

for those who think

# big

Volume 1 ■ Issue: November 09

Uniting our dealer family



**Mahindra**  
**NAVISTAR**

# up-front

## big MESSAGE

Rakesh Kalra - MD, MNAL  
shares his excitement

## big PREPARATION

Extra Miles, 24x7 call centre,  
Dealer training module CD

## big NEWS

Dealer of the month:  
P.S Bhatia, Black Diamond Motors,  
Bilaspur Chattisgarh





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## Expectations from Dealers Checklist

### Tick

- ☐ Appointment of Project in-charge  
Start of Construction
- ☐ Appointment of Key personnel Sales Manager, Works Manager
- ☐ Sales Readiness progress (Market Understanding)
- ☐ Operational Manpower Recruitment  
Start of Training of all dealership personnel  
Office Equipments, Service Van, Special Tools, Floats & Garage  
Equipments availability
- ☐ Spares & Vehicle Stock Availability  
Infrastructure readiness  
Inauguration of Dealership



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## MESSAGE

**Rakesh Kalra**  
MD, MNAL

Only an individual entrepreneurial spirit can claim credit for dictating destiny, rather than let it be the other way around. It gives me an immense satisfaction and delight to address the first edition of the newsletter to you entrepreneurs - Our partners in scripting the biggest upheaval in Indian Commercial Vehicle industry; only together nothing is impossible.

Foresight is important, because one has to think ahead and be able to predict trends. We are entering the MAHCV industry at a time, when the face of CV industry is changing. In this turmoil I still found a few indicators which augur well for our industry. One of them was that Indian economy showed its robustness; also the government direction on infrastructure growth became clearer and prominent. All these will lay the foundations of growth.

### Together

MNAL is not only a JV between the two bigwigs in Indian and North America Auto industry; it is also an amalgamation of the 'strong & rugged character', customer centricity & Indian reach of Mahindra with the 'technologically advanced' global prowess of Navistar in the CV segment.

Each of our products has been developed in India, specifically keeping in mind the Indian customers & tough surrounding conditions. All of it will be manufactured at our new highly technologically advanced plant at Chakan, Pune. We are developing a

'bouquet of path breaking services' that will provide 'outlandish customer experience', our 24 x 7 customer communication centre and the Fast response centres for spares are first glimpses of our effort. I am sure that the all this will create a visible differentiation in the market in terms of high brand pull, large volumes, global quality & premium earnings.

### We are preparing...

MNAL has always focused on you dealers- my partners in our journey and it will be our constant endeavor that no stone is left unturned; we have inaugurated "Extra Miles", a development centre for you & your team. find your training booklet CD inside.

Systems will be another of our core strengths and we are developing simple & clear company to dealer & dealer to customer policies to that effect. Work is in progress for implementing the latest techniques like Dealer Management Systems (DMS) to ensure smooth functioning.

We strongly believe in lean systems and hence 'distribution of our vehicle & spare parts' will be our core strength and we will ensure that we offer timely availability of

our products and services at the same time retaining our lean character throughout our network. All this will be backed by exciting marketing initiatives to create a buzz.

### Today

Our first product launch - 25 T Cargo is hardly two months away and will be showcased in the auto expo in January, 2010 and there is a great sense of urgency, excitement and enthusiasm at MNAL for ensuring a successful launch. Our Product is ready; Product trials are on. Our plant at Chakan is right on track. So now we have to ensure that we get our dealerships - which are our 'face to the customers' ready on time.

One thing that I am uncomfortable with is standing still and waiting for things to happen, because more often than not, somebody else who is agile enough would drive past us. So is it a challenge to keep moving, keeping faith in foresight?...Yes it is, but only when we accept challenges, we may feel the exhilaration of victory. Believe me, this adventure is worthwhile to make us future ready. Let's accelerate our launch readiness to create the BIG dent in the adventure. We are excited, so should you. Let shift gears and move into the fast lane now, there are only 2 months to go...

