



ISSUE 24

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# CUSTOMER ACUMEN

INSIGHTS TO BUILD  
CLIENTS FOR LIFE



EMPOWERED<sup>®</sup>

LEARNING  
SYSTEMS



EDITORIAL



Dear Reader,

Connecting with customers is not an easy task. Apply this to the agriculture sector, which depends on the vagaries of nature, and the idea of maintaining and acquiring customers is a task in itself.

The agro & biomass business is an emerging and promising industry. Amid challenges such as limited access to markets for buying raw biomass as well as for selling finished biofuel products to customers, logistics and financial challenges, digitalisation is the way forward. Technological advancements are defining the marketplace for the agro industry and will help in connecting with customers more efficiently.

This quarter in **Customer Acumen**, we look at '**Connecting with customers in the agro & biomass businesses.**'

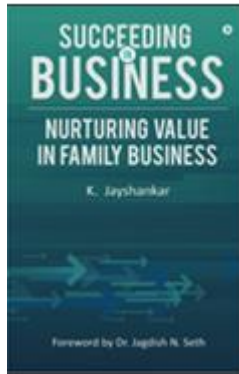
**Suhas Baxi**, CEO & Co-Founder of **BiofuelCircle** gives us insights on the transformative changes while connecting with customers in the agro sector and how digitalisation is key to biomass businesses. Entrepreneurship is never easy and has its good and bad days. **Jay** shares five essential principles to help you on your entrepreneurial journey.

We review Soma Das' **The Reluctant Billionaire** which traces Sun Pharma, India's largest pharma company's Founder - Dilip Shanghvi's transformative entrepreneurial journey, while forging customer relationships along the way.

Our in-house Cartoonist, **Vikram Nandwani's** rendition of digitalisation of the agro sector!

We value your relationship with us and look forward to your feedback and comments on how best we can serve you through our e-zine, **Customer Acumen**.





**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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# MUSINGS



## Is Entrepreneurship for Everybody?

- Jay

Over the years, talking to employees in large corporations has revealed an interesting piece of data: most of them have secretly nursed a desire to be their own boss, in other words, turn entrepreneur. A vast number of the older ones speak wistfully in the past tense ('I wanted to start my own business but I couldn't') while an increasing number of the younger ones are more brazen and boldly declare, 'I am here only for a few more years till I start my own gig'. More often than not, the vast numbers from both ends of the age spectrum will spend their working life in a corporation.

Truth be told, while entrepreneurship is seen as fun, rewarding and liberating, it never truly is. Not that starting a business is hard; sustaining it, is indeed a test of will, resilience and stamina, besides a generous dollop of the x factor, luck.

However, it is also not an impossible task. Researchers will tell you that there are some basic steps that can be followed to begin and sustain your own enterprise. While a tome can be written about it, let me share five essential principles to help you ideate further.

1. *Begin with the customer in mind:* Sorry, it is never about you, Ms. Entrepreneur! Results happen when you think about the person you serve, the client or the customer. Agreed that you are excited about your wonderful idea and how it will save the world, or how it is more beneficial than the mediocre product or service which is now on offer in the market, but unless the end-consumer thinks so – and shares your enthusiasm for your offering – the net-result is zero. So, unless you are a monomaniac like Steve Jobs or a genius like the legendary Akio Morita (and chances are you are not), you will need to address the customer's needs rather than attempt to create a new product category altogether. It is useful to remember that someone has to pay for the product or service you are offering; freebies are not a sustainable business model, as Father Christmas comes only once a year.
2. *Learn the game of marketing:* Too often one hears the weak plea that 'I am not good at convincing others'. So be it. But then, don't complain when your outstanding product (your words, of course) does not find a buyer. How can the world

come to know you have something special to offer? Figure this out quickly. If you cannot do this personally, no issue. Find someone else who can do this for you. Hire someone who is good at this and can make announcements to the world, on your behalf. Do not fall for the lie that 'build it, and they will come'. The key question is, how do they (the customers) know it is there? Fortunately, the times we are living in offer you many options: at a very economical rate, you can find many virtual platforms (Facebook, Instagram, etc.) that can be leveraged to tell the world that you offer something so special that they should knock on your door right away. Guess what, they do: not just customers, but even Angels and VCs who are willing to back your genius in return for a slice of the pie when it is ready.

