



June 2023

EMPOWERING TIMES



THINKING ALOUD

Fuelling India: The Call of the Roads
Jay

PODIUM

Viswanath Devarajan
Managing Director,
Gilbarco Veeder-Root India



WE RECOMMEND

Good Power
Ginni Rometty
Reviewed by Jay

Dear Reader,

The retail fuel dispensation industry is rapidly evolving globally to meet sustainability and efficiency demands. Key trends include electric vehicle charging stations, digital fuel dispensation, automation, renewable energy integration, safety measures, and data analytics.

In India, the fuel dispensation industry is undergoing significant changes to align with sustainability and efficiency demands. These trends are driven by the government's push for sustainable practices and the target of achieving 30% electric vehicle adoption by 2030. The industry is embracing digital payments, automation technology, and renewable energy integration to provide faster and more efficient services, positioning fuel dispensation stations in India to meet customer expectations and contribute to the country's sustainability goals.

ET this month examines **'New Trends in the Retail Fuel Dispensation Industry.'**

In the **Thinking Aloud** section, **Jay** examines India's fuelling revolution, emphasizing the growth of retail fuel stations and the need for qualitative improvements and operational modernization to meet customer expectations while addressing inefficiencies. On the **Podium**, **Viswanath Devarajan**, Managing Director, Gilbarco Veeder-Root India discusses the evolution of the retail fuel dispensation industry in India, key trends, emerging technologies, the impact of electric vehicles, and industry differences between India and other countries. In the **We Recommend** section, Jay reviews Ginni Rometty's book, **Good Power**, which tells the inspiring story of her rise to the Chairman's office at IBM and her belief in wielding power for the benefit of others.

In **Figures of Speech**, **Vikram's** toon is off to a bumpy start!

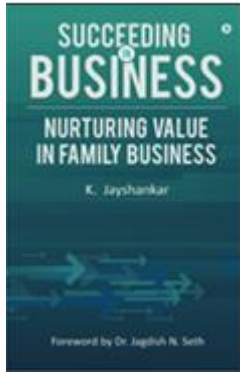
Please also [Click Here](#) to check out our Special issue of ET, which is a collation of selected themes that were featured over the years highlighting the changing landscape of the business world. This special edition has been well received and can be [Downloaded Here](#) for easy reading and is a collector's item.

FIGURES OF SPEECH

When we start
self service at
Fuel Stations



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Out Now!

Succeeding in Business: Nurturing Value in Family Business

What makes some family businesses grow from strength to strength? How do you ensure that value is created and not destroyed when a business passes hands from one generation to the next in the Indian context? How can old families incorporate new ideas to revitalize themselves? Is there a role for professional management in Indian family business?

*This book offers answers to the vexatious issues that families face in their growth journey. The pointers provided can be used as a guide for nurturing the business and to leverage the traditional strengths that family businesses possess. As a counsellor and trusted advisor, the author, **K. Jayshankar (Jay)**, has had a ring-side view of how family businesses have functioned. The practical insights drawn from his experience of four decades has been combined with conceptual elements to become a valuable primer for a family that wishes to succeed in the competitive marketplace that is India.*

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THINKING ALOUD

Fuelling India: The Call of the Roads

Jay

With widespread attention and praise lavished on the government for their determined drive to build a mega-network of roads across India, citizens have been more mobile than ever across Indian roads. There can be no doubt that linking India with high quality roads has generated immense economic benefits to the country, apart from diminishing social distances which a multi-cultural, multi-lingual nation is bound to suffer from. While wheels crush distances, few give a thought to how these vehicles are fuelled to make the journey come alive. In other words, there is another quiet revolution happening around us: a new generation of petrol stations are springing up in adjunct to the highways and interstate roads. Reportedly, India has the third largest number of fuelling stations in the world (over 85K, and growing), after the United States and China, and the number has jumped in the last decade. Yet another sign that the industrial behemoth that India can become, is only a matter of time.

