

Interview: In Conversation with Mr. Sanjay Mathur, MD, Foseco India Ltd.

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VIM: Sir, can you please give us an idea of the business of Foseco India Ltd.?

Mr. Sanjay Mathur: "Foseco", now a brand name was established around 85 years back in UK. It is the abbreviation of "Foundry Service Company". It is in the foundry service business. We manufacture chemicals & fluxes, and also manufacture & market process control to the foundry industry i.e. the metal casting industry, where they melt metals like iron, copper, aluminium and steel. For example, heads and blocks in car engine and some high quality safety critical components are prepared by casting. Here, in India, we manufacture very large range of products which are used in almost all parts of processes in foundry industry. We make coatings & filters. It's a highly technical industry. Requirements of industry are increasing day by day- Industry demands faster, lighter & fuel efficient engines. To make this all, Foseco steps in. Our fundamental business is to support the foundry industry, to be able to cast metal, make shapes as desired and as efficiently so industry gets maximum possible yield and with least rejections and best possible performance. That's the business we do.

VIM:Can you please explain us the vision and mission of Foseco India Ltd.?

Mr. Sanjay Mathur: Our vision is "To become the preferred partner to the foundry industry providing the greatest value". We are not a foundry industry; we are a partner to the foundry industry. Everyone wants to be a partner but we want to be the "preferred" partner. If a company has any requirement or opportunity or need, or it wants a new engine to be made, a block to be casted for some international automobile brand, the company would come to us for help. Whenever there is that kind of need or there is some process problem, they should call us. We lay a lot of emphasis on "Greatest Value". We believe every company does that. I mean everybody gives value. But our objective is to give the greatest value - Giving significantly higher value than the competitors.

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VIM: As students, we would like to know about your educational background and your journey till date as MD of Foseco India Ltd.?

Mr. Sanjay Mathur: I started my career in 1986 when I finished my Chemical Engineering from Punjab University in 4 years. After my engineering, I actually got in a job straight away. I was the shift engineer and shift-in-charge of a chemical plant of JK synthetics for 6-7 months. It was an interesting period when I actually worked on shop floor. We were setting up new factory and there is nothing better you can learn when you are setting up brand new chemical plant. There I got an opportunity to work with Germans and learnt a lot from them. Then I got into production, when the company started, there I worked for a couple of months. Thereafter, I joined Bharat Petroleum. I have been in oil industry for a long time. I got trained in the east in sales. I was a sales officer, senior sales officer at BPCL, and then moved on to become factory deputy manager. I was handling lubricants. Then one fine day Shell entered the country. They got into joint venture with BPCL. I was picked up by Shell to join them. I went for Marketing in Shell, as a Brand Manager and a Product Manager. Afterwards, I moved on to factory in operations, manufacturing, supply chain, material management. Shell acquired Pennzoil, which is a US based company operating in about 90 countries. In 2003, Pennzoil Quaker State India Ltd. was formed. I ran that company for 4 years as MD. During my tenure as MD, the company grew at 30% per annum.

I joined Foseco in 2007 as Managing Director. After a couple of years, Foseco was acquired by Vesuvius group. That time it was Cookson, a PLC in UK. And last year this company was segregated in two different companies. We have two sister companies, and they had part of our foundry solutions business. So I was given charge of the business. In 2011 I was given charge of South East Asia. So I am the Area Director India since November 2011.

Talking about my education, I am a chemical engineer and have done my masters in Marketing from Monash University, Australia. Then I have done Advanced Management Program from Melbourne Business School. I

have also done Diploma in Financial Management from The Association of Chartered Certified Accountants (ACCA), UK.

VIM: As MD of Foseco India Ltd., can you please explain what are your roles and responsibilities?

Mr. Sanjay Mathur: Roles and responsibilities of the MD of any company are very funny. He has to be everywhere. Looking from the lowest level to the highest level of the organization is my responsibility. I can't stop anywhere. If I walk on the road in our campus and the road is not clean, that's my responsibility. If somebody is driving badly, safety is my responsibility. If coffee machine is not working for two days, the third day I will ask a question. So I am everywhere. Then it goes up to the extent of leadership, making sure the team is motivated, happy, working well & to give right direction whenever required. To sit with Board of Directors, plan the strategy for the company. I am responsible for the financial performance, P&L, balance sheet, cash flow. You have to take care of environment, safety & health. Finally, the most important one- Making sure that the shareholders are happy.

VIM: Having vast experience in the industry, can you please brief us about the cultural differences that you have observed across countries & companies and the challenges there in?

