

INTERVIEW | SANJAY SRIVASTAVA BUSINESS

Dual advantage to benefit India in 2020, post-COVID: Sanjay Srivastava



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Country attractive as manufacturing location and as market

When most manufacturing firms across India had to close down factories during the lockdown, integrated industrial ecosystems such as Mahindra World City (MWC) remained operational, enabling units operating there to manufacture as also export. **Sanjay Srivastava**, business head, Mahindra World City (Jaipur) Ltd. and director, ORIGINS, explains in an interview. Excerpts:

What is the current status of operations?

The Mahindra World Cities in Chennai and Jaipur are already home to over 150 companies spanning diverse sectors in manufacturing, engineering, food and food processing, automobile components, construction equipment, electronics and IT/IT enabled services.

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Of these, over 120 companies were operational during pre-COVID-19 times. Companies providing essential products and services continued to remain operational right through the lockdown supporting Indian and global supply chains and markets.

Also read: **'Our approach to unlocking had to ensure balance between lives and livelihood with safety at the core'**

Companies, which were then allowed in subsequent phases as per norms and were willing to resume operations during the lockdown, were able to do so quickly, many of them in under three working days and all, in less than a week.

Currently, almost 70% of the operational companies at MWC Chennai and MWC Jaipur have already restarted operations.

How the companies at MWC that were ready to resume operations could do so within less than a week?

The restart time for companies based out of the Mahindra World Cities has been significantly short as a result of proactive preparedness, continual on-ground team support and the strategic advantages of being co-located in an integrated ecosystem designed for business continuity.

In fact, the MHA guidelines & state directives for Lockdown 2.0 and Lockdown 3.0 clearly prioritized opening of centres away from urban centres, sanitized operations and nil/ minimal commute for workers.

Integrated ecosystems like MWC satisfy all these criteria perfectly. Customers who remained/went operational at the Mahindra World Cities leveraged SOPs and guidelines and managed to have continued access to manpower and ease of movement.

The proximity of the Mahindra World Cities to the NH and ports (ICD & seaports) helped in alleviating supply chain issues. We also worked closely with state government bodies to facilitate permissions to operate and access premises.

Access controls at each entry point helped ensure safety and security of all on-site staff and workers.

How can Indian industrial ecosystems stay ahead of the curve and remain globally competitive?

India has implemented a bold and expeditious lockdown to flatten the curve in the country and save lives. This has also meant a significant drop in economic activity in the short term. India then allowed phased restart of industrial activities, striking a careful balance between generating livelihoods and saving lives.

It has the opportunity to chart a unique path to create global best practice templates for unlocking industrial ecosystems and economic growth. We have already identified the likely indicators that will help define the contours of this path.

Integrated industrial ecosystems like MWC that have remained operational through all three phases of the lockdown in India have leveraged a model of co-operative partnership, bolstered by continual interaction and real-time consultation with all stakeholders.

The core objective of our approach to unlocking has been to ensure a balance between lives and livelihood, with safety at the core.

This helped us support the companies that were allowed as per government guidelines to remain operational at the Mahindra World Cities in Chennai and Jaipur, as well as those that resumed operations during subsequent relaxations during Lockdown 2.0 and 3.0.

Our focus was on generating data-driven insights to take quick business decisions concerning operations, sourcing and ecosystem support.

How you are dealing with the challenges?

The mantra at MWC has been to prioritise the health and well-being of our customers and larger communities, while ensuring continuity of essential services and supporting a phased resumption of operations by on-site companies.

This has called for robust planning, collaboration and continual adaptation to a rapidly evolving situation. We continue to focus on striking the right balance between starting economic generation to support livelihood while keeping in mind safety and productivity, needs for all stakeholders.

What is the outlook for business?

[Year] 2020 will reshape global manufacturing as companies will optimise their value chain and look to diversify both their source of demand and supply.

In this context, India has the opportunity to leverage its position via its unique 'dual-advantage' position – as a globally preferred manufacturing destination via Make In India and, simultaneously, a fast-growing, ready market for a variety of goods and services.

In India, well planned integrated industrial destinations that have successfully demonstrated the ability to ensure continuity of operations through the lockdown will gain prominence and favour. Such ecosystems as are favourably located in decongested areas near national highways and ports and have demonstrated effective supply chain management during the COVID-19 crisis will be the preferred choice for the next wave of new clients.

At MWC, our learnings are scalable and can support rapid implementation at other locations. We are taking all these learnings on a platform and ensuring our next two locations viz. ORIGINS, Chennai and ORIGINS, Ahmedabad have these best practices as pre-embedded, in order to raise resilience levels.

In fact, we have facilitated the restart of our clients' & vendors' in-situ construction operations at these two locations.

In the current COVID-struck environment, resilience is an even more critical component of the competitiveness of industrial destinations, as is Ease Of Doing Business. This helps position India as preferred destination of choice.

What has been the impact of COVID-19 on MWC?

A combination of strategic location advantages; robust infrastructure and processes; support from State industrial bodies and local authorities; and committed support teams have ensured that our customers could remain operational in a hassle-free environment with access to 24/7 support services.

Moreover, residents at MWC, Chennai, the Mahindra Group's first integrated city developed under PPP mode in India, were able to enjoy all the benefits of a self-contained integrated city with key social amenities operational – grocery store, hospital and super-market.

Operating companies at the Mahindra World Cities continued to contribute to the manufacturing and delivery of essentials (and non-essentials) during the COVID-19 lockdown in India, supporting both global and Indian supply chains.

These companies span a wide range of sectors including ecommerce, medical consumables, die-casting, component manufacturing, dairy products, farm equipment, furniture, stone processing, packaging, construction equipment, energy, battery manufacturing, IT and financial services.

Your comments on unlocking manufacturing ecosystem pan India?

India has followed a calibrated approach to tackle the phased restart and unlocking of the economy. As this proceeded, there was a need to adopt a dynamic approach for evaluation of district and cluster-wise status, streamlining of supply chain for goods and people movement, definition of SOPs, availability of raw material & manpower, and ensuring that goods reach the end clients and consumer markets.

Considering the complexities involved, India's journey has been progressive despite the glitches and some roadblocks as we moved on this path.

There are still challenges to be navigated - the timelines by when market demand will stabilize after serving short-term, suppressed one-time demand; production that can reach pre-Covid levels; and adequate manpower availability. We have a long way to go, but that's the new normal.

A letter from the Editor

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