Yet, within the story of India's fuel stations also lies a story of the corruption that has mired India's socialist past. In the era of deprivation and shortages that is the sad story of India's lost decades of the '70s to the '90s, it is well-known that fuel stations have been centres of corruption and inefficiency. Being a government controlled sector, retailing fuel was a priced channel and officials of the government distributed the largesse to their chosen few. This vital sector had its own share of notoriety over the years, and while the scandal involving the Congress's Union Minister, Captain Satish Sharma's allotment of petrol pumps and gas agencies may have been buried in legal quarters, the stench has not died down. This was but just another footnote in the murky business of petroleum retail. Sadly, the worst incident that this sector has seen has also been forgotten, the case of Shanmugham Manjunath. That the case remained in the public eye for nearly a decade was because of the vociferous campaigning by the intellectual and visible middle class of IIM graduates who took up the issue of murder of an upright classmate at the hands of the petrol mafia. Shanmughan, Sales Officer of Indian Oil Corporation, was murdered in Lakhimpur Kheri in 2005 when he sealed a retail outlet, having found it guilty of selling adulterated fuel. Indeed an extreme price paid by a honest official who did not turn askance to the most common practice of the retailing industry: adulteration.

Given the sordid history that the dispensation of fuels was preceded by dispensation of political favours, there is much to be improved in the fuel retail business. While the large (and increasing) footprint of the industry is

certainly a cause for celebration (being an indicator of economic growth), what is equally important is the need for qualitative change in the manner of operations of the business. Apart from the singular reality that Petroleum in India is still largely a government sector enterprise, retailing depends on a number of other vital factors too.

Before we turn to them, a quick look at the industry players would be educative. The largest number of petrol pumps belong to Indian Oil Corporation Ltd. (IndianOil) with over 34K fuel stations. Bharat Petroleum (about 18,500) and Hindustan Petroleum (about 15K) are far behind, and even further in the race are the private sector players: Nayara (formerly Essar Oil, with about 6,400), Reliance (about 1,300) and Shell (about 200). There was a lot of hype amongst the public sector players about 5 years ago of starting about 80K new pumps but covid, and many other challenges have stymied these intentions.

While location has always been a key factor for a modern retail unit, the need of today is sufficient land. Today retail units are not just for fuel dispensation. Customers seek comfort and amenities too. While many retailers have taken some steps (toilets, ATMs, and mini-marts, as an instance), these are just too small, or poorly run, or inadequate at best. The quest for quality fuel is still on: vigilance and quality control checks are still the sine qua non from a customer's perspective. Other steps include automation, additional facilities (air, car wash, vehicle cleaning, food and rest areas for commercial vehicles, medical support on highways, etc.). All this requires a retailer to have a modern outlook and a strong capital base. Much more space/land is required when electric vehicles will need fast charging points and associated facilities. Let us also note that transformational agility at the last mile is also called for as the government seems in a hurry to bring bio-fuels, mixed fuels, and similar options to meet climate change goals.

At a time when margins are under squeeze and there is greater scrutiny by both authorities and customers, retailers cannot be immune to the changed environment of expectations. The rise of private players is a reality and some of them will bring international standards of retailing. Just as much as we have seen in other aspects of retail purchasing by consumers in India, one should not be surprised if customers choose to frequent a slightly more expensive fuel station if the aesthetics and amenities are seen as offering added-value over the commodity called fuel.

Yes, there is a mobility revolution before our eyes in India. With the world's highest petrol pump (IndianOil, in Kaza, Spiti Valley, at over 12,500 feet), and with Lakshadweep getting its first one, IndianOil, only in March 2022), the route for growth is wide open. The excitement that is laid out by the creation of a road network must be complemented by modern fuel stations (as against the old-world petrol pumps) too. Therein lies an opportunity waiting to be explored.

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Podium

Viswanath Devarajan

Managing Director, Gilbarco Veeder-Root India



Prior to Gilbarco Veeder-Root, India, Viswanath Devarajan was with Valmont Structures, where he was the Managing Director, India, since 2012. Prior to Valmont, he has been in leadership roles with Vanderlande Industries and SoftDEL. In addition to this, he spent more than ten years with General Electric in a variety of roles of increasing responsibility covering India and the wider Asia Pacific region. Viswanath Devarajan brings experience in a number of industries including delivering successful growth initiatives within the automation arena.

He holds a Bachelor's degree in Electrical and Electronic Engineering from the National Institute of Technology in Karnataka.

ET: How has the retail fuel dispensation industry evolved over the last decade, and what key trends have you observed during this time?

