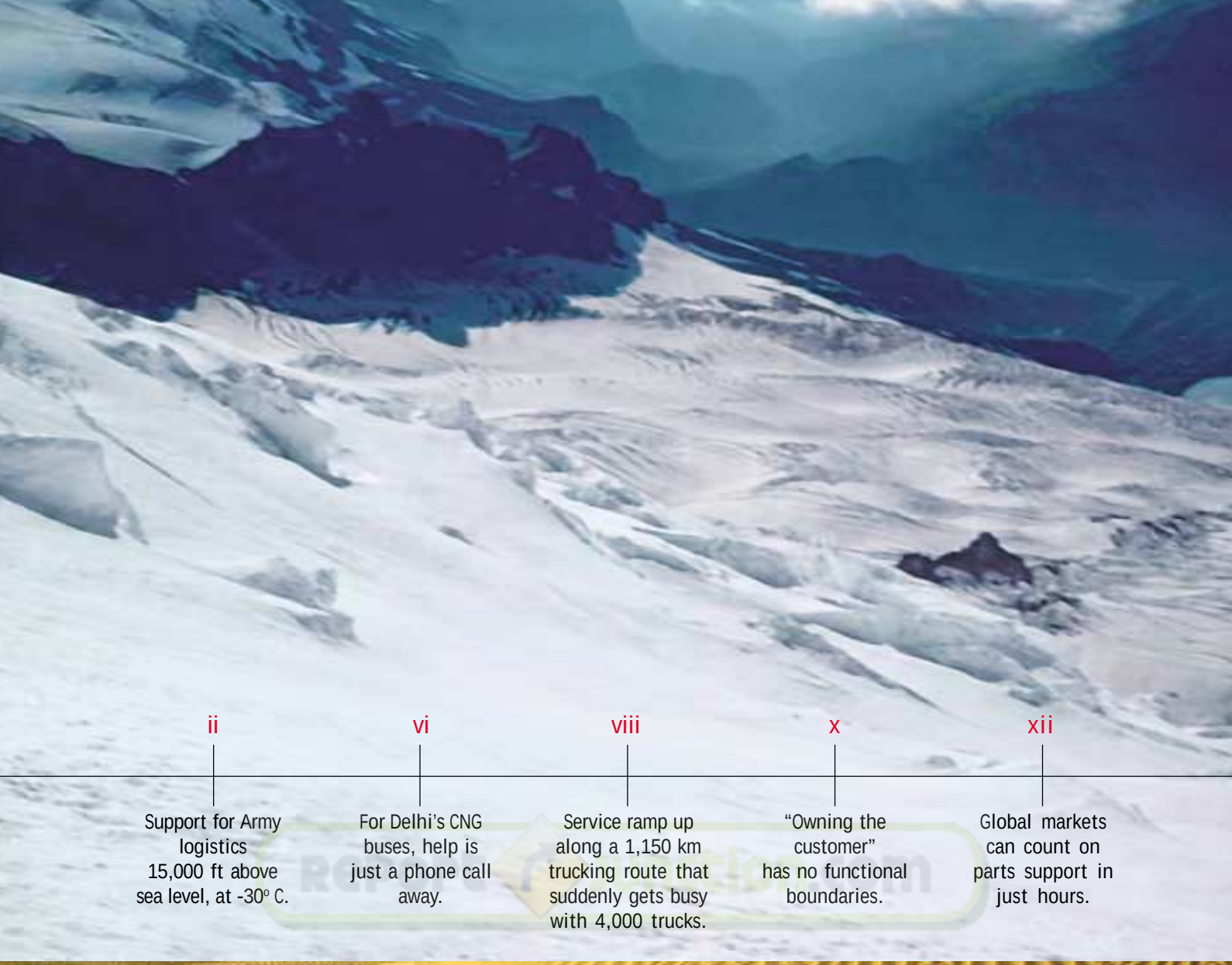
Customer service

anywhere... all the time.

Ashok Leyland

ANNUAL REPORT 2003-2004



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"Owning the customer" has no functional boundaries.

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Global markets can count on parts support in just hours.

From the bone-chilling minus 30° C at Leh...

to the scorching dead heat
of the Arabian desert,

Ashok Leyland service is
at work, ensuring that
the product promise is
delivered in full.

ANYWHERE...
ALL THE TIME.