**Read on to get more details...**





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## PARTNERSHIP

### ABOUT NAVISTAR INC.

Navistar's roots go back to 1831, with the invention of the reaper, an implement that cleared the way for agricultural development across the North American continent. In 1902, the company teamed with several other makers of agricultural implements to form International Harvester, which became one of the largest companies in the world. The company produced its first trucks in 1907, and began manufacturing diesel engines in 1933. In 1963, International Harvester formed a joint venture with Mahindra & Mahindra, Ltd. for the manufacturing of tractors for the Indian market. In 1986, International Harvester sold its agricultural business and, under the new name Navistar International Corporation, refocused its business model to concentrate on trucks, buses and engines.

Today, Navistar is North America's largest combined commercial truck, school bus and mid-range diesel engine producer distributing products via a dealer network of more than 1000 dealers in over 90 countries.

- \$14.75 Billion in revenue
- 1,20,000 trucks and buses p.a.
- 4,50,000 engines p.a.
- World's largest mid range engine manufacturer
- 10th Largest US Defense Contractor
- Manufacturing Operations in 5 Countries
- 17,800 Employees Worldwide
- Largest channel in North America

With an established threefold strategy for continued success - great products, a competitive cost structure, profitable growth and our will to succeed, together nothing is impossible.

So are we ready for January?

Mahindra Navistar Automotives Ltd (MNAL) is a 51:49 Joint Venture between Mahindra & Mahindra Ltd. (M&M) and Navistar Inc. USA. Mahindra Navistar will manufacture the entire spectrum of commercial vehicles ranging from 3.5 - 49 tons GVW/GCW. These products are developed to suit Indian conditions and will set new levels of reliability, efficiency and customer experience unseen & unheard of in the commercial vehicle industry.

Apart from this joint venture to manufacture trucks and buses, in November 2007, Navistar also signed a second joint venture agreement with Mahindra & Mahindra, Ltd., this one is focused on producing diesel engines for M&HCV in India. The joint venture, is named Mahindra Navistar Engines Pvt Ltd. (MNEPL).

Ultimately, the Mahindra Navistar joint ventures will deliver a full lineup of engines



and trucks to the Indian market place, while also exporting from India to other parts of the world. Given the promising market climate and the strong technology and product development credentials of both partners, both of us are confident that the ventures will enable us to expand our global presence while achieving business success.



The boldly styled International® LoneStar® created an entirely new category of Advanced Classic trucks to meet the requirements of the independent trucker, while also delivering 18 percent less wind resistance than its premium truck competition.



International® ProStar® vehicle is the most fuel-efficient long-haul truck in the industry, using 7 percent less fuel than its closest competitor.



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## OPPORTUNITY

### THE RACE HAS JUST BEGUN

The Indian CV market is ticking and its ready for disruption. A disruption which will cause threats and opportunities - The brave and prepared will benefit and the unprepared will perish.

The advent of foreign players, increasing focus on infrastructure, the transport industry getting more organized, the governments aids to rev up economy are all indicating that the race has just begun and that India is poised to be one of the most important growth markets for the commercial vehicle industry. There are many factors that are showing that it might be a CVs world. **Lets take a look at a few:**



### CHANGING HORIZON for Indian CV Drivers

With more road fatalities than any other country and a prevalence of HIV/AIDS amongst their workforce due to their long trips and the availability of illegal and unregulated roadside sex workers, Indian truckers face tough times. But change might finally be on the truckers horizon. World Health Organisation (WHO) supported figures saw infection rates fall from 5.5 million to 2.5 million between 2005 and 2007. The government is investing money but large, focused investments on truckers have also come from the international donors and private sectors. Elsewhere on the road, trade unions are holding talks with employers over wages, major road safety reforms are planned, and by 2011, any village with more than 1,000 inhabitants should have access to all-weather roads. All of which should be good news for truckers, these will increase motivation and increase effectiveness.

#### Trends

- Migration from erstwhile "Basic MCV Workhorse" to "Hub & Spoke" Model
- Increasing Power to weight ratio
- Increasing customer emphasis on aesthetics and comfort.
- Arrival of Global Players
- Divergence in Truck and Bus Technology
- Focus on Fully Built Transport Solutions

#### Key Growth Thrusters

- Major thrust on Indian road Infra development
- Increasing share of Road Transportation among other freight transport
- New emission norms which will be in April 2010
- Shrinking replacement cycle
- Government Initiative aiding momentum

### INDIAN INFRASTRUCTURE Sector is alive and kicking

India's infrastructure sector witnessed a growth rate of 7.1 per cent in August. Its good news as the CV demand is intrinsically linked with the infrastructure sector. Consolidation and increasing maturity of the transportation sector in India has also resulted in a shift in the segment sales of commercial vehicles.

