



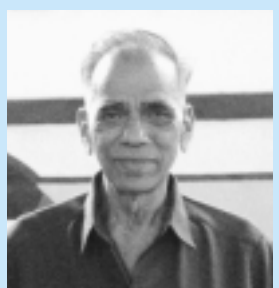
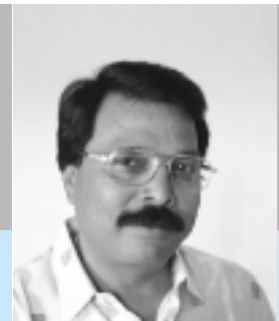
ENGINEERING
YOUR TOMORROWS



Even as it provides wheels to a sub-continent, India's road transport sector has been a lively engine of growth, powered by the boundless energy of human enterprise. It is replete with stories – of its unsung heroes, their struggles and successes. Of courageous men who overcame the many roadblocks in life with drive, grit, hard work and self-belief. The geographies vary, so do the circumstances. Yet the essential plot has an unmistakable sameness, including the ride on Ashok Leyland vehicles that they took at some crucial phase

in their life, to reach destinations set by ambition.

Through their single-minded pursuit, they have actualized the promise inherent in "Engineering your Tomorrows." Not just that: they have, in turn, been catalysts - touching and changing lives around them, spreading further the ripples of prosperity. In the process, partnering Ashok Leyland in "Engineering your Tomorrows".



“Education is not a must,”

“Education is not a must, but there is no substitute for enterprise”

Poverty thwarted Kisanrao Dalvi's academic life at 17, in a night school. Eldest among six brothers and a sister, he started selling tea from a cart outside the sales office of Rajesh Motors, Kolhapur. His clientele was the convoy drivers who brought Ashok Leyland chassis from the Ennore plant. Throughout the day, the teenager would watch the powerful machines being driven in and will sit behind the wheels when the drivers were in a good mood. The youngster dreamt of owning a truck one day. Trucks fascinated him and became his passion. And the sales yard, his classroom.

Passing on the tea cart to a younger brother, Dalvi joined Ghadge Patil as a cleaner. That was in 1976. A monthly salary of Rs 45 came with a perk: a sleeping place at the garage. For a while he drove a businessman's car. Till his grandfather told him : "do you want to end up in life washing someone else's vehicle? Why can't you get one for yourself? " Dignity and dream hardened the family's will to find a way forward. In 1978, Dalvi took his first step in the transport trade by mortgaging the family's modest house for margin money to buy a Matador. ("100% finance 25 years back!", he beams). Slowly but steadily things started looking up. The family diversified into businesses, including hotels.

A breakthrough for Dalvi came when he got a construction contract for Indal's mining operations "in the middle of the jungle, where no vehicle can reach, no electricity nor water." The last three kilometers could be crossed only by foot. Employing the tribals, he built a road of sorts. This was a testing time. Unanticipated problems created self-doubt. But then, having dared, there was no turning back. What Dalvi lacked in experience was made up by his



Mr. Dalvi in his self designed mansion

grit. When the mines became operational in 1994, Indal offered him a contract for transporting bauxite from the mines to their factory – the established contractors were not interested, so bad were the roads.

Dalvi bought six Ashok Leyland Comet Supers - one for each brother. Six more were bought in 1995 and another six the next year.

Dalvi is almost offended when asked why he chose Ashok Leyland trucks. "I grew up dreaming about them sitting outside the Company gates, I owed it to the Company and the dealership", he says. "And market reports were good and I liked them." With expansion in the mining operation, Dalvi roped in acquaintances by arranging for truck finance and built a reputation for reliable leadership in co-operative trucking business. The group that Dalvi built around him has a total fleet of 40 vehicles. "If the members are good and the leadership reliable, groups can last and flourish", explains Dalvi. "When money starts coming in, some get tempted to divert it for life's comforts. If you do it too early, you can fold up", says Dalvi, based on the few failures in his own group.

