok is, eh?’ Vinod winked.

‘Vinod bhai, the trip was for distributors who had met their targets. You missed yours by a mile. I had to get special approval to include you in the list at the last minute, remember?’ Sunil chided. ‘I pulled in a favour for you. Now you are complaining about the trip?’ he reminded Vinod

‘I am not complaining. I was just...well, anyway, what will you have? Chai? Cold drink? The chai’s good here.’

‘Chai.’

'Two chais, Asha Madam,' Vinod called out to his assistant sitting just outside the glass door of his cabin.

Vinod continued before his guest could broach the subject. 'Let me be honest with you. I am very disappointed with your area manager. My credit notes have not been settled. It's been over six months! Don't even ask me about the damage claims. They've been pending forever. How many more days do I have to wait for that? I also have expenses, staff salaries to pay. Can't run my business like this.'

'I'll see what I can do,' Sunil said brushing aside the routine complaints. 'How's business?'

'My expenses are going up. I am not making much by distributing High Gear products. My stocks have now piled up to more than a crore,' Vinod frowned. His turnover had barely touched `3 crore last year. This year, he would be off by several lakhs.

'You always talk about credit notes and financial issues when we meet. If it was all so bad, I am sure you would not be doing business with us. You wouldn't be sitting in such a nice office, eh, Vinod bhai?' Sunil's bespectacled eyes met the distributor's and then scanned the spacious office that boasted of wall-to-wall carpeting, solid wood-cupboards and a grand leather sofa. 'You can go on more trips on our expense. We are planning big things. For that, you need to meet targets...'

'Like I said, the market is down. Just six months ago, my son started a new business distributing plastic granules. It's not doing so well,' Vinod rued.

The son's fledgling business wasn't news to Sunil. He led the discussion towards the purpose of his visit, 'Is that true? The market can't be all that down. Guardwell is doing well. Been hearing very good reports about them.'

'Of course! Guardwell is a different story. It is doing phenomenally well,' Vinod leaned forward. 'That's why we've been urging you to study Guardwell.'

'Yes, I intend to,' Sunil said non-committedly.

'My cousin, Prakash, is a distributor for Guardwell. I can tell you all about how he operates.'

'Great,' said Sunil, relieved Vinod had brought up the cousin so readily. It was Vinod's indirect links with Guardwell that had brought Sunil here this morning. He intended to find out more about the company's strategies, just as the CEO had directed during the review meeting.

'You won't be as amazed by the details if it came from me. You need to hear them from Prakash himself.'

Patel dialed his cousin as Sunil attended to the cup of tea now placed before him.

'Haan, Prakash bhai. Good morning. Where are you? I can tell you are out in the market on your daily rounds, talking to retailers. Always out of the office. Your managers are lucky to have you as their boss. Never around to push them, eh?'

Sunil sipped on the tea slowly, with his ears glued to the one-sided conversation.

'Lucky you! I never find time to go on rounds anymore,' Vinod laughed. 'Are you in the middle of a retailer visit? Okay, hmmm... I have a friend here who wants to talk to you about Guardwell. What? Okay, okay, we'll wait for you then.' Vinod put the phone away and said to Sunil, 'He's on his way here.'

The last line caught Sunil mid-sip; his eyes flickered at Vinod in surprise. A distributor just dropping in for a chat, at such short notice! '*That's a first*,' he noted.

'Prakash bhai is hassle-free. He's always out of his office, meeting retailers in the market. Managers take care of business. He is always relaxed,' Vinod was generous with his praise.

'That's unusual. How does he manage that?'

'He does it somehow,' Vinod smiled. He began sipping at his tea. A couple of minutes passed in silence. 'We are so busy here...sometimes I don't even have time for lunch. I'm chained to my desk and my phone.'

'Your days *are* hectic.'

'That's an understatement. There is no break at all. Following up on payments and chasing materials takes up all of my day.'

The contrast between the cousins' work lives wasn't lost on Sunil. 'Has it always been like that for Prakash?'

'Guardwell has increased prices in the last six months. Twice. But sales have only increased every month. Prakash's life has changed completely. Ah, there he is,' Patel smiled and stood up as Prakash—a man in his mid-fifties, small-built, bright-face, affable—strolled in jauntily.

As the cousins hugged in greeting, Sunil jumped up as he recognized the visitor.

'What are the chances? Prakash bhai!' Sunil said as Prakash turned to him. Loud, warm laughter filled the room.

'You are the distributor everyone's talking about!' Sunil continued.

'Have to give you some credit,' Prakash beamed. 'When was the last time we met Sunil bhai? Was it some seven or eight years back?'

'Yes, close to a decade now,' Sunil said, effusive. 'I've moved on to another company now.'

'Sunil bhai took me on as an auto component manufacturing company's distributor even though I had no experience or background in the profession,' Prakash told Vinod. 'He helped me start a business from scratch, nearly 10 years ago. I owe my career to him, in a way.'