3. *No man is an island*: Unless you are a Reinhold Messner or a Malli Mastan Babu, do not attempt to climb the mountain alone. Business is a lonely game and is best played as a team sport. Individually, you can scale a small hill, but as a team you can mount an expedition to the stars. The sooner you realise that it's never about you alone, the better you can scale your plans and create a bigger enterprise. Besides, the more people you can enthuse with your plans, the more likely that you will succeed, as not all problems can be solved by your guile, however intelligent you are. As business expands, and if your team is committed to the mission (if, and because, you have invested in creating a vision community) they will come up with answers to vexatious challenges that are bound to arise in the business journey. The fruit of delegation is the creation of an empowered team who anticipate and resolve minor issues by nipping them in the bud and preventing them from turning into gigantic roadblocks to growth, leaving you, Ms. Entrepreneur, to steer the ship to profitable harbours. Therefore, work on nurturing relationships through sharpening your people skills so that conceptual strategies can come alive when executed on the ground.
4. *Never stand still*: Drucker said it best, 'Business has only two basic functions: marketing and innovation'. As an entrepreneur, you need to be alive to the thought that someone, somewhere, can – at this very instance – be working on the next version of your product or service. Just as much as the world is perpetually in motion, in the realm of business, there is no safe, stationary, quiescent position. If your business idea is brilliant, someone wants to imitate it; if your idea has been poorly executed, someone wants to do it better. Researchers have concluded that the first mover advantage has been over-rated as quick - followers steal your thunder by working on your flaws and going one-up on you, leap - frogging on your initial investments. The answer: keeping moving! Refine your offering, create new versions, embellish further, enhance quality, expand, and of course, hold on to your existing customers by staying close to them. The world has shrunk and become accessible to everyone, and the age of information arbitrage is over. Holding on to proprietary factors will provide limited benefits; the sustainable answer lies in creating a slew of ideas through a mindset that welcomes experimentation. Become a researcher - not a conservative antique collector.
5. *Develop the muscle of resilience*: The secret ingredient of success for an entrepreneur is resilience. No one has a monopoly over favourable business conditions. The climate will change when you are in your entrepreneurial journey. If you have taken into account the first four factors listed above, this final one is easy to comprehend. Factors - both internal (exit of

key team members, ill-health, etc.) and external (competition, demand fluctuation, regulatory policies, etc.) - could disrupt the established business venture. Surprising as it may seem, business history illustrates that most old businesses have had to pivot their revenue models, and rarely have firms with longevity, stayed the same. The lesson is simple: stay flexible, nimble and adaptive, and you will live to fight another day. Not only does the entrepreneur possess a growth mindset to move forward, undeterred by failure, she lives by the philosophy embodied by Fernando Sabino's words that, 'In the end everything will be OK. If it's not OK, then it is not yet the end'. This form of active optimism coupled while confronting reality is an elixir for success.

With the growing Indian economy teeming with opportunities, and as we witness the rise of a new generation of entrepreneurs, and with many more waiting in the wings, it will be well-worth their while to pay heed to the above for staying steadfast in this exciting voyage of discovery.

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SPOTLIGHT



Suhas Baxi

Co-Founder & CEO, BiofuelCircle



*Suhas Baxi received his initial professional grooming and learning at Thermax and spent 14 years in various leadership roles across Asia and the US.*

*Prior to founding BiofuelCircle, Suhas was the Managing Director of Konecranes and Demag Private Limited and led the South Asian business of the Finnish-German multinational corporation. As President and CEO of Pennar Industries, he led the company in its diversification from processed steel to engineering products. He was also Chairman of the CII-Pune Zonal Council in 2010-11 and is an independent Director on the board of Praj Industries and a member of the board of advisers for kPoint Technologies, a video-sharing platform.*

*With a rich blend of leadership experience in the manufacturing and software sectors, Suhas has worked with global and Indian companies in helping develop and implement market and organisation development strategies. Suhas has been an active member of the industry body CII where he was Chairman of the Pune Zonal Council in 2010-11 and has been a member of the National Council of CII for Higher Education.*

*Suhas Baxi is a Mechanical Engineer from VNIT Nagpur and obtained management training at IIM Ahmedabad.*

**CA.** In your opinion, how has connecting with customers changed over the years in your business?

**SB:** Digital media now plays a crucial role while connecting with existing as well as prospective customers. It has seamlessly taken over the role of discovery and awareness. In today's B2B world, no one can afford to stay away from digital media, as it does provide a powerful new way to build brand, create presence and address a larger universe linked to a company's target market.

Expectations of B2B customers are now strongly shaped by individual experiences in personal life. Decision makers and users of

B2B products and services, set their expectations based on benchmarks that they see in the B2C environment. The biggest impact has been on the extent of knowledge and information that buyers and sellers seek about each other through the digital medium.

In my view, this has made interactions productive and objective. Most people get into conversations and meetings without a need to be educated. And this calls for a clear change in approach and strategy, from B2B buyers as well as sellers. To ensure customer connect, lifecycle support and retention, companies must increasingly rely on real time information and predictive customer support. While reliability of products and services has always been a success paradigm, companies now have an opportunity to move from reactive/preventive to predictive actions. Data, analytics and AI is making this transition happen.

**CA. Digitalisation is becoming pervasive across industries. What is the importance of digitalisation with respect to the agro & biomass businesses, and is the digital transformation truly happening?**

**SB:** In most agrarian economies, the producer/farmer has very little visibility of opportunities that exist in economic spaces beyond agriculture. Absence of visibility triggers behaviours such as stubble burning that has long term negative consequences for soil as well as environment.

Digitalisation promises to bridge the rural industrial divide and thus create a path of rapid adoption of new green tech alternatives. Digitalisation can allow a farmer to take decisions that drive market economics. It has the power to present choices and optionality, and it also holds the power to make the farmer look beyond just being a waste generator. In our business, we are looking at creating farmer entrepreneurs using the power of digitalisation.