Success succeeded success. In 1997, came a contract from Narmada Cement for 25 trucks. Dalvi passed the acid test of acquiring and offering 19 trucks in

under three months – by now he had built a reputation with the truckers, the financiers and the dealership. In no time, Dalvi had built a group of truckers with a total fleet strength of 90.

Dalvi does not recommend formalized co-operative societies – "Leadership can make or mar them. All members have to be good alike. Also, different members will have their ups and downs which can affect the Society". Dalvi finds his style of federal group structure advantageous to all – the end-customer who does not have to deal with individual truckers; the truckers who get the trucks, finance and business more easily. As for himself, his leadership helps him make a mark in the trade. "I have made a name for myself. I have helped people find a livelihood and build their lives. And they give me respect".

At 47, Dalvi looks back at his past 30 years of struggles and success with contentment. Today, all the brothers live in palatial bungalows. Dalvi's two sons went to the best school where they made no secret of their admiration for their dad who made it from nowhere.

Dalvi summarises the moral of his story as "education is not a must, but there is no substitute for enterprise". That will not stop him from shortly adopting a couple of under-privileged children and taking care of their education "as long as they want to study".

Modesty must have stopped him from describing his brand of enterprise as the uncanny knack of spotting opportunities in the midst of adversities. His latest move is yet another example:

Two years back, Dalvi's pet dog fell ill. His sick dog in hand, Dalvi set out looking for medicines. To his disappointment and shock, he could not find a pharmacist for miles and his dog died. In this unhappy situation, Dalvi spots an opportunity. The incident becomes a trigger for opening a pharmacy specializing in veterinary medicines. In a matter of two years, Dalvi has a thriving business. He is now mulling over taking up wholesale agency for medicines. And his next move? To start a factory for basic drugs. The CEO is in the making: his first son Sagar, who has joined B. Pharm.

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"We deliver copies even in the remote villages before six in the morning"

Every day, more people in the State of Karnataka wake up to the headlines in Vijay Karnataka than any other newspaper. And to remember that, till three years ago, it was only an idea in one man's mind, is to recognize an unparalleled success story in the world of Indian publishing where well-established leaders do not yield ground easily. A newspaper is, after all, a habit. And habits are often for a lifetime.

For a newcomer in the field, its founder Vijay Sankeshwar's product positioning is so rational, one wonders how come no one before him noticed the so very obvious void. By focusing on the felt needs of rural regions through content mix and reach, Sankeshwar has expanded the market. In effect, Vijay Karnataka has spread the reading habit to distant villages. New readers, according to him, make up half the 500,000 plus circulation of this Kannada daily. Vijay Karnataka's newsgathering network spreads wide and far with over 500 stringers. Its nine editions published from as many centers give it the statewide stature – a conscious break from the city-centricity prevalent among newspapers.

An equally powerful USP is time. "We deliver copies even in the remote villages before six in the morning," explains Sankeshwar. This is a new experience for far-flung villages. In distribution, Sankeshwar has an unmatched competitive advantage: the statewide network of offices that supports the operations of Vijayanand Roadlines with a fleet strength of 1,200 trucks and 170 buses, with Ashok Leyland models dominating.

Product and distribution taken care of, Vijay Karnataka, clearly gunning for leadership position, dropped price to Rs 1.50 for a copy



Thanks to the logistics backbone of Vijayanand Roadlines, Vijay Karnataka can keep its early morning tryst with its readers

– "less than the cost of a cigarette." Competition had to match price and, in the process, bleed: bleed more on their larger circulation base. The pricing action worked: it expanded the market. Through the resultant penetration and conversion, circulation boomed. Advertisers could no more ignore Vijay Karnataka.

Not content with this success, Sankeshwar was quick to exploit the obvious synergy in newsgathering and distribution by starting Vijay Times, an English daily.

Publishing is in Sankeshwar's genes. In 1920, Basavannappa, his father, migrated from Sankeshwar village to settle down near Hubli where he set up a successful business in printing and publishing educational literature. Sankeshwar's entrepreneurial abilities surfaced in his teens. As a 16-year-old, he took charge of the family printing press and modernized it. Yet, the distribution end of his business left him unhappy what with its dependence on a monopolistic transport agency who, Sankeshwar felt, ignored the customer and his needs.