'That was before I joined High Gear,' Sunil told Prakash.

'He's head of After Market sales at High Gear,' Vinod said in a manner one would speak of a celebrity who'd come calling at his humble quarters. 'He has a few questions for you. You'd have no problem talking to him, though he belongs to the competing company, I hope? Now that you've discovered an old friendship?'

'Not at all. We're all friends here.'

'It's great to meet you again, Prakash. Heard you are doing very well,' Sunil said warming up to a long conversation. 'Prakash bhai, is your office closed today? Or have you taken the day off?'

'No, Sunil bhai,' Prakash smiled. 'What makes you say that? It's a working day. In fact, I was out meeting retailers, as I do every day. Today, I happened to be in this market area.'

Brushing aside the temptation to delve into what meeting retailers had to do with his job as that would sidetrack the interview, Sunil stuck to his predetermined line of questioning.

'I've heard Guardwell is working closely with mechanics? One of my colleagues mentioned this at a meeting recently. Even our CEO is curious.'

'Yes. They have a special loyalty scheme for mechanics. What about it?'

'A loyalty scheme,' Sunil repeated. 'How does it work? High Gear gives a scratch card of a minimum of `10 with every product. Sometimes the value goes up to `1,000. What denominations does Guardwell offer?'

'Guardwell doesn't offer cash with any of its products. No scratch cards. Mechanics earn points with every widget purchase. They accumulate points, then redeem them for gifts.'

'So how many points does a mechanic earn per widget?'

'I am not sure. Guess it is around seven?' Prakash looked at Vinod who indicated he wasn't sure either.

'That's odd,' Sunil thought. High Gear tipped mechanics a minimum of `10 for every widget purchase. Yet, they were buying Guardwell's widgets. 'So why do mechanics prefer Guardwell to High Gear? Are they happy with a few measly points?'

'I'm not sure what's keeping the mechanics hooked to Guardwell,' Prakash said with a sideway nod. 'We aren't involved in running the scheme. The company does it.'

Sunil wasn't sure if Prakash was deliberately withholding information or simply ignorant.

'That's strange,' Sunil mused. Normally, schemes involved everyone who was part of the sales ecosystem: the distributor, the retailer, the mechanic. They all got something. What Prakash was describing didn't make sense.

'So, how do you manage the scheme? What's in it for you?' Sunil leaned forward, showing the extent of his curiosity. 'I don't. Like I said, I am not a part of this. Nothing in it for me. Just doing my job,' Prakash said contentedly. There was something wholesome about him that inspired envy and hope in Sunil.

'That's unusual,' Sunil said. He had one last question for Prakash. 'I'd like to talk to a mechanic about the scheme. Know someone good in the area?'

'Yes,' Prakash said, pulling out his cellphone. 'Firoz Mistri. I'll tell him you're on your way there.'



On his way to meet Firoz Mistri, Sunil took a detour when a large red board with the words 'MARVEL SPARE PARTS— ALL BRANDS AVAILABLE' caught his eyes. *'Nothing like a well-stocked retail store to find out how High Gear compared with Guardwell,'* he thought as he walked in.

Inside, boxes with the striking navy-blue High Gear logo occupied prime space on the shelves. There were no signs of Guardwell products.

'Aren't you stocking the Guardwell widgets?' Sunil asked the man who looked like the boss amongst the many store assistants.

'Yes, we are. Some mechanics ask for it,' he said, not looking away from his computer. 'What do you want?'

'I am from High Gear. Just doing some research on products in the market.'

'Okay,' the man said, typing busily on his rickety keyboard. 'This company, this Guardwell—it won't last very long.'

'What do you mean?'

'They have no schemes for retailers. How will such a company grow?'

'What do you mean?'

'They only have incentives for the mechanics. Not a single scheme for us.'

The complaint—tinged with jealousy—was a jarring note in the usual praise for Guardwell. Sunil had by now become accustomed to hearing. He was glad for the complaint. ‘What do you think should be done?’

‘They should have schemes for retailers so we are motivated to influence customers, push their products more. Guardwell doesn’t seem to understand this.’

The disgruntlement was music to Sunil’s ears. Through the chink in Guardwell’s strategy, he saw a fortuitous opportunity that could be exploited for High Gear’s immense benefit.



Standing in Firoz Mistri’s half-room workplace, Sunil watched the wiry mechanic expertly service at least half a dozen trucks outside, all at the same time.

As Sunil’s eyes probed through the crammed half-room, he spotted, piled in a corner, empty boxes bearing the brand name Guardwell. Picking one up, he turned it lightly in his palm, running his fingers on the logo, the brand name, studying the green and white packaging. ‘Some competition you are,’ he said to the box.

