

SUCCESS STORY OF Mr RK BEHERA & Mr SK BEHERA

RSB GROUP

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“THE WHEEL OF SUCCESS”

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Building a successful organisation is a tough journey; but building it on the strong foundations of strong ethos and principles makes the journey even more tougher. It requires unflinching faith in oneself as well as an unwavering dedication and commitment to the values imbibed, irrespective of the difficulties and impediments that come their way. Where many fail to traverse this difficult path, a brave few navigate through these routes and eventually emerge successful in building a sustainable organisation.

The Behera brothers, Mr. Rabindra Kumar Behera (RK), Chairman and Mr. Suvendra Kumar Behera (SK), Vice Chairman and Managing Director, RSB Group, belong to this second category who braved all difficulties and ultimately emerged victorious.

Speaking on his entrepreneurial journey, RK recollects, "We come from a humble middleclass background from Jamshedpur. My grandfather and father were employed with Tata Steel and we were a big family of 7 brothers. My father was the sole earning member until my elder brother took up employment with Life Insurance Corporation and additionally supported the family.

My father was a man of principles and a firm believer in the values of ethics, commitment, integrity and gratitude. He once borrowed Rs. 300 from a friend with a commitment to return it within a certain period. Soon after, riots broke out in Jamshedpur and post restoration of normalcy, my father went around to check the safety of his friend, only to find the latter's shop burnt down. Further enquiries revealed that he had left the city along with his family for good. Time rolled by, but he never forgot his commitment to his friend. He would often express his discomfort for not having repaid his debt. A decade passed by and still there was no clue of the whereabouts of his friend despite all his attempts to trace them. Once during a visit to Cuttack, he stopped to have tea at a shop and found the shopkeeper looked familiar. On a closer look, the shopkeeper turned out to be the same friend from whom he had borrowed Rs. 300. My father was so happy that he hugged his friend and immediately repaid the principal along with interest, despite protests by his friend. It is these values and a sense of commitment that we inherited from him and later formed the DNA of our organisation.

Despite the limited resources, the family never compromised on education. I completed my Mechanical Engineering from NIT Jamshedpur in 1973-74 and got selected for a job at Bokaro Steel. However, I wanted to start something of my own. Right from childhood, I wanted to lead a life of independence and was not willing to be directed by somebody else. I suppose that element of being

independent in thought and actions led to this entrepreneurial journey. The other thought that inspired me to pursue the entrepreneurial route was my belief that, as an entrepreneur, I can not only support my other family members but also create more job opportunities for others in the society as well.

I had no experience of any kind nor did I know the contours of the path I chose; but had a passion and dedication to traverse an uncharted path and willingness to learn from mistakes. With this, I plunged into the hurly burly world of business and founded International Auto Products, a sole proprietorship Company in 1975.

While I had the blessings and support of the family, financial support was very minimal to start a business – a meagre Rs. 15000 borrowed from my father formed my initial investment. Those days in the state of Bihar, there was a subsidy scheme of Rs. 20,000 for fresh engineers and technical professionals who wanted to start something of their own. I also got a loan of Rs 1.65 lakhs sanctioned by Bihar State Financial Corporation (BSFC). With these funds, I bought a lathe, a shaper, a milling machine, a small press and a centre-less grinder.

I approached the Maintenance Departments of Tisco and Telco (now Tata Motors) to seek their support, looking for small jobs they could outsource to me.

Business was still in the infancy stage when my younger brother joined me.

For the next four to five years, we worked on various components like brake shoe pins and sheet metal components. We also added Adda Machines (there were no Capstan lathes during those days) which improved our capacity.

However, things did not go exactly as planned and we had to face many turmoils. By 1978-79, we had become a sick unit. But this did not deter us, and we stood steadfast to realising their dreams. After all, even the mighty lightning has a silver lining.

Around that time, Telco was setting up ancillary units and had advertised seeking vendors. We applied to the NSIC (National Small Industries Corporation) and were called for a meeting with our bankers, Bank of India and Bihar State Financial Corporation, to revive our unit. We presented our business case and after much persuasion, were sanctioned additional loan of Rs. 2 lakhs.

That was a major turning point in our entrepreneurial journey.

We were a learning organization and though initially we had no experience, we learnt a lot from our interactions with the Quality and Development teams at Telco. We made sure not only to learn from our mistakes but also not to repeat the same. We treated our mistakes like our investments in our business".



