



Diametrically different

Shombit Sengupta
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I'm making a provocative comparison between Indian and German engineering, how they are diametrically different, yet how both fail to deliver consumer benefit in diametrically different angles.

Germany, the World War II culprits, was thoroughly bombed by Allied forces. Yet the devastated nation regained its high quality engineering excellence to be recognized as the world's best. Take a look at any German car. Behind the infotainment screen is extremely sophisticated technology. Auto air conditioning incredibly retains the set temperature in sunlight and in shade. Consumer demand in developed countries is so high on quality that engineered products become extremely innovative and complex in that highly competitive market. This invariably increases cost, but people living in the Euro money platform can afford expensive products.

In developing countries, German engineering is facing enormous problems. They fail to adjust German engineering excellence to be relevant to developing countries that require mass category and not premium or luxury products. An Indian customer of a German washing machine said it took two months for a technician to come for service after sales. The German company was not neglecting the customer, but in over-confidence believed their perfect

machine cannot have a problem. The customer was suspected of not knowing how to use the machine. Nor could the German company anticipate voltage fluctuation that paralyzed the machine, so claimed responsibility is not theirs. It can be argued that if you are doing business in India, the first relevant factor to know is power not being of homogenous standard. So shouldn't ingenious German technology be used to resolve the issue so the machine automatically adjusts to irregular power supply?

At the mass level, India requires auto vehicles to be high in quality, low in servicing need. Germans have an edge in manufacturing automobile parts and features, but I'm not sure how much attention they pay to support such requirements by reducing overdesign to fit Indian market conditions. Eg. A famous mass German car in India has 33 chips. Imagine the plight of the service garage! By trimming overdesign yet retaining German value, their cost can become relevant to developing countries.

German machinery for manufacturing different consumer products needs very high standard, homogeneous raw materials. It has happened that many Indian manufacturers who bought German machines as they're the world's best, have faced the dilemma of not being able to commission the machinery because the raw materials were not upto the machine's required standard. So they ended up tinkering with the sophisticated machinery to accept the raw ingredients available here. Engineers in India have not only adjusted the original German equipment, they become adept at redesigning them to make duplicate machinery for additional production. So instead of buying another high

cost German machine, they end up installing 3 to 4 redesigned Indian machines at the same cost.

Actually, it's quite normal that stringent industrial design discipline makes German machines so precise that the machine does not accept raw material of unequal quality. This ensures consumers get extra benefit. Raw material is unequal even in the West. Eg. wheat flour will be different when it's fresh off the field, when in storage for a year, or procured from different countries. As the manufacturing sector is highly sophisticated there, intermediaries like super agents blend the unequal raw material to bring it to a high class blend to align to the machine's acceptance level. This kind of segregation is not done in most developing countries, so the machines instead get adjusted according to the unevenness of the raw material.

Finally who is the loser? Quality understanding of developed country consumers has been finely honed from competitive market offerings so they do not accept anything inferior. In demand led markets like India where delivering the product is more important than to meet global standard quality, manufacturers compromise, and consumers have little choice. Indian consumers are losing by not getting best global standard products.

The German machinery company is the loser too. Not only does it not sell more machines, its engineering is being copied. Germans are obviously suffering from blinkered overdesign, are not in tune with their customers' market situations. Don't they need to tailormake to fit Indian needs without deviating from their high engineering precision grid where cost and feasibility will have relevance?

Indian companies may temporarily be the winners, but for how long? With proliferation of foreign goods here, consumers are tasting quality products and switching to them. Indian brands will not become global by supplying mediocre products on demand without raising the quality bar. Indian companies adapting German machinery to make low quality

design machines will obviously get huge cost advantage but taking shortcuts with hit-and-miss engineering is very mediocre and not constructive. Indian engineers are not learning best practices; they cannot become global. After the War, Japan and Korea also had low engineering quality; they too copied German engineering but they made better adaptation for mass scale delivery.

Cost matters for mass consuming products in every country. Raising a brand's quality standard, whether in food, personal care, automobile, consumer electronics or mobile phone and charging accordingly is in the manufacturer's hand. How long can Indian manufacturers compromise on quality to drive the demand led market and bring cost down? The foreign brand will always have an edge unless of course it cheats in India. Indian consumers are not blind. I've often heard them say the same brand they buy in India has superior quality in developed countries.

German machinery is the best but irrelevant to a section of the market. Indian machines are compromised due to being in the demand led market where quality is not addressed. Both have concerns. The advantage the best has, like German machinery, is to become relevant, that's easy and just a matter of their willingness. The disadvantage the compromised Indian company has is the challenge of total behavior change to provide customer benefit by increasing employee capability. So what's diametrically different is willingness vs. capability.

—Shombit Sengupta is an international consultant to top management on differentiating business strategy with execution excellence.

Reach him at www.shiningconsulting.com ■