Mr. Sanjay Mathur: Across countries, I have been exposed to work in different countries but I have not lived there except in Yemen. If you ask me, the fundamental difference I believe is that we, Indians are highly talented and have great experience but we fail to work as a team. We are very individualistic. I used to go many a times to Japan for meetings and found that the Japanese are amazing. Even people on the streets are concerned about the country, about cleanliness. I have an experience to share with you- I had a paper in my hand, I went to throw it in a road side dustbin and a Japanese standing there said something to me but I couldn't understand except "Can...can...can". Later I understood that he was saying that the particular dustbin was only for cans & not paper....that's the cultural difference. In terms of talent, knowledge, skills, competencies, India is way ahead. Our institutions are really good but when it comes to actual working, we lose focus.

Second point, in other countries, supervision is not required much. If you give somebody a task, he picks up and does it. In certain countries like ours, we have to follow up a lot. Even in Indonesia, we have to follow up a lot. But in countries like Japan you never have to follow up, these are the fundamental differences. In the Middle-East countries like Yemen, they need a lot of help but they are very quality conscious. They are very focused that the product has to

work. Even if they are third world countries their mind set is very clear, whatever we build should be top class. India has to go towards achieving excellence. We can do it, we have that ability- we can construct, we build factories and all, but things are not fixed straight, something is missing- that perfection, that execution. Behaviour has its roots in the culture of a place. There is a lot to do with the way leaders behave. When I say leaders, I don't mean government; I mean the leaders of society. Once the Prime Minister of a third world country said that there is only one agenda for the country- just clean it up, make sure roads are clean, make sure every place is clean, It will create a major difference because it will tell people the right way to live. Japanese & Koreans are very disciplined and very execution oriented. That might have come from compulsory army training in schools.

VIM: What are the major challenges that the manufacturing industry is facing currently given the economic slowdown? How is Foseco India Ltd. gearing up to face these challenges?

Mr. Sanjay Mathur: Currently, the biggest challenges are the rising costs & falling demand. There is "stagflation" i.e. stagnation & inflation. Power costs are growing up. In certain parts of the country, if power is not available, how can you manufacture? You have to buy power which is so expensive. Secondly the availability of certain raw materials is becoming difficult, so you have to pay huge amounts to get those raw materials. So, while there is a demand constraint, the costs are rising. So the companies have constantly to work on sharpening their skills in terms of reducing cost.

We are implementing "Lean manufacturing" i.e. waste elimination. Everywhere you will find tight cost control measures right from travelling expenses to manufacturing, but without compromising safety & quality. We also have to make sure that the employees are engaged constantly.

VIM: What are the core competencies of your company?

Mr. Sanjay Mathur: The core competencies of the company are in two-three areas- One is we have experts who can understand customers' processes very well. That is because of international exposure our people have. We are not a product sales company, we are a solutions company. So our people visit the customers' factories they go, stand next to their engineers, work with them, find the problems and suggest solutions.

The second core competency is that, at all times, we are able to come out with new solutions, innovations, new ideas & new kind of technology. We have recently come up with a



new methodology to make ductile iron. It will increase the productivity of foundry.

And third is the management... the way we manage the culture of the organisation. I think this is a very strong organisation in terms of management practices and employee practices.

VIM: What are the initiatives that have been taken to increase productivity, profitability and to reduce costs under your leadership?

Mr. Sanjay Mathur: Let's start from customer dimensions. Firstly we realigned our strategy to focus more on those segments which were doing better than others, despite slowdown. In any kind of economic situation, there will be some segments which will do well. For example, infrastructure. So we have started focusing on that.

Secondly, we have built more solutions. We thought... There is economic slowdown; people are not getting power due to power shortage. Can we offer them any solution, which will improve the productivity or require less power? Can we come out with solutions so that the rejections are low? Can we come up with a solution which will enable our customer to provide his customers higher value and get higher revenues from him?

As already shared, very tight measures to control costs were implemented. "Lean Manufacturing" is being practiced- people are cautioned regarding overspending. We have launched an initiative called "EkAurEkAnek"- suggestions to cut costs or improve productivity, without compromising quality are invited from all employees, right from those working on the shop floor. Good suggestions are implemented and the employee is rewarded. "Kaizen"-small little improvements is practiced, the concept of "Lean" is extended to non-manufacturing areas as well. Examples are the Solar powered street lights, LEDs in entire office etc. All these simple cost cutting measures save approximately Rs.1.5 crore -2 crores per year. Special focus is given to Customer Relationship Management & Control on processes.

VIM: What are the different management philosophies, tools and techniques being practiced in your company?

Mr. Sanjay Mathur: One of the things we are following in terms of executional strategy is "Balanced Scorecard". That is embedded in the organization quite deeply and we are pioneers in the sense that we are the only company in our group who has implemented that. Now the group is picking up that practice. There are various other practices that the group has picked up from us. Apart from that we have very strong Lean & Quality Management Systems that we

practice in the company. We have CQT (Customer Quality Team) which is a cross functional team that comes up with innovations, looks into customer complaints and problems and comes up with solution.