Our focus and commitment to quality was a key differentiator for us all along our entrepreneurial journey. Come what may, we never compromised on quality. We used the same grade, no manipulation whatsoever, and made components to the exact specifications provided by the customer. Slowly we earned the reputation as a quality supplier. We were the first Company in the region amongst the Telco vendors to get the ISO 9001/QS 9000 quality certification and became a preferred vendor for Telco.

Besides quality, another focus area for us was commitment to on-time delivery, even at short notices.

We worked majorly for Telco, Jamshedpur during 1995 to 1997. Later, we forayed into defence in a small way, through Telco, manufacturing anti-freeze water tanks made of aluminum.

In 1995, we set up another plant at Pune, at the invitation of Tata Motors, and I relocated to Pune. The Jamshedpur operations continued to be handled by brother SK. We got latest machines from Hurth, Gleason and other renowned manufacturers for manufacturing of gear transmission components and soon added new clients like Mahindra & Mahindra, Ashok Leyland and JCB in our portfolio. Each customer addition was a story of grit, determination and overcoming challenges. Nothing comes easy.

Around that time, markets were growing with the Maruti story unfolding at an exponential pace. We had a choice to cater to this new segment as an approved supplier. However, this required us to relocate RSB to Gurgaon; something that we were not ready for. Therefore, we continued to focus on commercial vehicles and construction equipment segments; more specifically on transmission components - propeller shafts and gears.



While I managed functions like quality, finance, international business and corporate affairs, SK, though not a qualified Engineer, managed operations, manufacturing, administration and IR. He had this knack for people management by connecting with them and getting the work done through motivation and fair HR practices.

The next big transformation came when we took over a Company in US in Dec 2006 and also set up a green field project in Mexico.

We had multiple rounds of deliberations at Washington with IFC where we had a hard time convincing them of the opportunity we saw in putting up the facilities in US and the benefits it will bring to the organization in future. Finally, they agreed in mid-2006. That was a big and bold step for RSB to be recognized by the financial institutions in running the operations abroad as well. Eventually, we started catering to global clients like Eaton, American Axles, Dana, Allison Transmissions, Magna and others.

In 2008, business hit a bad patch because of global recession. We used this opportunity to make our operations lean and improve the operational efficiencies within the organization. It is during this time that we also developed our in-house design capabilities through our subsidiary, I-Design Engineering Solutions.

Our bonding and empathy with our teams has been one of the factors which has led to the growth and success of the Organization. We have an absolute connect, not only officially, but also personally as well, with the families of our employees. At RSB, we don't call our employees as workers; we call them associates. They in return address us as brothers. We care for them and once a quarter, we meet them informally, to understand their issues and offer possible solutions. *Chacha* can walk into my office any time.

We are an organization where there is so much respect for women - *Chacha* is my sister, because we have seen our own mother managing these roles, *Chacha* and I have no complaints. Women are more capable than men. They work for two shifts continuously, whereas men only work for a single shift.

Once a lady, whose husband operated a 1200 MT press in our factory, stated that her husband comes home very tired and the stress of operating such a heavy equipment was taking a heavy toll on his health and was leading to *Chacha* at home.

SK took her to the shop floor and guided her to operate the press. She pressed the button, the plunger moved, and the steel part got into shape. The picking and placing of the steel component was automatic.



SK told the lady that her husband had to simply press the button to operate the press. Therefore, if he troubles you again, she should challenge him saying that she too can operate the machine and, if needed, can replace him on the shop floor and he can take charge of the kitchen.

The man came to SK the next day and told him that he had spoilt his reputation at home. SK, in turn, told him that his wife was more capable than him. "She gets up at 5 AM to prepare meals for you and the children, works the entire day to take care of the family and goes to bed only after the others have slept. You must respect the lady" he said. The man understood the point.

In mass meetings, conducted on a quarterly basis, we tell the better halves, that if any husband shouts at them or beats children or comes home drunk, straight away walk into our cabin and we will take care of the rest. We have meetings with the spouses, understanding their issues and even offer the best medical and psychological advice to deal with the issues.