VD: We have observed the following trends in the Indian fuel dispensation industry. Firstly, thanks to the infrastructure build, we have observed the number of sites grow in the past decade from about 46,000 to almost 86,000 fuel retail sites. Secondly, there has been a mandate to automate sites that are selling more than 50KL fuel; hence, in a country like India, you would find about 90% of sites already automated. Digital payments have also grown manifold during this period, with most urban, suburban and highway outlets offering them. From a fuelling perspective, E20 upgrades have also been provided to dispensers, STPs, and Automatic Tank gauges for storage tanks. Finally, with pollution being a severe problem, Vapour Recovery Systems has been a critical evolution as most high-population urban outlets need to have Vapour Recovery systems.

Moreover, the emergence of alternative fuels with CNG is leading the way, as today we have nearly 5,500 outlets offering CNG. In addition, the government opening up the fuel retail segment to private and foreign direct investments has seen the emergence of new players in the market. Finally, in the B2B segment, where fuel is procured in bulk, we have seen an increased need for cloud-hosted fuel management systems in recent years as

many companies try to address challenges around fuel pilferages and leakages they experience during their daily operations.

ET: What new technologies or innovations are emerging in the retail fuel dispensation industry, and how do you see these impacting the market in the next few years?

VD: As oil companies aim to drive greater loyalty to engage with their customers, we will see the need for forecourt dispensers with customer engagement features, self-fuelling and integrated contactless payments. In addition, we anticipate more connected offerings between the forecourt and the emergence of C-stores in retail fuel outlets in India as oil companies will also look to diversify their revenue streams and strive to attract and retain customers. This may lead to more advanced AI tools to help understand customers visiting retail fuel outlets and their behaviour at the forecourt and C-store. In the B2B segment, we anticipate cloud-based analytics systems providing fuel and fleet management systems to enable greater remote management, and more focused insights to B2B customers as they manage mixed fuel fleets, operators and maximize their productivity.

ET: How do you see the rise of electric vehicles (EV) impacting the retail fuel dispensation industry, and what opportunities and challenges does this present for your business?

VD: There is a need to set up EV charging (EVC) infra in India as EV penetration is rapidly increasing. Oil companies have announced the setting up of EVCs at 22,000 stations, and, as of today, about 8,500 outlets have EVC infra. Moreover, customers seeking to charge outside of homes, offices or malls are looking for convenience. Given that oil companies offer convenience as there are already 86,000 outlets, with the expected outlet count said to increase to 130K by the end of this decade presents an excellent opportunity to expand their EVC footprint. While EVCs at fuel retail outlets will need to be 10-15 minutes top charging, the emergence of C-stores/restaurants in fuel outlets may not only drive more EV customers to fuel outlets but also enable oil companies to grow further via non-fuel review. Finally, we believe that customers will have a choice of multiple fuel choices – liquid (blending with biofuel), gas (CNG or even hydrogen), electric and fuel retail outlets will be best positioned to provide all these options.

ET: What are some of the key differences between the fuel dispensation industry in India and other countries?

VD: Fuel dispensation in mature markets is more sophisticated regarding customer engagement/loyalty since they have fuel forecourts, C-store, restaurants or car washes set up at retail fuel outlets. Moreover, the layouts enable greater customer engagement. On the other hand, India has primarily focused on building the infrastructure. Moreover, India has been an attendant operated market, unlike various mature markets, which are self-use as labour costs are much higher in those regions. However, we foresee a future where fuel retail outlets in India will add features that drive greater customer engagement and loyalty.

ET: Can you please share more about your company, Gilbarco Veeder-Root?

VD: Gilbarco Veeder-Root (GVR) is a 150 year old global leader in providing complete solutions for fuel retail outlets – Forecourts, C-stores and cloud-based data management. Headquartered globally at Greensboro, NC, GVR solutions are designed to work together more seamlessly. GVR strongly leverages Vontier business system (VBS) as it drives every aspect of performance and culture in the organization.

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We Recommend

Good Power Ginni Rometty

- Reviewed by Jay



Over two decades ago, a lady took the American corporate world by storm, not just because she had broken through the proverbial glass ceiling, but because she challenged the established shibboleths of the tech world. That lady, Carly Fiorina, is still in the news today for her political positions, but her role in the reshaping of Hewlett Packard (HP) still creates heated debate. Once anointed as the most powerful female executive in the world, Carly's fall was as dramatic as her rise to the top of HP and her life story when laid out in ***Tough Choices*** presented the turmoil that a female professional faced in her rise to the top. Carly's powerful life in the corridors of business - and post that in the public space, has been a controversial and polarising one, and quite a contrast to the author and the book that we are examining today.