The National Highways Development Program for improving road infrastructure and national highways will also impel the demand for commercial vehicles with a significant rise in goods and passenger transport by road, due to enhanced connectivity. With better roads, expressways and link roads, the average speed of a heavy truck is on a high, now around only 25 km/h its just 1/3rd of its western counterparts. This will lead to reduced cycle time of delivery, less accidents and increase demand.

### RECOVERING INDIAN ECONOMY and increasing CV sales

The commercial vehicle (CV) segment returned to positive territory in July 2009

Sales had remained below the year-ago levels for 11 consecutive months before recording growth in July 2009. In August 2009 the domestic CV Sales recorded a growth of 18.5% - the trend has truly reversed and we are in for better days ahead.

As per the Society of Indian Automobile Manufacturers (SIAM) data, the CV sale in July was up by 9.6 per cent at 37,624 units compared with 34,325 units in the year-ago period. Sales in August also soared by 18.5 per cent at 40,624 units compared with 34,289 units in the same period last year. Specifically the M&HCV Sales trend signifies a turnaround in August 2009 with the domestic sales clocking an impressive 6.1% growth.

#### SO...

The overall 3.5 to 49 ton domestic CV segment promises still an opportunity of roughly 40,000 to 50000 units per month. The first step in this play is to participate in the industry with a full range which MNAL is the verge. The game changing participation of heavy truck the MN25. Our race has just begun &





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## TEAM



“ **When we talk about** sustainable business differentiation, or what differentiates a company from good to great, there are many arguments. Some say its technology, few say its process, and many say its product. But if you look closely most of these USPs can either be replicated or bettered. But one aspect of the company that remains the source of any innovation or success is People and good people coming together to form a great team.

The selected team has the zeal to make it big; they have an understanding of the Indian markets and also have a high focus on Indian customer. I am pleased to put forward this column about MNAL's senior management team who will work with you to drive the business to newer heights. ”

### Mr. Akhilesh Kumar Gupta

VP - Marketing & Sales

Professional Experience of almost 30 years

Mobile : 09892012999

e-mail : [gupta.akhileshkumar@mahindra.com](mailto:gupta.akhileshkumar@mahindra.com)



“ **He is instrumental** in developing LCV market in south India. His insights are a big asset to the team. He is responsible for sales training, profitability of product lines for achieving the desired volumes & market share. ”

### Mr. K. A. Ravindranath

General Manager,  
Sales - LCV & BUS

Professional Experience of almost 28 years

Mobile Number : 09004333789

Location : Mumbai

e-mail: [ravindranath.ka@mahindranavistar.com](mailto:ravindranath.ka@mahindranavistar.com)



“ **He brings with him** an expertise in selling commercial vehicle, with his customer focused insights of markets & future needs of customers in the CV industry. He is responsible for channel development, sales training, launch strategy, profitability of product line. ”

### Mr. R. Mohan

General Manager,  
Sales - M&HCV

Professional Experience of almost 17 years

Mobile Number : 09967602228

Location : Mumbai

e-mail : [r.mohan@mahindranavistar.com](mailto:r.mohan@mahindranavistar.com)





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## TEAM

### “He is the recipient of a full

bright exchange program for leadership in management at Carnegie Mellon University, USA. He brings in a rich experience in the area of after sales service and spares. His objective is to create a benchmark in terms of service delivery and innovated process to give better value to customers. His aim is to make Customer Delight as our differentiator. He is also responsible and accountable for creating an overall spare parts strategy, planning, scheduling, pricing, branding & profitability of the spares business.”

#### Mr. Rajat Proothi

General Manager,  
Customer Care & Spares Business

Professional Experience of almost 18 years

Mobile Number : 09561060473

Location : Pune

e-mail : [proothi.rajat@mahindranavistar.com](mailto:proothi.rajat@mahindranavistar.com)



“He is working primarily on understanding the stated & unstated needs of customers, thereby developing products through Quality Function Deployment (QFD) method which will meet our customers future requirement. He is responsible for creating a comprehensive product strategy & conceptualizing the product lineup.”

