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Universal Consulting India Pvt. Ltd. is a Management Consulting Firm focussed focused on designing and implementing Strategy, Operations, Organization Design and Information Systems Strategy for medium-sized businesses. In the past eight years, the company has worked with more than 90 Clients and has conducted around 200 projects in India, Singapore, Middle East, East Africa, USA and Philippines. More than 50% of this work has been repeat business. The company's clients include leading organizations like **Standard Chartered Bank, Sterlite Industries, McDonald's India and Global Tele Systems.**

Mr Jay Desai is CEO, Universal Consulting India Pvt Ltd, which he founded in 1994 He started his Consulting career in Andersen Consulting, now Accenture, in 1989. A Bachelor of Science, he graduated in Life Sciences in May 1984 and followed this up with an MS in Molecular Biology from Purdue University, USA. Mr Desai did an MBA in Information Systems from Willamette University, USA. **Mr. Harshavardhan Dole** of **India Infoline** spoke to and began by asking him:

What is the "Universal Advantage? "

Our Clients, over the years, have benefited from our holistic and integrated approach, to analyzing the five key building blocks of a business. These building blocks - Vision, Strategy, Operations, Organization and Information Systems are normally mis-aligned in most companies. We understand the inter-linkages between these building blocks and how to align these components together. This pyramidal view of a business (called "Universal Advantage"), is core to the Consulting Services that we offer and is the intellectual lens through which we will look at the organization. A suite of 'Methodologies' to address improvements in specific building blocks of business supports it. Depending on business needs, we determine whether to deploy the entire suite of "Universal Advantage".

In the initial years of your career you have worked in USA for a biotechnology firm. Could you tell us about the future of Biotechnology in India?

Biotechnology is a marriage between biology and technology. It is an extremely risky business.

We have talent available in biology and technology. So in my view there is a tremendous scope for Biotechnology. But it will take time for India to make its presence felt in global arena because it takes about 20-21 years to launch a product and the process of research in India is its initial stages. I believe that major thrust would come in the area of contract research and contract manufacturing in next few years.

You have leading IT companies as your clients. What should the Indian companies do to maintain their position especially taking into consideration the entry of China in the global markets?

We have seen the Indian companies showing phenomenal growth rates in the past. The slowdown in the global economy has now capped the growth rates. For Indian companies to maintain their profitability they have to move up the value chain. This would enable higher margins in the absence of growing volumes. As far as China is concerned, yes, it is a threat to the Indian IT companies in long term. But in the short run, I don't think our companies would face a threat. Maybe 7-8 years from now China would be a serious threat. So the ultimate solution is to enter the higher margin segments.

What could be the strategy for MNC food retailers (like McDonald's) to enter the semi-urban or rural markets?

For an MNC food retailer to succeed in India, the best strategy is to customize the menu card and that is what most they are doing in India. With most of the population being vegetarian in India the food retailer would survive if they can offer customized menu to suite the local habits. Indian consumers are very price sensitive so it has to be very careful while fixing up the prices. It must be done by taking into consideration the purchasing power of the local population. Hence a fixed pricing may not work. What McDonald's is doing is absolutely correct.

What changes have you observed in the operations of the Indian film industry?

The Indian film industry is going through a transformation. Previously it lagged not in quality but professionalism. Now the industry is realizing the importance of being organized. That doesn't mean that companies would come out with IPOs. However, they would channelize their operations. We are doing a project for a leading actor turned producer, whereby we provide him MIS reports on a day-to-day basis. So these are the changes I have experienced in the mindsets of the producers, actors and I feel more and more people would join this wagon of change.

What would be the driving forces for growth in the organized food retailing in India?

For food retailing to grow in India, the well-developed agriculture sector is a must. In addition to this, suitable infrastructure must exist. The supply chain management is the key success factor in this industry. For efficient supply chain management, facilities of cold storage etc. should be developed. This would enable the food retailers to cater to its customers at competitive prices. In my view development in the agriculture sector to the global standards and efficient infrastructure would drive the growth in the organized food retailing.

Can a country like us afford to have as high as 51% contribution in the GDP when the manufacturing sector is slowing down?

It is a bit difficult to say what should be optimal level of contribution from the service sector in the GDP of India. If one analyzes the GDP of a developed country like USA, more than 75% of the contribution comes from services; that shows we are still far behind them. For a country like ours, where there are infrastructural bottlenecks, it is good that the service sector is growing at a very rapid pace and is contributing more. Manufacturing sector would require high volume, high quality manufacturing and infrastructure to supplement it. It would definitely happen in India though not in the scale of China. Some segments of the market would witness this.

What is your outlook on the economy for the next couple of years?

I believe the service sector would grow more rapidly because of the recovery in the global economy. There would be a pick-up in the manufacturing sector. This would, however, help only those manufacturers who have economies of scale and who have more focus on the market. The small manufacturing companies would find it difficult to survive. Unless there is a drastic change in the infrastructure, the industrial as well as agricultural sector won't be able to grow at the pace required.

I feel in the next couple of years, pharmaceuticals, automobiles and to a certain extent, software sectors, apart from the service sector would be the growth drivers for the Indian economy.

What change have you witnessed over the past 8 years of consulting practice?

What I would like to share with you the most is, "how the mindsets of small and mid sized company CEOs are changing." Earlier, most of the small enterprises were bothered just about the bottomline- profits. Now they are thinking how to be more competitive. They are asking what are the best practices (adopted internationally) to manage their companies. This is very good sign to enhance the process of liberalization. The people are getting more and more aware of the fact that they have to be competitive to survive.