

M+V Newsletter on business trends
and corporate strategies

If you wish to receive this quarterly
newsletter via email, please visit our website
www.mv-group.com

Content

What is your market entry strategy for India?	1
How to keep Indian Executives	2
Cricket Explained – Part 3	3
Summer Internship Experience with Maier + Vidorno Cologne Germany	3
M+V will sponsor 50 students	4
Celebrating Diwali	4

What is **your** market entry strategy for India?

by Klaus Friedrich Meier | Senior
Project Manager | M+V Cologne

To succeed in India, you need a clear market entry strategy. The key factors of this strategy are good analysis and planning - with a lot of patience and commitment!

But what is the right strategy to enter a market like India? Start with market analysis!

First and most vital you need rigorous and up-to-date market analysis. This determines how attractive the market is for your individual product and pinpoints evolving opportunities and threats. Topics should include: market size (current and future), market growth rate, market profitability, industry cost structure, distribution channels, market trends, key success factors and a thorough review of local competitors.

When you have the market analysis you need to use it to develop a strong business plan – including budget planning at least 5 years.

What's in a good business plan? The answers to a lot of questions!

Distribution questions:

How are you going to distribute your products – India has 28 States & another 7 “territories”, and is almost the size of the European Union! This means that you probably need regional wholesalers who distribute to the large number of small, neighborhood retailers or dealers. Is your product made for the difficult logistics that you find in India? Do you use external help or your own agents? Do you need a distributor, who sells to retailers or do you need to sell directly to retailers? Who sells to end customers? What kind of support do these distributors or retailers need?

Personnel questions:

How will you motivate distributors? Motivating owners and employees of independent distributors requires great effort.

Price questions:

When calculating your market price for India keep in mind that duties, taxes etc. vary across the regions of India.

Location questions:

Where are the market leaders and trendsetters in India? And where to start? Delhi, Bangalore, Mumbai and Chennai are entry points for many products, but do you start everywhere at once, or in one or two of them?

Sales strategy questions:

Planning sales activities (strategy): methods of reaching clients, competitive differences and resources available; long-term sales-goals, quantity of sales personnel per identified location? Also articulate day-to-day selling tactics: prospecting, sales process, and follow-up. To gain a competitive advantage, look at both sides of the equation: tactics and strategy.



Product modification questions:

A market like India will ask for product modifications to sell to the Indian needs¹. While doing this always keep an eye on your final price. It might be worthwhile developing your own manufacturing in India, so prices can adapt.

When it comes to market entry in India, the questions might be largely the same as in other markets, but the answers demand a creative approach and profound knowledge of the market!

¹ As with all markets, there are many potential adaptations: size, packaging preferences, quality, appearance, where and how purchased, end-user utility, cultural habits, translation of slogans, taste, ingredients subject to import controls, regulations governing recycling of packaging materials, prohibited ingredients, colours and shapes.

How to keep Indian Executives

by Sabita Chanda | Head of Recruiting Department | Bangalore

The Indian employment market is a complex one. Traditionally the “formal” sector has been tiny proportionate to the vast and unskilled informal sector, and this formal sector focussed on stability with employees staying with one company for most or all of their professional lives – similar to Europe 40 years ago. The last 5-10 years have seen high economic growth, and opportunities for well-qualified Indians have increased as rapidly, changing the Indian employment landscape forever.

The reputation of many Indian higher education institutions, and the relative salaries paid historically, made many Indians very attractive as employees, but as demand continued to rise through the global boom, supply could not keep up. Not enough graduates were coming through the system; older and experienced people were difficult to reskill given the very different cultural environments in the booming economic sectors, and this combination led to very high expectations and demands by those who are qualified. People were changing jobs very quickly and getting significant package enhancements with each move. Retention was very difficult across all market segments – especially with capable executives who received ever-greater offers from new Multi National Companies entering India.

The global recession has slowed down this job-hopping and accompanying pay increases, but India is still a growing economy and employee retention strategies are essential for companies to avoid high staff turnover.