#### Mr. Chaitanya Kulkarni

Sr. General Manager -  
Product Planning (LCV,M&HCV & Buses)

Professional Experience of almost 26 year

Mobile Number : 09960222274

Location : Pune

e-mail : [kulkarni.chaitanya@mahindranavistar.com](mailto:kulkarni.chaitanya@mahindranavistar.com)



“With an international experience of working in the US market his expertise will help us decipher the new paradigms in the progressing Indian CV market. He is responsible for creating the channel development strategy and establishing the dealer network with world class systems & processes across the country.”

#### Mr. Shekhar Taneja

General Manager,  
Dealer Development

Professional Experience of almost 19 years

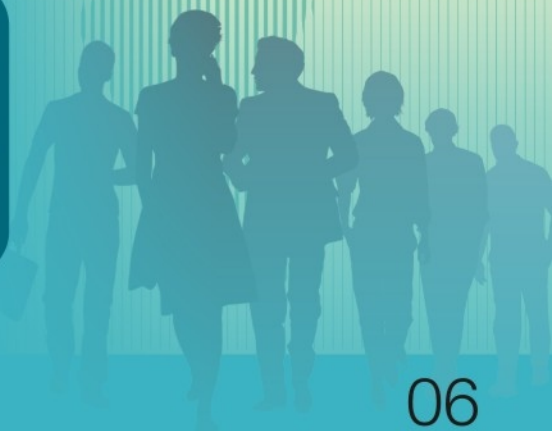
Mobile Number : 09673990635

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e-mail : [taneja.shekhar@mahindranavistar.com](mailto:taneja.shekhar@mahindranavistar.com)



Only a synergistic team creates new untapped alternatives. This newsletter is one of the initiatives to attain synergy. Our relationship with you dealers is a long-term journey. MNAL will help you hone your skills to compete in the CV industry. Together, with a clear vision & a geared-up team, we will be able to create a winning combination.





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## PREPARATION

### INAUGURATION OF **EXTRA MILE** AT CHINCHWAD PUNE

Mahindra Navistar Automotives Ltd., the joint venture company between M&M and Navistar, is fast gearing up for its tryst with Commercial Vehicle market.

In true spirit of customer centricity, the mantra for success is GOING THAT EXTRA MILE FOR A CUSTOMER SMILE in every sphere of our activity with Customer Care being the most important. Thus the key to delight customers on that front is to have highly knowledgeable and skilled persons across the distribution channel. MNAL crossed a major milestone by commissioning a state of the art training facility EXTRA MILE. Nalanda and Takshashila are the two fully equipped class rooms, the practice shop TURF is provided with various aggregates, all kinds of tools and equipment, the 25 T GVW monster and cut sections of the drive line which comes to life by switching on its electric motor to

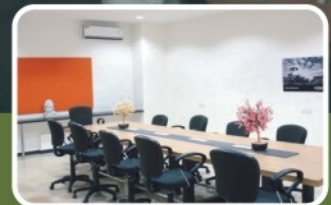
demonstrate the functioning, right from engine to the rear wheels. The Cafeteria is called Break Point to re-energize the participants between the sessions with its Coffee vending machine, TV and attractive visuals on the walls. Finally, Knowledge Korner is the library, getting enriched everyday.

The facility also houses Customer Care Department For-U and a 24 x 7 Customer Communication Center Connect which will be operational in a month. The facility was inaugurated by Mr. Rakesh Kalra, MD MNAL in presence of the leadership team and executives on 25<sup>th</sup> June 09 at Chinchwad, Pune.

The first batch of company service executives is about to complete the Training the trainer program with faculties also from our aggregate suppliers.



Tools



Conference Hall



Working Cut Section of Drive Line



Training Room

### DEALER TRAINING CALENDAR AND **TRAINING ACTIVITY** F 09-10

#### Training Objectives

At Mahindra Navistar Automotives Limited; it is our constant endeavor to impart the required skills to create a unique customer experience.

The Training Objectives are:

- To facilitate creating an outlandish customer experience.
- To facilitate enhancement of knowledge for the sales & service teams.
- To facilitate First time Right to any Customer Complaint.
- To continuously upgrade the Skill Level of the Sales & Service Teams.