The Leh of our land

Supporting army logistics 15,000 ft above sea level, at –30° C

Before locking his house and leaving for work, the last morning ritual for M S Rana is to keep two buckets of water outside his door. By the time he is back in the evening, he hopes the sun warms the water to a bearable temperature. Many things about his daily routine are different because he works in an unusual location.

Rana is an Ashok Leyland Field Service Officer posted at Leh, also called the last Shangri La. Leh is like nowhere else in the world. Surrounded by picture postcard mountain ranges of Karakkoram and Himalayas, Leh is the doorway to the Ladakh region. Leh is part of a cold desert with no rain and very little flora - and fauna limited to yak, wild asses and stray dogs (with evolutionary manes for weather coating) – temperatures dip to -30° C on winter nights. During the days, weather changes soon and without warning: the brilliant blue sky gives way to a depressing, moist grey; then the blistering wind hurls buckets full of dust. Otherwise, everything is still and one can hear the sound of silence.

Rana is one of the five ex-service men who, as Ashok Leyland Field Service Officers, have added reach to service. He lives alone in Leh: his family is in Baroda, for the sake of children's education. Living in Leh takes everything from the survival kit Rana has gathered through the training and experience that is unique to the army - and a steely will epitomized by Sylvester Stallone in the blockbuster Rambo series. When everything around is as languid as Leh and life around in perpetual slowmo, when passivity is the most natural thing, it takes will-power to drag one's tired limbs home, at the end of the day which comes rather early in Leh's winter. It takes will-power to fire the stove and make a cup of tea and even more so to discard the blanket for the bone-chilling morning air. The kerosene bhukari (heater) drinks all of 10 litres a day and a litre of kerosene costs Rs 16, so Rana has switched to a gas bhukari at home.

Having been one of them, Rana enjoys high acceptance by the 'customers' and in fact stayed with them the first five months of his Leh posting. The legendary open-arms hospitality that warms and cheers is a feature readily acknowledged by all the Ashok Leyland personnel visiting Leh for vehicle trials and technical support. It is normal practice to borrow winter clothing from the customer which is brought to the Leh airport for visitors to jump into, before the chill hits them.

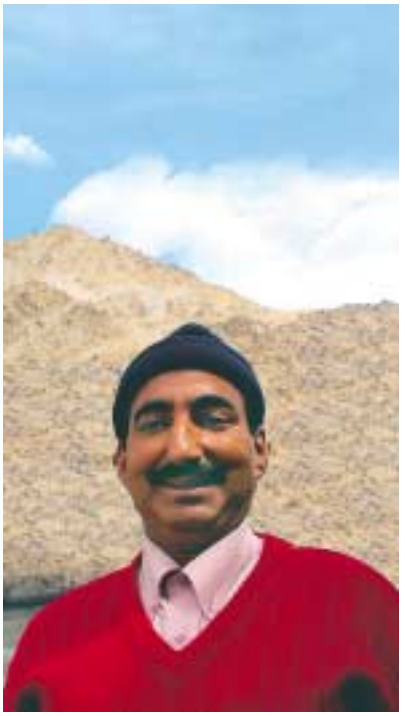
The 'wind chill factor' makes it feel colder than what the thermometer has to say. What is worse, the low atmospheric pressure of the high altitude makes breathing hard. To make up for the oxygen, heart pumps faster. Oxygen starvation can affect the brain, besides constricting the arteries and causing blood pressure to shoot up. Awareness, precautions and medical interventions together have made fatalities from mountain sickness very rare.

Rana's main theatre of action is a nodal workshop on the banks of river Sindhu. This workshop supports a variety of vehicles including a strong four-digit fleet of Ashok Leyland vehicles including

Leh in summer

... and winter

Where breathing is an effort and normal acts of waking, walking and working mark the temporary victory of the mind over the body, where men, materials and machines feel powerless, where engines misfire and pulse rate zooms, vehicles have to be kept battle-ready, everyday. People like Rana will do what it takes to make that happen.



Stallions, Light Recovery Vehicles, Crash Fire Tenders and a handful of Truck Fire Fighting. When he is not attending to warranty jobs employing civilian mechanics, Rana is busy providing technical support to the mechanics of the workshop.

