

From Challenges to Triumph

R. K. Behera is a highly successful businessperson and philanthropist. As the Chairman and Founder of the RSB Group, a Rs.3000 crore company which boasts of manufacturing facilities in 11 different locations in India and one each in the USA and Mexico, he has led the company from its humble beginnings to become one of the leading Auto Component Manufacturing companies in the industry. His vision has earned him numerous awards and accolades, including the Deming Prize, Best Entrepreneur Award, and Lifetime Achievements Award. In addition to his professional accomplishments, Behera is known for his humanitarian efforts and philanthropic initiatives, such as his “Padmavati Siksha Niketan” school for underprivileged children near Cuttack. He also serves on the Think-Tank Odisha; has held leadership roles in multiple professional and trade organisations, including the CII, Value Engineers Association of India, and the Indo-German Chamber of Commerce. He unravels his entrepreneurial journey which rose from humble beginnings

By Vinita Deshmukh

Corporate Citizen: Tell us about your academic journey beginning from your school days.

R K Behera: I began my academic journey by completing my Higher Secondary Schooling in 1967 but it was filled with struggles due to financial issues. My family was from a lower-middle-class background, and my father was the only earning member with seven siblings and my grandmother to support.

After completing my BSc engineering with a first-class distinction in 1973, I was determined to do something on my own and not join a business because I cannot work under any boss. My objective was to uplift my family and do something so that everybody can lead a better life. The other most important motivation was to be self-employed and at the same time give employment to many people in the society.

However, my father wanted me to take up a job and encouraged me to take on various interviews, including ones for the JET programme. I was eventually offered a position at TISCO, as Tata Steel was known then, but I turned it down after working for a few days, as it did not appeal to me. I wanted to be my own boss and create job opportunities for others. I was determined to start my own business. My father decided to support me in this decision, even though his friends questioned how I would be able to start a business without any capital.

CC: How did you sow the seeds of entrepreneurship?

Determined to uplift my family, I decided to start something of my own. The Adityapur Industrial Area Development Authority (AIADA) by Bihar government had just started there and they were offering a subsidy grant of Rs 20000, land on lease on a very cheap cost, and inviting technocrats like myself to start something new. I immediately took the opportunity and despite initial hesitation from my father and his friends,



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I jumped in and started a small unit of my own. I believe in being a job creator and not just a job seeker. The journey was not easy but with determination, hard work and taking the right opportunities, I am proud of what I've accomplished and look forward to continuing to make positive impact.

In 1973, I founded the International Auto Products with the help of my teenage brother, who was seven years younger than me. While he was still in school, he offered to assist me with the business and promised to attend evening classes to complete his education. His help and support was invaluable to me as I struggled to get the business off the ground.

Initially, we focused on producing automotive components, but we were unable to secure any contracts for them. Instead, we took on smaller maintenance jobs for companies like Tata Steel and Uranium Corporation of India, as well as machining and pressing work. Eventually, in 1978, we were able to secure a contract with Tata Motors to produce automotive

components. Our company grew rapidly, with annual growth rates of 80-90%, as Tata Motors greatly expanded their ancillary production.

CC: What were the elements of your success?

From the very beginning, we placed a strong emphasis on quality of our products. We believed that without high quality, customers would not be satisfied and would not continue to give us orders. I focused on quality control, marketing, and finance, while my brother, who was a commerce graduate, handled production and construction. Our commitment to quality and hard work paid off, and our business continued to thrive.

In the 1990s, we expanded our operations to include the production of automotive parts for two-wheelers, three-wheelers, and four-wheelers. We also started exporting our products to countries in Europe and Asia. Today, our company is a leading manufacturer of automotive-components in India, with a strong reputation for quality and innovation.

Looking back on the journey of starting and

growing my own business, I am proud of what we have achieved and grateful for the support of my family and team. It has not always been easy, but the sense of accomplishment and satisfaction that comes from building something successful from the ground up is worth all the challenges and hard work.

CC: It's laudable that your commitment to producing high quality products was a key factor in the company's success, and your brother's support and expertise were instrumental in helping the company grow. Is there anything else you would like to share about your experiences while starting and running the company?

