

NEWSLETTER

INTERNATIONAL

 ENGLISH VERSION

INDIA



MAKE IN INDIA – GDP GROWTH ATTRACTS MANUFACTURERS



P. 2

INTERVIEW:

Bernhard Steinrücke

“BIGGEST MISTAKE IS NOT COMING TO
INDIA” ▶



P. 3

Christian Tegethoff

“INDIA IS BIG NOT ONLY IN TERMS OF
TERRITORY” ▶



P. 4

ANALYSIS

Hunt Partners, Mumbai / New Delhi

INTERIM MANAGEMENT: DISRUPTING THE
MANAGEMENT CONSULTING MODEL

“BIGGEST MISTAKE IS NOT COMING TO INDIA”

For which industries is India interesting as an export market or as a production location?

India is interesting for many industries, including automotive suppliers, machine building and the chemical industry. We also see many service companies in India. India is no longer attractive only for manufacturing, it also attracts companies in logistics, banking, insurance and consulting. The spectrum is very large.

What are the reasons for setting up production facilities in India?

The domestic market is huge and grows on average over seven percent a year, the automotive market shows even double-digit growth in some years and thus remains interesting. The „Make in India“ campaign has also increased the attractiveness of the country. But India is also a hub for export to third countries - other markets in the region and beyond. VW produces 100,000 cars a year in India, which are then exported to Mexico. The education level is relatively good in India, even though most companies still have to train staff themselves. We support them as AHK to the best of our ability. Overall, the quality of the staff is quite good. Today, 500 to 600 German companies are already producing in India, with a total of around 1700 German companies active in the country. The main locations are Bombay, Pune, Chennai, the Greater New Delhi region, as well as Bangalore and Gujarat. About half of the German companies are located in Maharashtra, the remaining are spread over the other locations. The numerous Indian industrial parks are well developed and access to energy and other important infrastructure is ensured. The Indo-German Chamber of Commerce is the largest German Chamber of Commerce Abroad (AHK) worldwide, with 5,000 Indian member companies alone. The Indian companies appreciate the access to German companies and German networks. Many Indian companies are already working with German partners or are striving for this, and the AHK offers an excellent platform for them.

What are the biggest hurdles to doing business in India?

In any case, the biggest mistake is not to come to India! And the second biggest mistake would be not to come to the AHK. Otherwise, entering the market is comparatively easy if some conditions are met. It is important to take the market seriously and to develop it in a structured way like any other market. Companies

need to do their homework, scrutinize businesses and partners carefully, ask the right people and act strategically - then they can be successful.



Bernhard Steinrücke

Director General, Indo-German Chamber of Commerce.

The IGCC is the largest bi-national German Chamber of Commerce worldwide.

What does the „Make in India Mittelstand“ campaign include and what is the response of the German economy?

This initiative of the Indian Embassy in Berlin is intended to help medium-sized companies to start in India by providing potential investors with information as well as contacts for all relevant issues. In addition to our AHK, the partners include various consulting firms, financial service providers and other institutions. About 100 companies have already taken advantage of this advice and significant investments have been initiated. Already today, the 30 largest German companies in India alone employ 522,000 people, directly and indirectly, with a further upward trend.

“INDIA IS BIG NOT ONLY IN TERMS OF TERRITORY”

For which locations do you predominantly recruit candidates?

Mumbai and New Delhi are the classic locations for sales offices. Both metropolises are closely connected to Europe and all Indian airports can be easily reached from here. Consequently, the demand for talent is high at these locations, as is the pool of candidates working in international companies. Various locations have established themselves as manufacturing hubs. Pune is home to many automotive and industrial companies. Also, Gujarat and the Greater Bangalore region host large numbers foreign companies.

Which candidate profiles are currently being sought by your clients in India? In India, we mainly work for medium and large European enterprises. Companies require a certain size to provide the resources to succeed in the Indian market with its specific regulations and customer requirements. Most of these companies are still limited to export at the moment. To this end, they maintain representative offices or relatively small subsidiaries in India. These coordinate the cooperation with the dealers, work with end customers and organize the product service. Thus, our clients frequently demand sales-oriented managers - especially Representatives and General Managers. But we also notice that companies are increasingly using India as a production location. They benefit from cost advantages, for example with regard to personnel costs. At the same time, many products require adaptation to the local market in order to meet the needs of Indian customers. These modifications are usually done locally in India. The often-used slogan for this is „Make for India“. Plant and Production Manager positions are therefore relatively frequently requested.

What should be considered when recruiting managers in India?

India is big, not only in terms of territory, but above all in terms of the multitude of cultures and languages spoken on the subcontinent. India should not be seen as a single country from the HR perspective, but rather as a federation of diverse individual states, comparable to the European Union.

INTERVIEW



Christian Tegethoff

Managing Director
CT Executive Search

The large regional differences mean that the mobility of candidates is limited. Recruiters should not expect by default that candidates are prepared to move to another city or state. For example, a candidate living in New Delhi today will only be prepared to move to Madurai, a city in Tamil Nadu, in exceptional circumstances. He would not be able to understand the local language and most likely also have cultural issues settling in on the ground. The executive search consultant therefore has to tailor the search strategy on a case-by-case basis to the respective linguistic and cultural boundary lines.