Some days Rana sets out to forward areas as distant as 300 kms, with prior permission from the local district administration. In inclement weather, 20 kms is all that can be covered in a day, on vehicles with tyres clad in non-skid metal chains.

Rana's comrade-in-service at the workshop is Ratan Singh Patial, in-charge of the Leyparts outlet of CM Associates, operating at 14,000 ft. Stored on its shelves are vital supplies of spare parts that slash downtime of vehicles. Without these supplies the workshop would have been dependent

on the market with its inflated prices and spurious infiltrators. Moreover, to get even a small part, one vehicle has to be sent all the way. Shops close by 7.00 pm anyway. In contrast, customer can wake up Patial even in the night for work to go on through the night.

Work goes on literally round-the-clock through the six months of May to October. The snow-locked road routes to Leh open up in May: the access by road lasts till October at best. During these six months, in what is arguably the largest logistics exercise in peace-time anywhere in the world, thousands of Ashok Leyland trucks make repeat trips to reach provisions and medicines to Leh by road routes traversing regions which, at minus 60 degree centigrade, record the world's lowest temperature. A drive up these roads are breathtaking in more ways than one.

Summer months are like an annual examination for the workshop and its mission is to cut downtime by repairing off-road vehicles and sending them back the next day so that they can make the next trip. The workshop service team works round-the-clock if needed and boasts of a 97% success rate in overnight repair of vehicles. Patial is used to mid-night knocks on his door.

Besides service and parts support, training is another constant input the customer appreciates. With the customer turning over its personnel in different sectors periodically, training becomes important "to keep the new batch of drivers updated and confident", as one of the customers wrote in. As he explains, "driving vehicles in these rugged and snowbound areas calls for keen driving skills, constant alertness and above all, a driver's complete faith and confidence in the vehicle he is driving."

Equally, he commends Rana's "immense help in providing essential spares and acting as a kind of sensor at the ground level to interact with the customer and to provide feedback."

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Service support is a promise the Company will keep, wherever the vehicles are.

The CNG helpline

Help is just a phone call away

Ashok Leyland had a major role in the conversion of Delhi's bus fleet to CNG at the turn of the current decade. What came in handy was pioneering R&D done through the 1990s and experience, starting with India's first CNG-powered bus the Company introduced on Mumbai's roads in 1997. Thus the Company had a head start – and soon majority share – in the 3,090 strong fleet of the Delhi Transport Corporation (DTC). Through accelerated training, mobile workshops and night postings for in-shedding work, the Company could maintain 95% uptime as against 92% it guaranteed.

Plying on Delhi's roads are another 1,500 CNG-powered Ashok Leyland buses owned by the private bus operators. Unlike the DTC, their ownership is dispersed, making after-market support a far greater challenge. The Supreme Court deadline of April 2002 for conversion created a virtual demand explosion, and with it an equally huge need for product support, all at once. Here was a new technology - the unfamiliar compressed natural gas in place of diesel; with spark ignition in place of the familiar fuel injection pump - being introduced in mass scale to a customer group who had no prior knowledge or a competent secondary market support to turn to.

The Company responded by launching a massive training programme. The CNG filling stations which had long queues to start with became locations for driver training with emphasis on do's and don'ts. In a series of customer meets, members of the various bus operators associations were met in small groups. The wayside mechanics were trained. Through two

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rounds of safety campaigns, the Company retrofitted two safety features: the 'ignition kill' and the excess pressure burst disc which acted like a fuse in the case of excess pressure while filling the gas. The 'ignition kill' did just that: it cut off the electrical connection when the fuel cap was open so that the engine won't crank even if the ignition key is turned by mistake.

The Company also set up a 24-hour CNG helpline supported by two dealer workshops and seven Ashok Leyland Authorised Service Centres (ASCs), situated strategically on radial routes and covering a radius of 10 kms, thus dividing the Capital into nine easily accessible circular zones. The communication hub is a call centre that receives distress calls and alerts the closest service centre. Armed with a fleet of two wheelers and vans to provide round-the-clock service, the service centre rushes an appropriate vehicle depending on the service need and en route traffic, to reach within the response benchmark of half-an-hour – by then the call centre would have called up to confirm deployment of the helpline team. The call centre makes periodic calls till the customer confirms that the job is done. Called 'call closing', this takes under three hours on an average.