Cut to 2023 and you have a new story before us, the story of another female leader who reshaped another iconic tech company. ***Good Power*** is Ginni Rometty's remarkable tale, of grit, and single-minded dedication in her march to professional excellence, all the way to the Chairman's office at IBM. The book presents the bare realities that faced a young girl in her mid-teens who encounters abandonment by her father when he walked away from a family of four children and an untutored wife, and who resolved to make the academic path her stepping stone to building the future for her siblings and her mother. Young Virginia Marie Nicosia drew inspiration from the strong women in her life (her grandmother most of all) and became virtually a surrogate mother to her siblings, while moulding herself into an engineer thanks to generous scholarships. Despite aggressive competition and sexist taunts, Ginni moved forward in her career of 40 years at IBM, and became the 9th leader of the firm that is still synonymous with high-end technology.

While the book underplays many of the organizational details that many management books indulge in, the focus is on Ginni's thesis of how power can be wielded in a manner that can offer benefits to others. While Ginni is credited with transforming IBM by ushering it into the world of today, and making it into a powerhouse of AI technology, and cloud computing businesses (through its hybrid model), the book's touches on the whys and hows

of this makeover journey. Yet, the book is less about the change process but more on the meritorious use of power to keep the company relevant in an industry where innovation is the *sine qua non*.

Ginni Rometty's term may not have pleased the street, as the firm during the period saw a decline of over 26% in the company's share price, being outpaced by the S&P 500 (with long spells of revenue decline), even as her annual pay went up steeply – true to corporate America's standard behaviour. But her desire to 'wield power with respect', as she puts it, comes through in the book. She stresses that, 'for power to be of any real value, it must enable tangible progress'.

All credit to Ginni that she earned the right to wield this power, given that her rise to the top was the result of immense self-belief, painstakingly hard work, singular focus to her tasks, personal sacrifices, and the strong will to make things happen. In the world of tough talking men, she made her mark, and earned the right to lead the merger discussions with PricewaterhouseCoopers (PwC), and that success catapulted her in to the contention for the Chairmanship of IBM, a national treasure to many. Interestingly, it was Carly Fiorina who had pushed HP to buy PwC some years earlier, a move that did not meet with enough support within the HP Board.

It is Ginni's thesis that she achieved this growth by not being focused on her power base but by being in the service of others (her clients, her team, co-workers) – making their needs primary, and her own secondary. Deeply criticised by both within the firm and mercilessly outside by stock critics, she remained steadfast on her resolve to reinvent the company, trading short-term pain for potential long-term benefits. This attempt (in her words, good power's brain) called for critical thinking, creativity, and courage. Ginni calls it 'knowing what must change, what must endure', and she harnessed her strengths of communication and principled behaviour to remain resilient with unwavering spirit. The myriad controversies that Big Tech firms face in today's world calls for proper stewardship, and under Ginni's leadership, IBM has led the way in advocacy, be it voluntary self-regulation or steps towards social inclusion.

Ginni Rometty's journey is not over yet. The fissures in American society - and its mirror images across the world – has galvanised her to be an agent of social change. With IBM's business transitioned to new hands – Arvind Krishna is her successor - she engages in championing the cause of new forms of technical education (decoupling from the old model of four years of graduate studies) through her voluntary organization, OneTen.

In sum, Ginni's life story is an inspirational one, about choosing how to define oneself not by circumstances or contextual elements, but by making strong choices and accumulating capacity through self-belief, coupled with perseverance. Apart from the narrative of early setbacks in childhood, the book does not share much about the woes and difficulties which she undoubtedly faced in building her life. These indicate an intensely private person, who made her immediate family, and her professional journey, her *raison d'être*, and with the support of her

husband, and some mentors, aggregated power and deployed it for larger good. Read it for a study of how the world can be changed by conviction coupled with tireless diligence.

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THROUGH THE LENS



Our in-house photographer **Rupesh Balsara** shares a picture of a Spiderhunter which is small to medium-size bird found primarily in the north-eastern region of the country. They have long, curved bills adapted for feeding on nectar from flowers, supplemented with insects and spiders. Their acrobatic flying skills make them visually striking. Spiderhunters play an essential role in pollination and serve as indicators of forest health, reflecting the presence of suitable habitats and food resources.

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