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## PREPARATION

### Customer Communication Centre

24x7

#### Guiding Principle

- Creating Unique Customer experience throughout MNAL dealerships
- One phone call - Job is done

#### The Role Players

- Dealer Champion - Works Manager / Service Supervisor
- Dealer Technicians - Trained Technicians
- AO Champion - MNAL Service Manager
- SHQ Champion - MNAL CC Manager
- CCC - Agents

#### Where CCC stands today?

- Helpline No. & PRI (Outbound) lines are operational
- CCC MNAL Server / Hardware installation completed
- Three no.s of Communication Desks are ready
- Call Centre Agent Recruitment completed
- Soft Skill Training Completed
- Process Manual is ready
- CCC Concept Sharing with AOs started
- Mock Calls from Tamilnadu & Andhra Pradesh

## BREAKDOWN Assistance Flow



## Highlights of ccc

#### Multilingual:

to precisely capture the concern

#### Inhouse :

close monitoring by SHQ Team

#### Technical Assistance:

advice by Diploma Engineers

#### Two way communication:

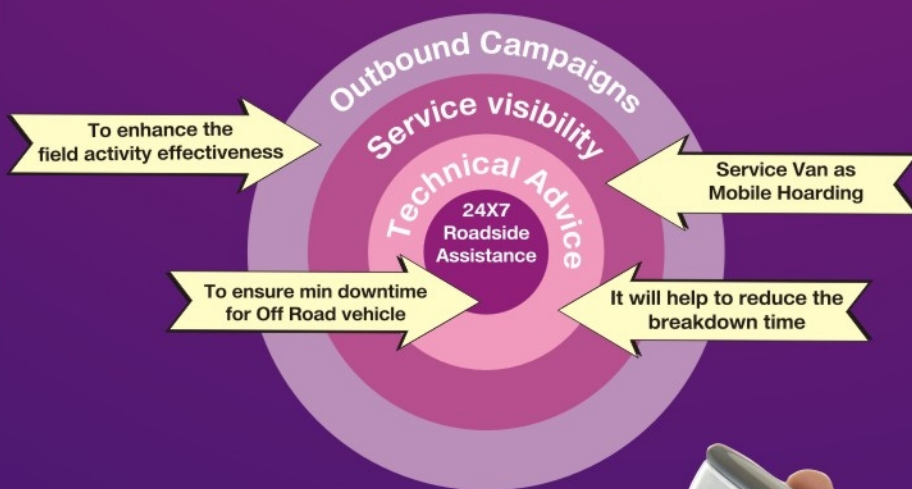
to take care of every opportunity

#### Complaint Registration:

analysis of complaints to improve Product and Processes



## KEY Objectives



## For the New Breed of Customers

**Toll free number for service available& Quick communication** between company & owner/driver... no follow ups, one phone call **Fast response time** support system... no running around for battery, tyre, FIP etc... **Single window&.** One stop shop- all repairs, driver training, repairs for other manufacturers vehicles as well, etc... **24 hrs service**

**Just a phone call away&**  
**1800 - 200 - 3600**  
**OR**  
**020-27473600**





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## PLANT



Body Shop



TCF & Axle Shop



First Axle from Line



Engine Line

**The future belongs to those who believe in the beauty of their dreams.**

“Almost four years back we dreamt of a green field site that would redefine the benchmarks of auto manufacturing facilities in India. We envisioned a truly global facility with state-of-the-art technology and ambience at India costs. This was one of the boldest decisions that Mahindra Auto Sector has ever made and even bolder was the decision to stay the course even during one of the most severe economic downturn last year. Today we have Chakan - a manifestation of our dream coming true as we had the courage to pursue it. Most likely the time taken to complete this plant from the time we got possession of the land to the time we roll out our first vehicle is a new record for automotive plants of this size. Let this entrepreneurial spirit be the theme of our dreams, so let us stand together to build M&M of tomorrow.”

**Dr. Pawan Goenka**

President, Mahindra Automotive sector



# MVML

[revving up]

Being the largest manufacturing facility set up by Mahindra, after a gap of almost 30 years, Mahindra Vehicle Manufacturers Ltd. (MVML) epitomizes the dream of the Automotive Sector - to build a world class facility second to none in the industry.