With continuous training and familiarization, the number of distress calls has come down. 'Zero to two calls a day' may be a statistically weak case for the continuation of the facility but not when one goes beyond statistics and feels the plight of the driver and the operator of the bus in trouble. True that passengers can be accommodated in the subsequent buses but a day off-road is a loss of Rs 3,000 for the operator, as Harinder Singh Dagar points out. Harinder Singh and cousin Dharmendra Kumar, between them have seven buses, four from Ashok Leyland. They find the helpline most useful when one of their buses develops a problem when outside the service radius of their regular ASC.

There are rare cases of the helpline team reaching the spot but not finding the "off road" bus – the driver has already solved the problem and driven off. Yet, when the next call comes, they will still rush out, overcoming traffic jams, to beat the half-hour deadline. It is a promise they will keep.

> "We find the helpline most useful when one of our buses develops a problem when outside the service radius of the regular workshop."
>
> *Dharmendra Kumar and Harinder Singh Dagar.*

The Iron Ore Route to China

Service ramp up along a 1,150 km route that suddenly turned busy with 4,000 trucks

It will take another four years for the next leap year when China will unveil to world view the rapid strides it would have made in modernization to stage the 2008 Beijing Olympics. When that happens, India will have a significant presence not just in the form of its contingent of athletes and officials. A substantial portion of the steel backbone for the infrastructure being built comes from India, from the iron ore mined in Karnataka's Hospet-Bellary belt – a telling sign of the globalised era.

Together with the modern highway construction and inter-connecting of rivers, the Chinese demand for iron ore is estimated at 10 million tonnes per year. Quality of the ore and a competitive price, with proximity offering further cost advantage, has made it Advantage India against global competition. Karnataka is endowed with over 10% of India's total iron ore reserve of 10 billion tonnes. Moreover, the Hospet-Bellary belt yields high-grade fines with 65% ferrous content.

Action picked up at the Hospet mines in the last quarter of 2003. Interestingly, the demand for haulage vehicles, mostly multi-axled trucks, was reported from elsewhere – from Tamil Nadu, Andhra Pradesh and far-away Rajasthan. The enterprising transporters had smelt a business opportunity. For months, an estimated 4,000 vehicles – more than half of them new acquisitions – have been doing round-the-clock trips all days of the month, hauling the ore from the mines to the ports on India's Western coast. Bulk of the exports are out of Mangalore with the balance divided between Goa, Karwar and Beligeri. Along the Hospet-Yellapur-Mangalore-Hasan-Hospet round route, it is a clear domination of Ashok Leyland vehicles, mostly the popular 2214. The Mangalore trip is a 3-day cycle of 24-hour non-stop drive either way with one day at Mangalore's unloading point where anytime of the day sees a congregation of over 1,000 trucks.

With the vehicle density thickening by the day, service support had to be strengthened substantially – and quickly. For the Ashok Leyland-Sundaram Motors, Karnataka team, the euphoria of a galloping sales graph was layered by the unexpected challenge of ensuring parts and service support along the route for 4,000 vehicles that descended without notice. No doubt, a gold mine of a business opportunity offering attractive rates, but Ashok Leyland customers had to keep up their commitment to deliver – ships waiting at the ports attract demurrages by the hour, in US dollars. An off-road vehicle became an owner's nightmare – and adding to their anxiety, they were not on the spot.

At a joint meeting with Sundaram Motors, a comprehensive plan of action was drawn up for rapid resource mobilization. Before service points could be established at vulnerable locations and regular halting points of the truckers, the dealership readied its service teams to switch to 24x7 fire fighting mode if required, to respond to breakdown calls.

Deputy Manager-Service at Mangalore, R. Rajagopal was joined by A B Sendil and A Venkatachalam, Senior Service Engineers from Gulburga and Hubli, and they undertook a five-day long trip of the 1,150 kms, studying the road characteristics, identifying mechanics and training them. Their investigation led to some unexpected findings. It became clear that problems were occurring at the *ghat* sections, when the vehicles were plying downhill. The high-density load generates a huge momentum and a role reversal takes place: instead of the engine driving the vehicle, with the vehicles gathering momentum, the rear axle drives the engine, raising its rpm to unanticipated levels. The root cause of this was even more unexpected. The team found that driving these trucks were youngsters barely out of the teens – mostly cleaners who got unexpected promotion, thanks to a huge demand for new drivers for the new vehicles.