In this unpleasantness, Sankeshwar detected an opportunity and despite the family's dissuasion, entered the trucking trade with a single truck in 1976. He was quick to realize that in this trade, big was beautiful. When

Vijayanand Roadlines was born three years later, it had just two trucks. He rapidly expanded operations by opening booking offices and acquiring trucks to support parcel services.

In his own unhappy experience as a customer, Sankeshwar found the ingredients of his customer-centric mission statement. Size and geographical coverage apart, he knew how customers could benefit from specialized services and set a trend by offering courier, express cargo and parcel services. He was a trendsetter also in offering time-bound, assured deliveries with compensation in the event of failures. As a leader, he set values and ensured their practise. Anyone who reports an unauthorized person travelling in the driver's cabin in any of his vehicles, is rewarded and the cost debited to the driver. Old timers also remember the time Sankeshwar received the "Udyog Ratna" award in 1994. The first thing he did was to raise employees' salaries by 25% because "it was they who are responsible for the spectacular growth of the Company".

By 1990, Vijaynand Roadlines had 125 branches in 12 States and a fleet of 100 vehicles. It only took him another 10 years to cross 1,000 vehicles and 600 branches. In 1996, Vijayanand Roadlines diversified into passenger transportation, with emphasis on connecting neglected

interiors. The diversification had obvious synergies with the parcel services. A public limited company since 1996, Vijayanand Roadline's 2002-03 turnover was Rs 3 billion. Today, the breadwinners of over 10,000 families work directly or otherwise for Vijayanand Roadlines.

1996 marked Sankeshwar's jumpstart in politics when he won from the Dharwad (North) parliamentary constituency. Re-elected in 1998 and a third time in 1999, he is a sitting MP. Sankeshwar ensures that his political convictions do not colour the pages of his newspaper.

Vijay, in most Indian languages, means success. In Vijay Karnataka and Vijayanand Roalines, even in politics, Sankeshwar's common success formula stems from a grassroot level understanding of the market. "I dip into my own experience as a customer", he says with more sincerity than bitterness.

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"I have survived on Rs. 250 a month. God has

"I have survived on Rs. 250 a month. God has raised me to this level. Being humane matters, not money"

Constantly updated through incessant incoming calls, he carries it all in his head: the departure/arrival details of 104 trucks ever on the move across the country with tight delivery deadlines. "What else is my work?", asks Raj Singh Narwal of Ahmedabad Bengal Roadways, sitting in his functional office-cum-workshop near the Delhi-Gurgaon border. The largest truck contractor for the fast-growing SafExpress and Om Carrying Corporation, Raj Singh's self-confessed single obsession in life is Ahmedabad Bengal Roadways. And make no mistakes, his mind is ever ticking on how to drive down costs and turnaround time, how to fight the squeeze on margins.

But for the brick kilns in his native village named Rithal, in Rohtak district in the North Indian State of Haryana, Raj Singh, in all probability, would have become a farmer like his father. But the brick kilns – rather, the trucks that frequented the kilns – became persuasive direction boards that changed his life's course. His earliest childhood memories revolve around those powerful trucks that cast a spell on the youngster.

Chasing his dream, Raj Singh left his 9th standard studies in 1975 and went through the typical learning and start-up process of an Indian trucker. An apprenticeship with a mechanic followed a helper's job with a trucker and acquisition of the all-important driving license. He turned down a secure Government job – greatly coveted by village lads – and instead chose to drive trucks. By 1978, he had saved enough to part-own and self-drive a second-hand truck. All the earnings went into buying trucks for the four brothers who followed Raj Singh's example. 1982 and an Ashok



Leyland Tusker joined Raj Singh's stable. Thus began a tryst leading to a strong association and loyalty.

