

## UNIVERSAL'S MANTRA FOR SUCCESS

**UNIVERSAL CONSULTING INDIA, A MANAGEMENT CONSULTANCY FIRM, PROVIDES WORLD-CLASS SERVICES PARTICULARLY TO MEDIUM-SIZED COMPANIES. IT HAS SUCCESSFULLY COMPLETED CLOSE TO 200 PROJECTS IN INDIA AND OVERSEAS. IN AN EXCLUSIVE INTERVIEW WITH SPECIAL CORRESPONDENT RAJESH KULKARNI, THE FIRM'S CEO JAY DESAI OUTLINES ITS CORE COMPETENCIES AND DESCRIBES ITS WINNING STRATEGY FOR CORNERING THE MARKET.**

SET UP IN 1994 BY JAY DESAI, FORMERLY A SENIOR consultant with Accenture Consulting, Universal Consulting India Pvt. Ltd. is a management consultancy firm focused on providing world-class services to medium-sized organisations. In the last eight years, the company has worked with more than 90 clients in both service and manufacturing segments and has successfully completed around 200 projects in India, Singapore, the Middle East, East Africa, the US and the Philippines. Its large client list includes well-known corporates like Global Tele Systems, Edelweiss Capital, Sterlite Industries, Standard Chartered Bank, Bell Ceramics, McDonald's India, Hardcastle & Waud, Gary Wendt Capital, Dilip Chhabria Design, and Owens Brockway.

More than 50 per cent of Universal's revenue comes in the form of repeat business from its existing clients. The company has established its credentials in the market by its transparent business style, humane approach and commitment to provide every client 'more value for less money'. Specialising in areas of vision and strategy formulation, operations improvement, organisation design and information systems, Universal boasts of a dedicated and highly trained staff of about 35 people in its Mumbai and Singapore offices. The company's employees are deeply committed to their mission of providing high-quality management consulting at affordable costs.

In an exclusive interview with Business Barons, Mr. Desai, CEO and founder member of Universal, shares his views on issues ranging from the problems plaguing medium-sized Indian companies to the great economic divide between India and China. Excerpts:

**n Tell us about your company, Universal Consulting.**

**JAY DESAI:** Universal Consulting was set up in 1994. Prior to this, I was associated with Accenture as a senior consultant. I realised that a large market existed for high-quality management consultancy services among medium-sized companies, especially those price-sensitive firms expecting high-quality services. That is when I decided to set up a company of my own.

We have been around for about eight years. During this time, we have worked in about 40 different industries across 70-80 sub-industry segments. Forty-five per cent of our work is in the manufacturing sector while 55 per cent is in the service industry. On the manufacturing side, we've worked with companies in the business of packaging, construction, food processing and textiles. In the service segment, we've executed projects for companies engaged in retail, entertainment, trusts, financial services, logistics and information systems. We also work in areas like business strategy, operations improvement, organisation design and information systems strategy. So essentially we cover all the building blocks of a business. Over 80 per cent of our projects are within the country. We also have overseas projects in Singapore, East Africa, the US and the Philippines.

**n What are your core competencies as a company specialising in management consultancy?**

**DESAI:** We specialise in the market segment as a whole and not in any one vertical segment like, say, telecom, power or cement. Another reason for not relying on any one segment is that about 80 per cent of the problems are similar across companies. We have developed expertise that can help family-run companies to function as corporates. We do a lot of implementation work for our clients. In fact, that is our credo: 'From Ideas to Implementation'. We are not just a report-writing company. We initially prepare a report and then work with the client to implement the same. We try to come up with recommendations that are practical which the client can implement in a short period of time. We have a varied list of clients, mostly medium-sized companies and some smaller clients.

**n Which was the first project undertaken by Universal Consulting?**

**DESAI:** Our first project was for Sterlite Industries. In fact, while I worked at Andersen, I was acquainted with Sterlite Industries and its managing director. After I quit my job at Andersen, I informed the managing director that I had set my own firm. His response was encouraging and subsequently he granted us the project.

Within a month of starting the project, our revenue touched for the first time the Rs. 1-lakh mark. We kicked off with an initial investment of less than Rs. 3 lakh, but our business gradually picked up. Today, our company is faring well. However, what matters most to us is our performance. Our business objective is to provide our customers with the best service and keep them always satisfied.

**n The quality of service is mostly dependent on employee efficiency. How do you view this aspect?**

**DESAI:** Employees are the veritable key to any consultancy services firm's success. We adhere to certain codes of behaviour, besides we've some performance criteria. For a small firm, we are extremely selective about the kind of people we hire. For example, in

the last three months we've interviewed close to 350 people. Of these, we hired only two applicants. Indeed, it is a tough selection criterion.