VIM: Sir, could you elaborate about the CSR initiatives undertaken at Foseco India Ltd.?

Mr. Sanjay Mathur: We have traditionally been giving computers to the nearby villages. Generally, Foseco's CSR initiatives are more in the area of education. This time we are tying up with Rotary Club & trying to build toilets for schools in villages. But the most important thing is to make sure that whatever we do, achieves the objectives of benefiting the people of the country & does not fall in the wrong hands.

VIM: What qualities and skill sets do you expect in your employees?

Mr. Sanjay Mathur: Very simple, first and foremost is the value system. We have very strong values. Whenever we try and hire anybody or we have a prospective employee, we want him/her to understand values in all terms. The most important values are honesty, integrity and willingness to work & learn. We are a learning organization, so we constantly look for people who are willing to work & learn. Of course, one should have certain basic knowledge of what he/she has studied. In the end, if you are willing to work, willing to learn, ready to go a few extra miles, have energy, enthusiasm & passion, you will find a way. Never do anything half-hearted.

VIM: Sir, can you please share with us your areas of excellence & success mantra?

Mr. Sanjay Mathur: A very difficult question. I think, one of my personal areas of excellence is "People management" i.e. how you deal with people? How do you engage or interact with them? How you create a good work environment? How do you deal with your staff is important. But you have to do different things for different people. For example, if you join as a new employee, I will be very close to you to monitor how you are doing, but if you are an employee working here for last 35 years, I would only watch you from distance, and will leave you alone and possibly treat you as a friend and an advisor. People management is the key.

The other is that I can look at things very objectively and passionately. I try to find the basic fundamental principle. I am very simplistic in thinking; I believe that if you have clarity of thoughts, business is very simple. We unnecessarily make it complicated.

And the other part is to challenge the status quo. I have



worked in various functions & capacities in my long career. For me it worked very well because I could understand the two sides of the situation- the customer's view and the manufacturer's view as well. I aim for excellence in everything.

VIM: Can you please share with us any specific memorable experience or achievement?

Mr. Sanjay Mathur: There are lots of experiences & lots of things about which we can talk. One of the very interesting experiences was in Yemen, when we got a big contract from the Ministry of Defence. The contract was of supplying lubricants to all vehicles of Yemen Army. Our company had to deliver as per the contract in 24 weeks. There was a huge amount of complexity involved. My boss had clearly told me that it would be fine even if we didn't make any profits in this contract because the contract was very prestigious. We delivered in 20 weeks that is 4 weeks ahead of deadline. Also we could earn profit as well. This was possible only because of good "People Management", close attention to details & Quality and support from Yemen Government. Before I joined that company, it was facing huge losses but after executing this contract well, we not only could wipe away the accumulated losses but also could pay dividends to our shareholders. This was the most amazing experience in my life.

VIM: What advice would you like to give to the fraternity in academia to enhance industry-academia relations?

Mr. Sanjay Mathur: Apart from internship, academic institutes should invite industry experts to share their views with students. Also, students should be given opportunities to see how industry functions through industrial visits.

In India, education is still traditional and more book oriented. If you look at western educational institutes, you have probably only two or three classes per week. What they will do is give you an assignment that will require you to go to the place, do research and ask you to submit a report. There, everyone respects others' views.

VIM: What advice would you like to give the fresh MBA students stepping into the corporate world?

Mr. Sanjay Mathur: Few things are very important. One is of course, you need to have basic knowledge about your subject. The other thing is you must be willing to learn many things. For operations students, they must be ready to dirty their hands on the shop floor during training. I remember, during my training days, I used to sit with a supervisor who used to keep very quiet. I waited for a couple of days but he still never talked. Then I requested him to give me few official documents so that I could go through them and learn something. The last & the most important is good communication, because if you cannot communicate well, others will not be able to understand correctly.

VIM: Sir, being the leader of a big organization must be definitely time-demanding. How do you manage your time? How do you ensure work-life balance?

Mr. Sanjay Mathur: As the MD of a company, the job is 24X7. It is not like an 8 hours shift. So, you need to prioritize things. Business & safety at workplace are the highest priorities. I give high priority to answering all important phone calls & messages. However, I reply to only a few select e-mails.

In dealing with people & interacting with them, I feel relaxed. Delegating work is also very important.

VIM: What are your hobbies? How do you like to spend your free time?

I enjoy reading a lot. These days, I spend a lot of time with my family, travel and read a lot. I enjoy watching TV shows with my family, though I am not heavily interested in sports.

VIM: Sir, could you please suggest one or two good inspirational book/s to the students of VIM?

Mr. Sanjay Mathur: "The Goal" by Eliyahu Goldratt is an excellent book on Theory of Constraints and a must read for every Management student. "The Alchemist" by Paulo Coelho is another book which is very inspiring.