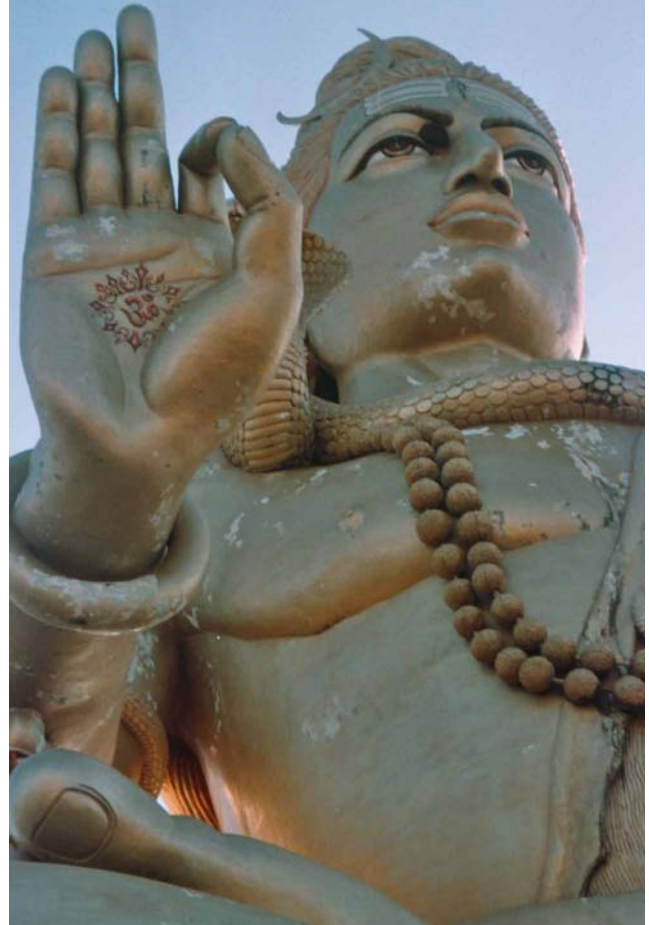
Employee retention strategies encourage staff to remain with the organization for the maximum period of time or until the completion of the project. Employee retention is beneficial for the organization as well as the employee, and involves five major things: Compensation, Environment, Growth, Relationship, Support, but the first component is hiring the right people in the first place.

Successful recruitment involves not just matching the most qualified person with the position, but ensuring their understanding of the job responsibilities are clear because unexpected job responsibilities are a key reason for job dissatisfaction later on. Thorough reference checks ensure that you hire people who are not only qualified on paper, but also have verified experience and no history of inappropriate conduct or fraud.

With the right person in the right position, there are a number of key strategies to keeping them – most of which are similar in all countries:

Compensation – the total compensation package of an executive needs to be competitive. In India as in other markets, being under compensated is a serious demotivator and reduces loyalty. Regularly assessing market pay levels helps ensure that you are providing the right package. Compensation is very important, but is not the only factor!

Environment – Employees – including executives – thrive best in environments where there is good trust and support amongst senior management and with their employers. Trust is critical to ensuring this environment, and executives need the authority and skills to be able to promote positive work environments for themselves and all those who work for them.



Growth – this is important at all levels. Executives need to be able to keep building their skills and enhancing their CVs. If there are opportunities within the company for further growth these need to be highlighted, and the appraisal system should capture executives’ growth plans and identify ways to support them while they continue to give their best to the company. For Indians, working with a multi-national company (MNC) will often provide opportunities for International exposure that will greatly enhance their CV.

Relationship – Appropriate expectations and clear communication will help ensure the relationship between the company and the executive. Clear expectations need to be set from the start, and each year appropriate and agreed targets need to be set and appraised. This will help to overcome any cross-cultural issues that often arise between Indian executives and their MNC bosses.

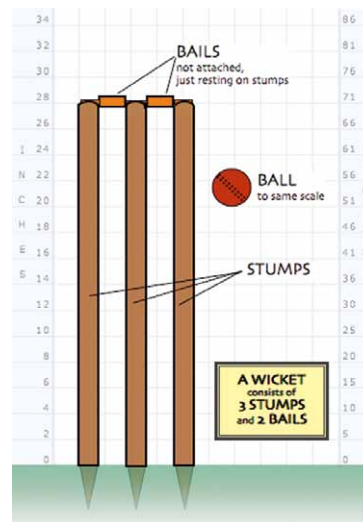
Support – this comes in many forms – structural support to ensure executives can do their jobs effectively, psychological support during periods of stress.

Cricket Explained | Part 3

by Shavikesh Goel | Senior Project Manager

In this issue we talk of the oldest and the longest version of the game – the five day format popularly known as “Test Cricket”. Test Cricket usually lasts for five days with each team batting and bowling twice; at the end of which the game can still end in a “draw” with no team winning!