As I told you earlier my background as an engineer led me to focus on quality, marketing, and finance, while my brother, took on the responsibility of production and technical matters. This division of labour was successful, and my brother still holds the role of operational head for the entire group today. Despite having a team of skilled and specialised employees now, in the early days, I also took on managing finances and expanding the business by seeking funding from various sources such as banks and the National Small Industries Corporation. Though, in 1979, our unit experienced financial difficulties due to a lack of experience and a lack of demand for our equipment. We realised that it was not a well-planned project and we were unable to sustain our turnover and expenses.

CC: Tell us more about the revival of your company...

Starting a new venture is never easy and we faced many challenges in the early days of our company, International Auto Products. We had initially taken a loan of 1,65,000 rupees from the Bihar State Financial Corporation and another Rs 20,000 rupees from Bank of India. But despite our best efforts, we soon found ourselves in financial trouble. The overdraft limit had increased to 1,00,000 rupees and our unit had become sick. The State Finance Corporation even advised us to sell off the unit and find a job instead. However, we were fortunate to have the support of a bank officer, Mr. AK Choudhary, who recognised our sincerity and hard work and was able to secure additional funding for us. Thanks to his help and a big order from Tata Motors in 1980, our company revived rapidly with a CAGR of 80-90% and even 100% until 1994-95. We went on to set up multiple plants and diversify our product offerings, such as propeller shaft assembly and gear boxes, thanks to my brother's innovative ideas and my engineering knowledge. Quality was always our top priority and it was this commitment to quality that allowed us to keep receiving more orders and

expanding our business.

We managed to make it successful, even though the team we were working with weren't highly technical people. We sat down and brainstormed together, and that's just one example of how we've been able to overcome challenges and grow the company to what it is today—a Rs.3000 crore company.

CC: How did you move to Pune?

We've always had a focus on quality, culture and taking care of our employees, and that's what led to Tata Motors inviting us to set up a manufacturing plant for their gears in Pune in 1995. From there, we've continued to expand, adding more products, more manufacturing plants, and more locations across the country, and even in the USA and Mexico through acquisitions and greenfield projects. We are a joint family business and everyone plays an important role, whether it is in management, finance, business development or strategy. Even our children are involved in the business, some are into mobile gaming, but all of them are full-fledged entrepreneurs and doing their jobs. And we act as their mentor taking the critical strategic decisions while they handle the execution like professionals.

CC: Can you tell us about how your business has been impacted by the COVID-19 pandemic, both during and after? Have you noticed any changes in the industry because of the pandemic?

The Covid pandemic period was a very tough time for everyone. We faced many cash flow issues and had no cash to pay for salaries, vendor payments, and other expenses. However, our associates and management staff were very cooperative, and they voluntarily deferred their salaries by 25 to 30 percent. We compensated them later on, once the situation normalised. We also cut down on many expenses and conducted all meetings through Zoom calls. With the help of our senior managers, managers, and management staff, we adopted cost-cutting measures and took all the necessary initiatives to survive the situation. Our diversified product range helped us to balance the risk across different sectors and we were able to ultimately manage our cash flow. We also took help from customers, by asking them to pay in advance. We have a strong relationship with our customers like Tata Motors and Ashok Leyland.

We have a technical collaboration with a German company for propeller shafts and gearboxes. We have also developed our own capabilities to design and manufacture these products. It's a mutually dependent relationship and these products take a long time to develop, hence our long-term commitment towards our customers is the reason behind our growth.



RSB's philosophy and human face:

Knowledge Enterprise:

We strongly believe that the power of knowledge and information is supreme and these are the most precious assets of an institution. They enable optimum decision-making, inspire innovation, increase responsiveness, reduce costs, improve performance and ultimately confer competitive edge. To build a knowledge enterprise we constantly encourage and provide opportunities to all our employees to unlearn and relearn to sharpen their innate capacity and remain perpetually relevant to the organisation and the society. Learning is an endless mission across the Group so that it is imbued with an innate capacity to continually reinvent itself to remain relevant to the different times.