We want to make sure that the recommendations we make are cost-effective for clients. In order to make our pricing affordable, we hire not only efficient people with good academic background but people who understand what it takes to implement an idea that they may come up with. This involves adhering to a set of behavioural criteria. You should have the desire to learn more and more, understand different ideas that could be applied to work, you should be able to stretch beyond what you perceive to be your normal limits and have the capability to understand your client's viewpoint.

Around 40 per cent of the people we hire would be unable to get through beyond an initial trial period of six to eight months. So in spite of being selective about the people we hire, we've built in a certain amount of redundancy in our hiring process because we know that there are certain things that we want in terms of performance and values. Anybody who is not in a position to deliver the goods would not stay with us too long. Therefore we've an efficient performance evaluation system in place which tells us how each of our consultant is performing on a monthly basis.

**n The business of providing management consultancy services has become highly competitive of late with a slew of well-known companies entering the field. What sets you apart?**

**DESAI:** Our excellent services and the right price-value set us apart from others. The values we deliver for the price we charge weigh in our favour. We may charge a certain amount for a project but the value we deliver is many times that amount. Secondly, our charges are always within the affordable limits of our clients. Many clients would be unable to pay the initial outlay if the amount is too high. We operate in a range where we become extremely valuable to our clients because we provide value for their money.

Clients, in general, like to work with smaller consultancy firms simply because their operational style affords ample scope for inter-personal relations. One of the key reasons why clients across the world buy a certain service from a service provider is because they are comfortable working with that particular service provider. Our consultants at Universal possess a great deal of humility in terms of knowledge and expertise. None of our people are arrogant. In case we find that we are unable to do a certain project, we don't hesitate to say so. In fact, clients appreciate and respect us more for our transparent working and honest dealings.

**n What factors would you attribute to Universal's successful operations?**

**DESAI:** We have a competitive team comprising 30 consultants. They work in perfect synchrony. We follow a pattern of evaluation which sets high standards of co-operation and team work. Also, we follow a different policy of 'employees first'. I go out of my way to see to it that my employees enjoy working for the company and consider it their

own. Besides, we are constantly trying to better our previous efforts. I suppose this constant effort to improve ourselves with every project is our key to success.

**n You mentioned earlier that about 80 per cent of the problems facing companies are similar in nature. Could you elaborate on it?**

**DESAI:** I think, in a sense, such problems are directly connected to a company's DNA: its strategies, operations, organisational structure and information systems. The objective of any company would be to stimulate a living organism. The structure of an organisation needs to meet all business requirements. Our objective is to replicate the perfect alignment of a living organism within a business structure or company.

We help bring about a proper alignment between different areas of a business, namely the strategy, operations, information systems and organisation structure to synchronise their various functions. That is our major objective.

**n In your opinion, what Indian companies seem to be lacking when it comes to implementing right management practices?**

**DESAI:** That depends upon the size of companies. We work mainly with medium-sized companies. Many medium-sized Indian companies have been facing several problems, especially issues related to government policies. But there are certain things that companies can do to resolve them. For example, you should have a clear focus in terms of where you want to go. Sadly, most Indian companies are lacking in this aspect. Even in times of drastic changes it is possible to have some broad strategy outline. Secondly, operating processes are not clearly defined. We have always believed that it is only a large company that requires a well-documented operating process. We focus on process redesign for even small and mid-sized companies. So how does your planning process work? What are the steps involved in the planning process? How much time does it take? Who are the personnel involved? This kind of focus is not often found in medium-sized Indian companies.

Besides, people don't realise the amount of productivity gain possible if they structure their organisation well. You must have the right kind of people, in the right places and at the right time. It's like a game of football. If all players are crowded in the defense area, they are not going to score anything. An organisation can adopt certain strategies to change its structure and operating processes. In fact, getting the right information on time can help a company move in the right direction, which is a crucial area where Indian companies in particular have a lot of work to do.

**n How well are Indian companies placed in terms of operational efficiency vis-à-vis those abroad?**

**DESAI:** Most Indian managers and CEOs we have had the opportunity to work with are as bright as their counterparts abroad. The advantage foreign companies have over us is that everything there is well structured and documented, besides they have a good strategy in

place for future operation. Also, they have clearly defined procedures. The difference between Indian companies and those in Singapore, for example, is that the latter are much more organised. I must add here that Indian government policies have not been entirely conducive to the rapid growth and professionalisation of domestic business. You need to have a blueprint showing the path the country needs to follow.