Catering to a variety of platforms & models, MVML is almost 10 times the area of Nashik with its 700 acres, and has an expected output of almost 30 times higher as compared to Nashik & Kandivali put together. Encompassing not only the products of M&M but also Joint venture companies Chakan is set to produce the entire range of products from LTV to the giant truck, including the global SUV, utilizing state of art production facilities and world class Press Shop and Paint Shops.

Located in Chakan near Pune, it is surrounded by major global OEMs like General Motors, Bajaj, Volkswagen, Mercedes-Benz, Daimler, TATA Motors, Hyundai Construction Equipment & JCB. While we have had green field site like Haridwar before, never was it of such a magnitude as Chakan. One common thread that ran through the solutions that were found was to take on all challenges head on. The indomitable spirit of team Chakan has pushed them into thinking differently, to achieve targets which looked impossible and be motivated to go that extra mile to make these seemingly impossible targets into a reality.

**Chakan is ready to produce MNAL s tomorrow.**



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## KNOWLEDGE

### Customer expectations

## About qcw

It has been our constant endeavor to address our customer needs, wants & desires through products & services. Moving one step forward we have now bracketed these needs & wants into 8 broad parameters to help us focus & serve our customers better. This is what we call as Mahindra's 8 Qualities that Customer Wants (8QCW). We believe by providing customer delight in these areas, we will be able to create a sustainable visible differentiation in the market.

#### 1. Inbuilt safety

Customers seek safety features that will never fail allow maximum protection and control from a stress free ride. The man machine interface should be optimized through ideal positioning of controls to give full control for responding to any emergency.

#### 2. Pleasure of driving

The vehicle should be responsive to driver's command and it should be ergonomic to give comfort and pleasure to driver and co-occupants at every action like speeding, sitting, braking and cruising.

#### 3. Enhancing status

The vehicle is an extension of its owner and exhibits his aspiration, attitude, social status and personality.

#### 4. Earning Potential

The vehicle is the livelihood of the owner and he wants the vehicle to have features and robustness that enhances his earning potential and brings him prosperity.

#### 5. Appealing style & design

The MHCV customer tastes have always been practical and try to merge the practical needs with a personal flavor. The customer wants a vehicle which is contemporary looking & with scope of some personalization for his needs (stuff he has to carry for his operations).

#### 6. Low running cost

Customers want a low cost of ownership which translates into good mileage, economical maintenance, longer service intervals, affordable spares and parts and service cost.

#### 7. Proactive sales & service

Customers want a memorable purchase experience with reassuringly high quality service from a wide & trusted network.

#### 8. Sustaining longevity & resale value

The customer wants rugged aggregates and components in his vehicle so that it remains in good condition and trouble free even after years of usage, which would result in higher resale value.





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## NEWS

### Dealer of the month

*Based on agility demonstrated in terms of dealership readiness prior to launch. Excerpts from an Interview with P. S. Bhatia*

#### On Market

Earlier the market had to accept whatever was there on offer. But now I can see the change. Let me remind you what happened to the 4-wheeler market, notice the change from 90 s Fiats & Ambassadors to today s competitive market with so many global and beautiful products. Today, the CV market is going through the same transition . Now, CV customers will get true value for money. The Market is HOT.

#### Journey with MNAL

I have been involved since 2007 when I was invited by R&D to experience the concept. Seeing the outstanding efforts put in by them, fascinated me .



Photo: Black Diamond Motors, Bilaspur

I decided to take up the dealership because I believed that these vehicles will rock the market. I started my Infrastructure development on 25<sup>th</sup> June,09 and I will complete the whole process by end of November.

#### Expectations from MNAL

First and foremost, an excellent sales-service network because CV's cannot be sold sitting at office. You can only get repeat orders with good sales & service and MNAL is working towards it.

■ The CV market is highly price-sensitive, it does not mean that the product should be cheap but should provide value for money and I firmly believe that MNAL will price it below competition.

■ Proper assessment & distribution of spare-parts is a must, and through my observation of other M&M products, I strongly believe that MNAL would suffice my needs.

**P. S. Bhatia**  
Director

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## Message to fellow Dealers

“ Things dont turn up in this world until somebody turns them up, so lets gear up now, to turn up our world... ”



Photo:  
(Top) RS Bhatia & PS Bhatia

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