Raj Singh's truck fleet kept growing but the five brothers continued to drive trucks, maximizing revenue and they loved driving, anyway. The 44-year-old recalls a round trip he did in the early 90s. His truck loaded with high-density (but compact) metal springs, Raj Singh drove from Chennai to Bangalore where he topped it with tyres. Enroute Delhi, outside Bijapur he came across a loaded truck, its cabin badly damaged in an accident. Its front tyres removed and the front mounted on his Delhi-bound truck, Raj Singh drove the makeshift "trailer", earning Rs 28,000 as against a normal Rs 9,000 for that trip. "Those days, we had easy delivery deadlines and could wait for market loads", remembers Raj Singh.

Today, delivery schedules have become tighter and meeting them without fail is pivotal to the success of Ahmedabad Bengal Roadways. "We manage 98% compliance", says Raj Singh, who has won awards from SafExpress for exemplary delivery record. Raj Singh's crew routinely covers the Delhi – Mumbai route in 45 hours and Delhi – Ahmedabad in 24 hours. From October 2002, he has been able to slash running time for all routes by around 10%. How he manages such efficiency

improvements is simple – befitting the simple man that he is. "We brothers (the five are equal partners in the Company) drive the trucks with our drivers by our side, see the time it takes, the fuel consumption and expect them to match it. We don't put pressure. It is no miracle either – after all, the roads are improving and so are the vehicles". Over 80% of his fleet are Ashok Leyland vehicles – their "reliability, lower maintenance cost and better fuel average help us maintain delivery schedules and operate them in these times of thin margins". His mind is already at work to further cut running time to command more remunerative rates from the customer – and more trips.

For someone who cannot stand waste, his closed fists loosen for essentials. Without batting an eyelid, he flies down drivers as replacement for their indisposed colleagues. A heart ailment or losing eyesight, his drivers can count on Raj Singh's benevolence. Raj Singh dismisses his acts of kindness by saying: "I have survived on Rs 250 a month. God has raised me to this level. Being humane matters, not money".

Raj Singh's only other obsession is the *satsangh* (a prayer group, literally meaning, group of the good) held every Saturday in his native village which none of the 38-member joint family will miss.

His is a family of teetotalers. Raj Singh believes his simple ways have helped in his success and is fiercely proud that success has not spoilt him: he has not changed even his dress style, he has no fancy for flashy cars. Distinctly hands-on, Raj Singh is at his desk, day or night, whenever business demands. "Timely service is not easy", he explains, even as answering into his mobile – his only personal concession to modernity.

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"Those of us whom God has been kind to, have an added responsibility to the society"

In 1999, the Bangalore Metropolitan Transport Corporation (BMTC) decided to hire private buses to augment its services in the burgeoning garden city with a population of over eight million. Today, nearly a quarter of its 2,800 buses are the hired variety. With a fleet of 270 buses, the largest vehicle provider to BMTC is Amanath Motor Owners' Co-operative Society Limited, popularly known as Amanath Motors, which has set new benchmarks for operational efficiency through scientific fleet management and employee motivation.

Headed by A M Nadaf, a former Managing Director of the North West Karnataka Road Transport Corporation, Amanath Motors started operations with 100 buses, half of them Ashok Leyland. The first strategic decision the organisation took was to locate its own depots close to the five BMTC depots where these buses were distributed, thus minimizing the 'dead' kilometer cost of Rs 5 per km. Assisted in the management by efficient and experienced ex-employees of State Transport Undertakings, Nadaf runs the operations with no compromise to the daily, weekly, monthly maintenance routines and backed by information on each vehicle. "Data is the basis to cut out inefficiencies", says Nadaf. Data was also the basis for Amanath Motors to opt for Ashok Leyland for the entire lot of 140 buses inducted into operations in 2002.

With fuel making up over 50% of the running cost, Nadaf and his men keep an eagle eye on this factor of cost. Six drivers who learned scientific driving at Ashok Leyland's Driver Training Centre at Namakkal, are today working as driver instructors. "There is a clear improvement in KMPL and we are very happy", says Nadaf. There is also the incentive of the 'KMPL Awards', with cash prizes to drivers who stretch a litre beyond 4.3 and 4.5 kilometers. Around



At daybreak, the buses are ready to roll out