Another important aspect is the necessary internationality of candidates. The Country Manager does not only have to know his own market, but is also required to succeed in the structures of an international company. In order to do business in India, you obviously have to know the local customs - but you cannot simply play according to local rules, ignoring international compliance regulations.

The local management plays a crucial bridging role between corporate headquarters and the Indian market. That is why the appointment of the Country Head is one of the most important decisions that determine business success in India.

How are European employers perceived in India?

In general, European companies are considered attractive employers and are clearly favored over domestic and Asian companies. However, American and Australian employers are similarly highly regarded - and local companies are catching up in part. Particularly in the IT sector, but also in the pharmaceutical and industrial sectors, there are now fairly attractive Indian companies. Nevertheless, European and American companies continue to be considered the best-paying employers and those investing most in the training and education of their employees

ANALYSIS

INTERIM MANAGEMENT: DISRUPTING THE MANAGEMENT CONSULTING MODEL

Interim Management is the transitory requirement of an individual with management or other specialised capability into an organisation. In the following article we are diving deeper into the nitty-gritty of the Interim Management role.

Need for hire

Organisations going through transformation or instability caused by sudden leadership exits may scout for interim managers. Placing an interim manager provides additional time for the company to identify the right long-term leader. At other times, lack of highly specialised skills may drive the organisation to look for talent outside - the reasons are multi-fold.



From Hunt Partners, Mumbai / New Delhi.

CT Executive Search cooperates with Hunt Partners in India and South Asia.

Best Practices

- As Interim roles require high-calibre candidates with past track record, it is advisable to seek the assistance of a Search Firm.
- First & foremost, it is crucial to state the "Objectives and Deliverables" and define what the business aims to achieve from the appointment.
- Goal setting will further help in clearly identifying the candidate requirement and stay focussed through the hiring and on-boarding processes.
- Transparent reporting ensures smooth assimilation into the business and provides a great start. It is important to have the awareness about the degree to which resources would be made available to the interim manager and the amount of confidential company information required to be shared to accomplish the goals.
- Degree of decision making authority with the interim manager is a function of the role and the objectives. If the hire is made for bringing in a strategic change, then it requires a high degree of authority whereas in case of a stopgap arrangement, it can be limited.
- Drawing performance matrix & evaluation parameters at the very beginning helps in measuring success at the end of the project, leading to a meaningful stint and avoiding conflicts.
- While it is a short-term engagement, having intermittent reviews is useful to track the progress and ensure continued interest.
- It is a win-win when the individual understands and accepts the culture of the organisation apart from agreeing to the commercial terms.

What to expect

- Speed – Since it is short-term, it is expected that interim managers take very little time in coming up to speed, understanding the business and expectations.
- Focus & Expertise – Interim managers need to have a systematic approach to gather critical information required to start the mandate. Organisations expect them to be a subject-matter-expert who can deliver results.
- Communication Skills – These help interim managers to build trust with the internal teams and keep the stakeholders informed of the progress made.
- Project Management – They need to keep a close check on the overall project & deliverables. Good project management skills will help avoid disappointment towards the conclusion of the assignment.
- Results – Every organisation would want to see clear results at the end of the assignment, whether it is a divestment, HR or financial restructuring or a branding exercise.

What not to expect

- Interim managers are not expected to deliver & achieve long-term goals for the organisation. As the hire is made for a project, they should be evaluated only on the basis of the stated objective & mission.
- Quick fixes to all problems should not be expected from the individual.

Challenges

Appointing an interim manager could possibly create unrest among existing employees leading to teething issues for the new-comer. In case of lack of commitment from the Interim Manager, the whole exercise may turn out to be unfruitful. It is critical to avoid digression from the project purpose which may lead to losses.

Our Recent Interim Manager Hires in India

1. Interim CFO for a large European corporation operating in India. The role involved leading the restructuring of the organization along with M&A activities.
2. Interim HR leader to help with the integration of the existing C&B systems for a large Indian organization and transition to a new one.
3. Interim CEO India for a global company to launch the Indian subsidiary, manage the local regulatory challenges, get it off the ground, including drawing the road map for setting up the local manufacturing setup.

To summarise, Interim Management is a unique solution designed to solve varied business issues & agendas. It is at the discretion of the organisation and the individual to create a win-win out of the scenario.



EXECUTIVE SEARCH

EXECUTIVE SEARCH EXPERTS IN THE EMERGING MARKETS

CT Executive Search focuses on placing key positions in the emerging markets – in Russia/ CIS, Africa, the Middle East and Asia.

We are experts in cross-border search processes and identifying top-notch candidates for international companies. Leveraging a broad network of analysts and consultants across the emerging markets, CT Executive Search has established itself as a reliable partner for well-reputed companies.

MOSCOW

CT Executive Search LLC
Central Office
Shlyuzovaya nab. 8,1
115114 Moscow, Russia
Telephone: +7 499 678 2111
E-Mail: office@ct-executive.com

- ★ CT Executive Search Central Office
- CT Executive Search Liaison Locations
- International Research Capacities