Benevolent Creative Leadership:

We echo deep concern for our employees. We practice fair employee engagement and disengagement practices and emphasise on empowerment of people, creating a culture of trust and honesty and above all encour-

age a mindset in pursuit of excellence. The tenets of our leadership are anchored on sensitivity, openness, encouragement, forgiveness and discipline.

Road to Perfection is Endless

We firmly believe that all human endeavours will always have scope for improvement. That is why 100-metre sprint record is regularly broken and Everest repeatedly scaled in lesser time. As an institution, we are perpetually restless to improve and innovate. To encourage innovation, we consciously practice out-of-the box or blue ocean thinking. We aim to attain the status where lateral thinking is all pervasive and automatic.

Corporate Social Responsibility

We are very passionate about preserving environment and developing human capital in our immediate neighbourhood in our own little way. Social responsibility and obligation is a valuable goal for us rather than being a mere self-serving business means.

CC: What is your staff strength?

Our staff strength is around 4800 to 5000 employees when you include permanent, temporary and contractual staff. We have multiple plants-our turnover was around Rs 2300 crores for all the plants put together, and we expect to reach around Rs.3000 crores in the current year. We have seen a significant growth this year and anticipate it to continue as we are adding new products, including components for electric vehicles. We have developed gear boxes for E-Axle because a shorter version is required for electric vehicles. Additionally, we are also developing other parts for electric vehicles to stay current with new technologies.

CC: What were your feelings when you started your venture and your father felt so helpless regarding financial support and now your sons have got that on a platter?

I feel proud because firstly, they imbibed the same philosophy and culture that we have, right from my father to this age. Just because they have a rich father, they never think of splurging money like a rich man's spoilt children do. They don't have that attitude at all. They are also very sincere and doing their job like a promoter family and a professional. Their approach is very professional. And our number one philosophy is that you should have humility, whatever position you may reach in life and I have learnt this from JRD Tata; he is my idol and of course, the Tatas.

CC: Can you give an example of this generation as to how they are more fortunate when it comes to pursuing their careers?

Yes, for example, my elder son, Rajnikant, has done his MBA from Leeds University, UK and is looking after corporate finance and fundraising. My other two sons, Ratikant and Rituraj, who are respectively Bachelors in Mechanical Engineering and Bachelors in Computer Engineering, from Michigan State University, are into mobile gaming and develop games. My late brother, Narendra's sons, Nishant, who is Masters in Mechanical Engineering from Gannon University, USA, is President of RSB NA, while Nishit, who holds Masters Degree from Leeds University, UK, in Business Management, is Executive Director, Business Development and Strategy. His daughter, Nirmala, who holds Masters Degree in Marketing and Executive Diploma in HR from XLRI, Jamshedpur, is Executive Director – Group HR.

CC: Why is JRD Tata your idol?

I idolise JRD Tata because of his humility and his approach towards taking care of humanity and society. He was the chairman of the company my father worked for and I saw how he used to take care of the community and the employees, even before the concept of CSR existed. He



Standing: Rajnikant Behera, Nishant Behera, Ms Nirmala Behera, Nishit Behera; (L to R) Sitting: Rituraj Behera, SK Behera, RK Behera, Ratikant Behera

My philosophy of life is to first understand the reason why I am on this Earth, and what my purpose is. I believe that life has two sides: the material and the spiritual. It is important to live a full and honest material life, while also doing your best to help others, particularly those who are weaker and in need

created a beautiful township in Jamshedpur and implemented programmes for the upliftment of the tribal community. He was always loyal to the company and treated every employee as a family member. His philosophy and culture has been passed down to me and I have imbibed the same values, which is why he is my role model.

I also appreciate the fact that my younger brother, S K Behera, has become a sort of union leader for our company, even though we only recently encouraged the formation of a union. He is always willing to go above and beyond for his employees, whether it's in the middle of the night to help a family in need or checking on the health and wellbeing of his team during the COVID pandemic, even while he was suffering from the virus himself. It's this kind of care and compassion that makes me admire JRD Tata and strive to emulate his values in my own leadership.