Test cricket is played in “innings” during which one team attempts to score while the other team attempts to prevent the first from scoring. The competing teams alternate who is “in bat” and who is bowling. The exception to this rule is a “follow-on”. This happens if, at the end of its first innings, Team B’s total falls short of Team A’s first innings’ total by at least 200 runs, the captain of Team A can choose to order



Team B to stay in bat. If he does so, Team B must commence its second batting innings immediately (ie following on from their last batting). Each innings lasts until all the batsmen are dismissed or until the batting team “declares” the innings over after having established a big “score” of runs.

... to be continued

Summer Internship Experience with Maier + Vidorno | Cologne | Germany

by Akanksha Rohatgi | Intern from Welingkar | Mumbai

I am student of Welingkar Institute of Management, Mumbai, India currently pursuing my MBA studies. At the end of my first year I had the opportunity to intern with Maier + Vidorno GmbH in Germany for three months.

Due to the fact that I was staying at a modern youth hostel in the center of Cologne, I got to interact with people from so many different cultures and countries. At the same time I got hands-on experience in the corporate world and applied what I had learnt in my lectures.

During my three months stay some contrasting points about Indian & German culture stood out:

- Germans are very particular about time - unlike Indians.
- In India close affinity with a person/organization plays an influencing role in finalising many corporate deals.
- In Germany abiding by the law, sense of duty, time-planning, and structured planning are important – often not the case in India.
- In India difference in opinions are not voiced in public especially when one is dealing with a superior in India.
- Germans are very candid and straight forward whereas Indians may not talk very directly. They may give hints or many a times mean something else than what they say.
- When I attended exhibitions a lot of people gave me this feedback that Indians love to over-promise. Many times in business they will sound very promising. However when it comes to making a deal they may just back out.
- Indians find it very difficult to say “no”. Therefore many a times if the boss gives them some work, they will always say a yes and then delay it.

- In India grapevine communication is rampant in the workplace – unlike in Germany.
- At an Indian workplace people talk about their personal lives and household matters. However in Germany there is a clear distinction between private and work life.
- Germany seldom share their food. People eat their individual meals. This was very different as I had always been sharing my food back home.
- Germans can drink beer at any time of the year e.g. during Karneval or Oktoberfest – also the women. Women drinking is still considered a taboo in India.
- In food what surprised my peers is that I could eat a potato sandwich or have tea with milk! We Indian also eat very spicy food which Germans find it very hard to digest.

Adjusting to the European work environment was easy and I made a lot of international friends at work and outside. Overall my summer internship was a great exposure and I am very thankful to Maier + Vidorno for their continuous guidance and support.

Register now: M+V-Webinar

Next Webinar (Online Seminars) with focused Information on the Indian Market

25th February 2010 | 14.00 h CET

“Infrastructure in India”

followed by a Q+A-session

Register at: www.mv-group.com/webinars

Past Webinars are available on our website:

www.mv-group.com/de/sonstiges/webinar-archiv.html

Hear experts talk on

- Sales in India
- Industrial Estates in India
- Building up Manufacturing Units in India
- more topics

For Face-to-Face Seminars please visit

www.mv-group.com

Investment in the future: M+V will sponsor 50 young students

by Graziela Trebbels | Project Manager | Cologne

September-December is the season for celebration, spirituality and gifts in India with Eid, Dusshera, Diwali and Christmas taking place one after another. This year M+V has decided to organize a special seasonal gift – one that will contribute to India's society & future.

M+V will be supporting **CAP's Ek Mouka program**¹ which provides vocational training and life skills to young people from vulnerable communities so they can become part of modern Indian markets.

By 2020, 90% of the 210 million unemployed people in India will be below the age of 30². Finding ways to bring skills to these young people is critical and Ek Mouka ties up with companies and corporate houses to train young people who have managed to complete school but are too poor to do more. Cap started Ek Mouka in 2005 and now has 106 training centres operating across 14 states of India and reaching out to 50,000 young people in any given year. 85% of the students they train get placed in corporations afterwards helping ensure that they get to quickly apply their learning.

M+V will sponsor 50 young people this year to complete their Accountancy and life skills course, and M+V will also host 2 graduates of this training as Account Assistants. The young people will come from marginalized and poor families, but have completed secondary education. They will be trained during the 3-month program as Account Assistants.

