

Tata, JLR and the 9 Ps

THE media is rightly dominated by the Tata-Ford deal on Jaguar and Land Rover, which marks a new high in the globalisation of Indian industry. Steel, hotels, tea, IT are fine but to acquire companies with world brand and reputation leadership in the auto sector is something else altogether. It captures everyone's imagination and mindspace in a very different way. Jaguar and Land Rover are household names. One known for luxury, the other for ruggedness and durability. Here are some learnings and implications for Indian organisations — "the 9 Ps" of process, patience, people, passion, pressure, policy, pride, performance and profit.

First, the process. There is a clear message here of the need to be prepared to go through a fairly long-drawn out process of discussion and negotiation. Aiming high is not enough. It eventually comes down to lots of nitty-gritties and micro-details to be worked out, step by step. Understanding and acceptance of "Process" is a key dimension in the globalisation of Indian corporates, remembering that different cultures and systems are involved which have to be respected and appreciated.

Second, patience. Negotiation, discussion, dealing with doubts and concerns. Working steadfastly to build trust and confidence. It all requires a great deal of patience, not a cowboy approach. Indian corporates are relatively new to the world of M&A, especially truly mega-deals in value or brands. Therefore, the world, especially the companies concerned, their stakeholders, need to feel comfortable. Impatience can only result in failure to achieve the objective of an M&A proposal.

Third, people. On the side of the acquirers — in this case, Tatas. How they deal and handle the issues. Their transparency and values. Their integrity and ethics. On the side of the companies being taken over — addressing their fears, insecurity, concerns. Eventually, it's so much about people. Individually and groups (eg, trade unions) and their engagement, mutually, and inter-personal relationships and dialogue. Obviously, Tatas have achieved the impossible — trust and confi-

dence. Nerves are important, in fact, critical. To stay calm to absorb the pressure, to keep going. As the saying goes — "nerves of steel". And, in this, the global negotiation process calls for calm, the ability to bear extraordinary pressure and keep going.

Sixth, policy. There must be a framework of policy within which such a major initiative falls. JLR is part of Tatas global strategy, part of Tatas automotive strategy. It has to be. Be it the brands, technology, markets, skills, infrastructure, engineers — is all part of an overall vision and policy. Without this, corporates can get absorbed in adhocism and misadventures and easily lose their way. Its not all about going shopping for nice things and stocking up the cupboard. That would be an easy way to fail.

Seventh, pride. Not before a fall. Not arrogance. Just, steady, sober stable pride in doing what is necessary, what is right, what is important. The JLR acquisition will give so much pride to everyone in Tatas, as it gives to every Indian. Pride is an important ingredient in the Tata acquisition of JLR — pride in doing something challenging, complex, meaningful.

Eighth, performance. Beyond the acquisition, in the medium and long term, expectations have been raised and delivery has to happen at sometime in the not too-distant future. Performance in terms of employee morale, production and productivity (which can be a real challenge in rigidly structured western economies). The tougher work is yet to come! Ninth, and, last, profit. Private sector investments. Equity and borrowings. Money flows out. Money has to flow in, back. Again, not overnight. But, over a period of time. Key to the health of the M&A, the acquirer and the acquired. Profit has to come in time.

There must be many more Ps, many more learnings. For now, these 9 Ps will suffice. All that follows — integration of cultures and enhanced globalisation of Indian industry, led by Tatas, will also be subject to the 9 Ps. For India, policymakers and business, political parties and NGOs, there is also a learning — to make India a place where the 9 Ps work successfully.

(The author is chief mentor, CII)

GUEST COLUMN

TARUN DAS



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dence in them, their intentions, their culture, their long-term strategy. This is huge. The challenge is to create trust in the people of JLR. For example, Ford is known and respected enormously. They have a long tradition. For Tatas, though respected, it has to be, today, an uphill drive. To build credibility. To earn trust of people who decide and determine the future.

Fourth, passion. Without emotion, without feeling, without passion, very little is achievable. Doing things mechanically, coldly, calculatingly, have limits in reaching objectives. To dream and to realise dreams, passion is an essential, inner need. Passion touches everyone and everything. Tatas clearly had, and have, passion for JLR. That enabled and empowered the people to be at it day after day.

Fifth, pressure. When the story is told, if ever, there will surely be tales of how much pressure there was and how people stood up to that pressure. Tension, ups and downs, going forward and backward, all of this is part and parcel of breaking new ground. It has to be