**CA. What are some of the challenges faced by agro players adapting to the digital world of consumers?**

**SB:** Very interestingly, rural/agri segment of this industry is keen to adapt to digitalisation.

This is a bit like the pace at which India adapted to mobile telephony. Farmers and rural businesses do not have to go with any legacy linked to older non-digital business processes. So, they are more than happy to look at new ways as the only way.

Conversely, we do find industrial companies lagging in the pace of adaption. Industrial B2B businesses are saddled with old world processes that have worked for them in the past. Employees, managers, and leaders are comfortable in the past success of these tools and processes and are either unwilling to change or find the change tough.

I do believe that they will ultimately change, but in the process, there will be a lot of churn.



**CA. How has the 'Start-up India' initiative aided in boosting your industry?**

**SB:** It creates a positive environment for new business models to come up. In a country as big and diverse as India, it is important to create a medium that connects new businesses with matured businesses, mentors, investors, and the policy level stakeholders.

Start-up India has begun putting in place an ecosystem that will help create a stronger, more impactful environment for new businesses. We do have a chance to become as creative and as influential as Silicon Valley and this ecosystem is a good start.

**CA. Please tell us more about your career progression and how you intend to differentiate your firm as a brand.**

**SB:** Starting small and then growing the enterprise to scale up, is a journey that I have undertaken multiple times in my career. Young businesses that are founded on a dream/vision, teams that make the organisation vision as their own, and the ups and downs of this growth journey, has always excited me.

At BiofuelCircle, we have a vision to create an organized supply chain for bioenergy. In the process, we are creating an e-marketplace and a strong ecosystem for quality assurance and logistics around biomass. Our business model aims to make biomass and biofuel procurement easy, transparent, and reliable.

We are building an organisation that brings together experience in agri business, energy business and digitalisation; this is probably the most exciting part of our organisation journey. We are confident that BiofuelCircle will reshape the way bioenergy supply chains works.

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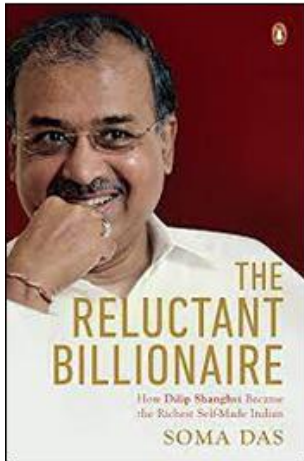


# RESOURCES



## The Reluctant Billionaire

- Soma Das



Connecting with the needs of your customers always has to come before that of yours. Anyone with an entrepreneurial mindset must understand that this caveat is important to forge customer relations and sustain your business. This was one of the many strategies Sun Pharma's Founder – Dilip Shanghvi focussed and impressed upon despite having little knowledge of the industry when he first set out. His strategies led him on to take his company to unthinkable heights and also make him the richest man in India in 2015.

It is a known fact that Shanghvi is one to be behind the scenes rather than in the limelight. Despite this, Journalist Soma Das authored the first and only biography of Dilip Shanghvi which was nominated for the Tata Literature Award in the Best Business Book category in 2019. The book highlights self-made Shanghvi's journey from a humble background who worked his way up from Kolkata in the 1970s to create one of the country's most valuable enterprises. The interviews of over 150 aides has resulted into a tome of tactics and strategies, innovations, challenges and disruptions that made Sun Pharma what it is today. At an early age while helping out his father's wholesale business of generic drugs in Kolkata, he envisioned manufacturing his drugs instead of selling drugs manufactured by other brands.

Throughout the read, what comes out very distinctly is Shanghvi's emphasis on forging long-term relationships with customers - the doctors who prescribed the company's drugs and medication - which disrupted the traditional way of clinical, detached selling. Sun Pharma acquired Caraco Pharma in 1997 to establish itself in the US and went on an acquisition spree of smaller companies. It's notable acquisition of Ranbaxy in 2015 made Sun Pharma the largest drug company in India and fifth largest in the world.

Shanghvi's cafeteria approach meant that every category of drugs must be available to doctors or specialists and not be left out even if they were minor drugs with inconsequential market sizes. This approach was however not suitable to a mature US pharma

market which is why the entrepreneur in Shanghvi moved to a portfolio approach - to have a basket of complex generics to entice medical wholesalers who controlled nearly 75% of the US generic market. These traits made Shanghvi the man of every moment, one who was on top of the game, pruning distressed avenues of growth rather than sounding a gong and making big moves to have an operational impact. As a measure of good corporate governance and to comply with the requirements of SEBI, Shanghvi voluntarily chose to step down as the Managing Director with effect from 1st April 2022, and is succeeded by Anil Raghavan. He however continues to be associated with the company's board in his capacity as a Non-Executive Director and Chairman, and will drive technological innovations and biosimilars which be among the key drivers of new-age pharma.

All one needs is the vision and drive to go through the inevitable cycles in business and bear in mind some basic yet important business aspects (Read Jay's piece on the five essential principles). If there is anything that this book drives home, it is these: that there are no shortcuts in life, no pill to pop for overnight results and one does not need to have it in their genes to be the next richest person.

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FEEDBACK

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