CC: How does the adoption of Artificial Intelligence and Machine Learning affect produc-

tivity in your company?

We have recognised the importance of digitising our organisation in order to stay competitive in the market. We are in the process of implementing Artificial Intelligence and Machine Learning in all our plants, with the goal of achieving complete digitisation in the next one or two years. We are also implementing Industry 4.0 or Industry 5.0 in order to stay current with technological advancements in product and process technology and innovation. Our adoption of these technologies, in combination with our commitment to Total Quality Management (TQM) and Total Productive Maintenance (TPM), has led to improved productivity, cost savings, and increased competitiveness in the market.

CC: What do you think of Odiya people as entrepreneurs?

I believe that Odiya people are generally intellectual in nature and are known for being scholars, bureaucrats, doctors, in civil services, professors,

PhDs, and are spread across the globe. While Bhubaneswar is an education hub like Pune, they may not have as strong a reputation as entrepreneurs when compared to Punjabis or Gujaratis. However, industries like steel and aluminium are flourishing in the area, and with the government's initiatives and the focus on developing infrastructure and tourism, the engineering industry may also see growth. Additionally, the Chief Minister's efforts to drive change and development in the region are helping things move forward, although it may be at a slower pace.

CC: What advice would you give to a young person who wants to enter this field and what qualities do you look for in a new candidate?

My advice would be to have purpose, persistence and perseverance in order to succeed in this field. Entrepreneurial journeys can be challenging, especially in the early years, so it is important to be determined and resilient. Additionally, agility is crucial in order to adapt to new technology and changing business conditions. It is important to have a solid plan and strive for stability, rather than aiming for a meteoric rise. When hiring new candidates, I look for qualities such as determination, resilience and agility. As we know, small and medium size companies are currently growing and this is what I look for as well, these are not bubbles that you can't touch. They are going for IPOs as within the last 10 years, MSMEs have done public issues worth Rs.60,000 crores.

CC: What's your vision for the RSB Group?

In terms of how the company will shape up in the next 10-20 years, I see us continuing to adapt and evolve with the changing market. We will continue to invest in research and development to ensure we are manufacturing the latest and most advanced components for the EV market. We will also look at diversifying our product offerings to include more components for green vehicles like hydrogen cell technology. We will also continue to maintain a strong partnership with our customers and strive to provide the best service and support to them. Overall, we are dedicated to remaining competitive in the market and being at the forefront of the latest advancements in the automotive industry.

CC: Would you say that adequate talent is not coming to the engineering industry these days?

Adequate talent is a concern in the engineering industry, but it's important to note that it's not a problem with the students coming out of top institutions like IITs and NITs. The problem lies with the private engineering colleges that are not providing quality education. There is a lack of collaboration between industry and academia, which leads to a disconnect between the knowledge students gain in college and the skills they need in the workforce. This can be addressed



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by establishing stronger industry-academia relationships, as seen in other countries like the US, where students have the opportunity to gain hands-on experience through internships or sandwich courses. This would result in ready-made engineers who require less training.

CC: How do you maintain your fitness?

I maintain my fitness by incorporating a daily routine of half an hour of walking, an hour of Yoga and Pranayam, and 20-30 minutes of meditation. Yoga has been particularly helpful in managing my hip joint pain and spondylosis. I also used to play golf, but I am currently not able to do so. However, I plan to start again. Additionally, I maintain a balanced and controlled diet, avoiding junk food and instead opting for homemade meals. All of these things combined help me to stay in good shape.

CC: What is the philosophy of life that you live by?

My philosophy of life is to first understand the reason why I am on this Earth, and what my purpose is. I believe that life has two sides: the material and the spiritual. It is important to live a full and honest material life, while also doing your best to help others, particularly those who are weaker and in need. This is a philosophy that I have inherited from my father and grandfather, who were both deeply committed to philanthropy and helping the less fortunate. Additionally, I firmly believe in being honest and transparent in all my interactions, never cheating or manipulating others. I hold the belief that if you owe something to someone, you must make sure to pay it back, even if it takes many years to do so.

(vinita.deshmukh@corporatecitizen.in)