¹ www.capfoundation.in/vocational.asp

² 'India Labour Report 2006', Team lease

Impressum

For previous issues and newsletter subscription:
www.mv-group.com

Publisher: Maier+Vidorno GmbH · Cologne · Germany

Editor & contact for press and article reprints:
Klaus F. Meier: k.f.meier@mv-group.com

All liabilities excluded. This newsletter is based on information obtained from sources (government, business associates, companies, publications, etc.) we believe to be reliable. However, Maier+Vidorno GmbH does not take any responsibility as to its accuracy, completeness or correctness.

Copyright © 2009 Maier+Vidorno GmbH. All rights reserved.
Protected by copyright laws.

Head Office: Siegburger Str. 235 · 50679 Köln
Tel. +49-221-8804080 · Fax. +49-221-880408-11 · info@mv-group.com

USA Representative Office: 29 Tioronda Ave. · Beacon · NY 12508
Tel. +1-845-765-0862 · usa@mv-group.com

New Delhi, Office 1: 7th Floor · Vatika Triangle · Block A Sushant Lok Phase-1 · MG Road · Gurgaon 122 002
Tel. +91-124-434 2300 · info@mv-india.com

New Delhi, Office 2: Plot 52 · Udyog Vihar Phase VI
Sector 37 · Gurgaon · 122 001 · Tel.: +91-124-412 1600
info@mv-india.com

Celebrating Diwali

by Nirali Varma | Delhi

Diwali is one of the grandest and most important festivals celebrated in India and brings together many Hindu deities.

It is the celebration of victory of good over evil, and the glory of light ("Deepavali" in Sanskrit means "row of lights"), and celebrates Lord Ram's homecoming to Ayodhya after vanquishing the demon Ravana. On this day Lord Ganesha and Goddess Lakshmi are also worshiped for prosperity and luck. Most people spend Diwali with family and friends, having a small prayer ceremony at home in the evening, then decorating the homes with diyas (small candles) and then setting off fireworks and crackers - symbolizing the victory of righteousness and the lifting of spiritual darkness.

There is also a tradition of playing cards and gambling in the fortnight leading up to Diwali. The legend being that on this day, Goddess Parvati played dice with her husband lord Shiva and she decreed that whosoever gambled on Diwali night would prosper throughout the coming year.

Calendar of important holidays in India:

Republic Day	26 January	Adoption of the constitution National
Id-E-Milad	27 February*	Birth of Prophet Mohammed Muslim
Holi	16 March*	Festival of colour Hindu
Ram Navami	24 March*	Lord Ram's birthday Hindu
Mahavir Jayanti	28 March*	Birth of Mahavir Jainism
Good Friday	2 April*	Easter weekend Christian
Buddha Purnima	27 May*	Birth of Buddha Buddhist
Independence Day	15 August	Independence from UK National
Janamashtami	2 September*	Krishna's birthday Hindu
Idul Fitr	11 September*	The end of Ramadam Muslim
Gandhi's birthday	2 October	National holiday
Dusshera	17 October*	Rama killed Demon Ravana Hindu
Diwali	5 November*	Festival of lights Hindu
Idul Zuha (Bakrid)	17 November*	Celebration of obedience to God Muslim
Guru Nanak's Birthday	21 November*	Sikh
Christmas Day	25 December	Birthday of Christ Christian

* date for 2010 – varies with lunar calendar

Pune: Madhavi Apartments · 2102/5 Vijaynagar Colony
Sadashiv Pet · Off Tilak Road · Pune 411 030
Tel. +91-20-4100 8300 · info@mv-india.com

Bengaluru: 2nd Floor · Sree Datri Nivas Nagawara Circle
Outer Ring Road · Opp. Manyata Softech Park · Bangalore 560092
Tel.: +91 80 4085 4444
info@mv-india.com

Chennai: Old No. 140/2 · New No. 128 Opp Raintree Hotel
St. Mary's Road · Alwarpet · Chennai 600 018
Tel. +91-44-4300 9601 · info@mv-india.com

M+V is a member of

ASU – Die Familienunternehmer
APC – Asia Pacific Consultants
BICC&I - Belgo-Indian Chamber of Commerce & Industry
BVMW – Bundesverband Mittelständischer Wirtschaft
DAPG – German Asia Pacific Society e.V.
DAW – German-Asian Business Circle
EBGI – European Business Group India
FICCI – Federation of Indian Chamber of Commerce and Industry
IGCC – Indo German Chamber of Commerce
OAV – German-Asia-Pacific Business Association
OSEC – Business Network Switzerland
Sanet – Strategic Alliance Network
UKIBC – UK India Business Council