When Firoz stepped back in, Sunil, placing his heft on a wooden bench, said in an accusing tone, ‘Firoz bhai, it looks like you’ve grown too loyal to Guardwell. And it’s so apparent from all the boxes you have left lying around...’

‘Oh, that! It’s for the scheme. I show those and get points,’ Firoz pulled up a grey steel stool and perched on it. ‘High Gear is equally good, Sunil ji,’ he assured, cleaning his hands with grease-stained bits of rag. ‘We fit the widgets into the vehicles and throw away the boxes. Do you want to see the scratch cards that came with your widgets?’

‘No, Firoz bhai, I know how our scratch cards look,’ Sunil said gruffly.

Firoz’s open love for Guardwell’s points annoyed him. ‘So how many points do you get per widget?’

‘Seven.’

‘But aren’t Guardwell widgets more expensive? They’ve increased prices twice in the last six months?’ Sunil persisted, holding up the Guardwell box. ‘*How could a product that cost more than the competition do so well?*’ he wondered.

‘They *are* expensive, Sunil ji,’ Firoz bhai paused for effect, smoothed his grey beard, ‘But customers don’t care. They want to get their vehicle overhauled, pay the bill and just speed out of here. What’s 50 rupees more on a bill of 5,000 or 10,000? Nothing!’

‘So you are saying they will not notice that a widget costs more than it did the last time they bought it?’

'Of course not! Even if they did, they will trust the mechanic to have chosen the right brand. I vouch for the quality of the product. But there is always one or two odd customers who make a fuss about paying more.'

The mechanic made a strong case for Guardwell.

'The quality of our product is good too, Firoz bhai, and our scratch cards get you `10, sometimes `100. Cash,' Sunil countered, stressing on the last word.

'Sunil ji, there is nothing wrong with your widgets,' Firoz reassured. 'But these `10 notes don't add up. Here now, gone the next moment,' he gestured animatedly and added a sound effect—a pfft—to suggest paper burning. 'It buys me a cup of tea for guests like you. Sometimes, I just give them to the chotus,' he said, pointing to his helpers.

The `10 notes weren't finding their way into the mechanic's pockets. The petty cash did not seem to matter at all, Sunil read between the lines.

'Points add up over time, Sunil ji. They get me something substantial. In the last three months I have earned 4,000 points. In the next two months, I will get 2,000 more. With that, I can get a refrigerator, just in time as a gift to my daughter on her wedding day,' he beamed.

Sunil looked at the pile of Guardwell boxes and tried to picture a refrigerator in their place. Would all this cardboard boxes add up to a refrigerator one day?

'My neighbours collect points for laptops, television sets and even mini-trucks. For that they will need to collect points for many years. But they don't mind waiting. With a mini- truck, they can get into the transport business. After I get the refrigerator, I will collect more points and try to get a large-screen LED television,' the mechanic said with delight.

'Truck, too?' Sunil raised his bushy eyebrows. 'Is it possible for a mechanic to fit so many widgets and rotors in a year that he can get a truck?'

'Why one year? Guradwells's scheme is going to run forever,' Firoz said widening his large eyes.

'Really! Has Guardwell gone crazy?' exclaimed Sunil. He also wondered if this was legally allowed. Guardwell's Points Scheme seemed to be beating cash coupons. This was news. Sunil was reminded of the review meeting where his colleagues had suggested he look at Guardwell's schemes. They were right, partially at least.

'It must be really cumbersome for you to collect so many boxes and take them to the retailer?'

'No, no, Sunilji. That's not my headache. Every 10 days, Guardwell's man visits to record the number of boxes, and accordingly, he updates the points in a little diary.'

'He comes every 10 days? That's three times a month.' 'Yes, and he takes away the boxes. See, it's that simple.' 'How many mechanics do this?'

'There are at least 25 of us in this market,' Firoz said with pride.

Sunil had heard enough, and what he had heard did not impress him all that much. He was no simpleton to appreciate a system as tiresome as this one. Hundreds and thousands of boxes were being manually collected from hundreds and thousands of mechanics across the country; their unique codes were being written down with a pen on paper; the points were being calculated manually. It was not the brightest way. The sheer number of man hours this long process demanded was mind-boggling. It would take a whole army to do the job every 10 days! Sunil stared at the mechanic in disbelief. Surely, in the age of technology, there was a much better, more efficient way to collect points.



A certain thrill surged through Sunil as he drove out of the motor market. Gone was the unpleasant aftertaste of the review meeting. He now felt invigorated, but also exhausted by the many encounters with the foot soldiers of the auto industry who had pointed him in a new direction—a new mechanic scheme, without an end date. A technologically-superior avatar of Guardwell's painfully primitive version, which did not need thousands of hands and man hours.

Retailers should be mostly on our side because of our existing scheme; they are unhappy with Guardwell. Now, to win over mechanics with an equally good scheme...

Sunil let his imagination fly.