**n What has been the impact of liberalisation and the subsequent opening up of Indian economy to MNCs on Indian companies?**

**DESAI:** There has been a dramatic change over the last decade as a result of liberalisation. This has brought about a positive transformation in Indian CEOs' mindsets. Indian companies as a result have begun to receive greater exposure to western management practices. Today, Indian CEOs are aware of the best global management practices. In the early-1990s, most Indian CEOs were not open to western ideas and operating procedures. In the last few years, all that has changed drastically. Indian CEOs are now more receptive to new ideas and concepts than ever before.

**n India and China are being heralded as the world's next economic super- powers. However, the latter has been able to attract a much larger chunk of FDI (foreign direct investment). What, according to you, are the reasons for this?**

**DESAI:** I was visiting China in December last year with Vinod Nair, an official of our Singapore office. The trip was made solely because some of our clients wanted advice on how to tackle the intense competition from Chinese companies. In fact, this is a situation similar the biblical David and Goliath. At that point, we recalled a research piece done by a Harvard professor on employing the principles of judo in a competitive strategy. Basing our thinking on it, we came to the conclusion that mid-sized Indian companies should use the principles of judo outlined in the research to counter the Chinese threat.

In 2001, India attracted merely a 5 per cent of the FDI (foreign direct investment) that was invested in China. Comparisons between India and China would be meaningless. I don't think India can catch up with China. Therefore, the ongoing debate on whether India can win the race against the Chinese is redundant. Several reasons can be attributed to this conclusion. In terms of infrastructure, Chinese are far ahead of us. Shanghai, for example, is 40 to 50 years ahead of any Indian metro.

China's blueprint for its growth is already in place. Besides, it has a clear vision for growth. How does it manage to achieve a rapid economy growth would be a different issue. More importantly they possess the single-minded focus required to attain high level of development. On the manufacturing front, around 70 per cent of its finished goods are exported. But it is still comparatively weak in software business with exports pegged at about \$1 billion as compared to India's \$8 billion. Information and education are the two areas where China is striving hard to enact India's success. Chinese are extremely disciplined and hard working but not as creative as Indians. Though there is an economic chasm between cities and rural areas, it's far less pronounced than in India. Like my

colleague Mr. Nair rightly pointed out, “India is just a philosophy while China is truly an economy.”

In China, power is cheaper, labour laws are more flexible and roads are far more superior to those in India. In fact, it takes one-third the time to deploy material from one place to another in China. The turnaround time at Kandla Port, for instance, is about 8-9 days while in Shanghai Port it’s just two days. Interest rates are also much higher in India as compared to China. India’s exports to China mainly comprise low-valued items unlike our imports from China. Today, even Japanese companies are setting up production bases in China.

**n So what strategy should mid-sized Indian companies adopt to overcome the Chinese threat?**

**DESAI:** If you look at China as a threat to us and try to counter it using traditional mechanisms, it won’t work. India’s mid-sized companies need to reduce costs as much as possible, move up the value chain with the products that they manufacture and ensure a strong regional presence within the country. In the service arena, information technology companies need to move up the value chain faster simply because Chinese firms are still focusing on software maintenance and migration issues. For service businesses, the strategy should start with a clear focus on improving cost-efficiency and moving up the value chain. Besides, they should also look at establishing their operations in China.

**n What is the most satisfying aspect of this profession?**

**DESAI:** Seeing our ideas being implemented by our clients is the most satisfying part of our business. It is extremely satisfying to see our clients benefit from our work. It gives us immense satisfaction to see that we in our own small way are contributing to the country’s economy.

**n What is the secret of your success?**

**DESAI:** Perhaps, it’s my positive attitude and passion for work. I have always looked forward and never bothered about the past. I have never regretted any decision I’ve made till date. Also, I have always followed my instincts and never given a thought to Lady Luck.

**n Lastly, how do you view Indian economy evolving over the next five years?**

**DESAI:** It is very difficult to predict anything now. We are definitely moving ahead, but at a slow pace. So it’s all the more difficult to predict the outcome for the long term. There are a lot of hidden opportunities here and potential for growth within our economy. However, it remains to be seen whether Indian companies are able to tap this potential and harness it to their advantage. By and large, the service sector should do well in the country because it is free from constraints that are imposed on the manufacturing sector. Companies engaged in technology, biotechnology, entertainment and retail business

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should pick up in the near future. Healthcare, which encompasses both pharmaceutical and biotechnology, is another sector which I feel will do fairly well. In a nutshell, any sector in the service industry that is people-intensive should do well.

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