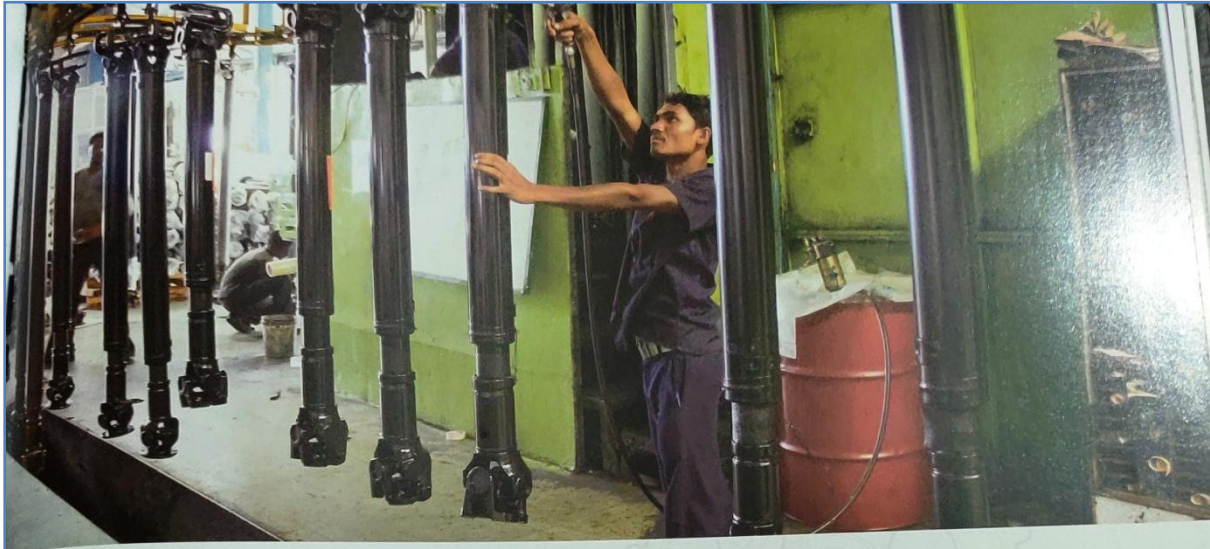
I must say with lot of pride that the next generation has taken to these values and are maintaining the human touch within the organization. Ms Nirmala Behera, Group

HR Head, is extremely accessible and has couples coming to her after miscarriages seeking her advice and guidance. Not that she does not have to deal with other challenges – she had an enviable task of bringing in professionalism, incorporating Key Result Areas (KRAs) and other performance measures within the organization across all the plants despite initial resistance.

As an organizational philosophy, RSB Group never does any business in three fields – alcohol, tobacco and weaponry. A few years ago, we got an order worth \$1.5 Million from our US operations for supplying machined components of AK-47 rifles for the US Army. For the local US team, this was a prestigious order and they were very enthused about it. But we firmly refused and asked the team to return the order. That says something about our values and ethos.

In the decade, 1980-90, we grew at a rate of 80% CAGR because the base was small. Subsequently we grew at a rate of 40% during 1990 – 2000 and continued to grow at a pace of 20% CAGR at present. From our initial days of struggle achieving a turnover of Rs. 50 Crs in the year 2000, we had come a long way. Today we have a turnover of Rs. 1800 Crs, catering to the Indian and global markets. We are majorly into transmission components – propeller shafts, ground gears, front





axle beam, dummy axles, differential cases and gear boxes as well. After several transformations, we became a public limited company, International Auto Limited, in 1994, which eventually merged with RSB Transmissions (I) Limited in 2009.

We have 11 plants in India and 2 overseas and they are completely independent of each other operating as Strategic Business Units with their own Balance Sheet and Profit and Loss account. The highlight of the journey has been that we now also design the components for reputed OEMs and our Indian principals, through our subsidiary, I-Design Engineering Solutions. The most important milestone we have achieved is winning the prestigious Deming Prize for TQM practices. TQM is an inherent commitment of our employees in every sphere of their activity."

Business Mantras

Pursue quality with zeal
Commitment, accountability and empowerment go hand in hand
Foster a culture of working together – with principals, suppliers, employees and the Government
Be bold in your vision. It is all in the mind
Focus to create value for customers

Value System

Value human relationships and respect them
The best ideas come from within. Foster Innovation
Give back to the society
Integrity and transparency
Look good in people