



## Case 11 Mahindra & Mahindra (B): An Emerging Global Giant?

*"I have been on record to say that my philosophy of going global is because if you don't succeed abroad or don't have the capacity to succeed abroad and to carve out some turf abroad you are not going to be safe at home [ . . . ]. If you want to compete with multinationals you have to be a multinational. So that is the logical rationale for going abroad."<sup>1</sup>*

—ANAND G. MAHINDRA,  
Vice Chairman and Managing Director,  
Mahindra & Mahindra Ltd., in 2010.

In 2011, India-based automotive giant Mahindra & Mahindra Ltd. (M&M) was featured on the Forbes Global 2000 list,<sup>2</sup> a ranking of the biggest and most powerful companies in the world. Besides M&M, some of the other Indian companies that figured on the list were Reliance Industries, State Bank of India, Oil & Natural Gas Corp., ICICI Bank, NTPC, Bharti Airtel, Larsen & Toubro, and Tata Motors. Emerging markets such as China and India, with 113 and 56 members respectively on the list, were growing steadily and gaining prominence at the global level, industry analysts said.

Based in Mumbai, India, M&M was one of the leading players in the Indian Multi Utility Vehicles (MUV) and tractor segments of the automotive industry as of 2011. Besides the automotive industry, the company has a presence in agribusiness, aerospace, components, consulting services, defense, energy, financial services, industrial equipment, logistics, real estate, retail, steel, and two-wheelers. The Group's automotive sector, which manufactures and markets utility vehicles and light commercial vehicles, was the fourth-largest automaker in India as of 2010. As of 2011, M&M's model range included more than 20 vehicles, including the Scorpio and the Xylo utility vehicles. After establishing its leadership in the Indian automotive market, M&M began to seek opportunities in global markets. The company stormed into the global limelight with the formidable success of its Sports Utility Vehicle (SUV)—the "Scorpio."<sup>3</sup> Going forward, M&M planned to expand its global reach by launching its vehicles in the international markets including North America, Europe, Africa, and Asia. However, analysts said it

This case study was written by **Syeda Maseeha Qumer** and **Vandana Jayakumar**, under the direction of **Vara Vasanthi**, IBS Hyderabad. It is intended to be used as the basis for class discussion rather than to illustrate either effective or ineffective handling of a management situation. The case was compiled from published sources.

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<sup>1</sup> Shamindra Kulamannage, "Going Global to Be Competitive in India: Anand Mahindra," [www.ibr.lk](http://www.ibr.lk), August 25, 2010.

<sup>2</sup> The Forbes Global 2000 is an annual ranking by Forbes magazine of the top 2000 public companies in the world. The ranking is based on sales, profit, assets, and market value.

<sup>3</sup> Until M&M launched the Scorpio in 2002, it was associated with rural vehicles. The transformation of the company from an aging family business into a formidable model business player occurred under the able leadership of Anand G. Mahindra. For further information, refer to the case study by Vasanthi Vara and Jayakumar Vandana, "Mahindra & Mahindra (A): Transformation of an Indian Family Business into a Globally Competitive Firm," [www.ibscdc.org](http://www.ibscdc.org).

was debatable whether M&M would be able to sustain a diverse product portfolio at the global level. They questioned whether M&M could be successful in the overseas markets, particularly the U.S., given that it was an emerging-market company.

### "EMERGING-MARKET" COMPANIES— CHANGING GLOBAL BUSINESS SCENARIO

Based on their economies, the countries of the world have been categorized as developed and developing. While the developed economies include various countries in Western Europe, the U.S., Canada, and Japan, the developing economies include Argentina, Brazil, Chile, China, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Poland, Russia, Thailand, and Turkey. The group of Brazil, Russia, India, China, Mexico, and South Korea are commonly referred to as the Big Six ("B6") by global management consulting firm Accenture, as they are the leading developing economies.

Earlier, owing to their low-cost structures, the developing economies served as mere outsourcing locations for the Multi-National Companies (MNCs) of the West. However, the changing global economic scenario had brought down trade and investment barriers and integrated global supply chains, thereby paving the way for the development of emerging markets. Some of the developing countries were witnessing rapid growth and thus the nomenclature Rapidly Developing Economies (RDEs) was assigned to them. The term "Rapidly Developing Economies" was used to denote emerging markets such as China, India, Mexico, Brazil, Russia, South Africa, Poland, Indonesia, Turkey, and South Korea. Moreover, the importance of the emerging markets to the global economy came into sharp focus as the world came out of the global economic recession. Experts said that the importance of emerging economies to world trade had been steadily increasing. Between 1990 and 2010, the annual growth rate of exports and imports from emerging and developing economies averaged around 7.5% compared to the figure of around 5% for developed economies.<sup>4</sup>

It was reported that the share of the RDEs in global trade was growing significantly. Notably, RDEs were receiving high Foreign Direct Investments (FDI). Between 2001 and 2006, the growth rate of outward FDI (OFDI) from the B6 countries in the form of Mergers & Acquisitions (M&A) was more than 50% annually.<sup>5</sup> By 2006, the FDI outflows from the developing economies stood at US\$174 billion, equivalent to 14% of the

<sup>4</sup> [http://www.internationalbusinessreport.com/files/gti\\_ibr\\_emarkets\\_2010final.pdf](http://www.internationalbusinessreport.com/files/gti_ibr_emarkets_2010final.pdf).

<sup>5</sup> Crennan Karen, et al., "Trends: Back to the Future," [www.accenture.com](http://www.accenture.com), September 2008.

**TABLE I** Some of the Emerging Giants\*

Country	Company
China	Baosteel, Galanz Group, Anshan Iron and Steel Group, Lenovo Group, Huawei Technologies, Haier, Hisense, Chery Automobile, Wahaha Group, China Communications Construction
India	Bharti Airtel, Dr. Reddy's Laboratories, Infosys Technologies, Ranbaxy Laboratories, Tata Group, Wipro Technologies, Mahindra & Mahindra Ltd., Bajaj Auto
Brazil	Embraer, Sadia and Perdigão S.A., Votorantim Group, JBS, Odebrecht Group
Chile	Falabella, LAN Airlines
South Africa	Bidvest Group, SABMiller Plc., Nando's, Sappi, Sasol
Indonesia	Bumi Resources
Mexico	Grupo Alfa, Group Bimbo
Turkey	Koc Holding, Sabanci Holding
Philippines	Jollibee Foods Corporation, Ayala Corporation
Taiwan	Inventec Corporation
UAE	DP World, Emirates Airline
Russia	United Company Rusal, Gazprom

\* This list is not exhaustive.

Source: Compiled from various sources.

world's total. Thereby, the developing economies shared 13% of the total global FDI stock, equivalent to US\$1.6 trillion.<sup>6</sup> It was reported that the BRIC countries (Brazil, the Russian Federation, India, and China) were the driving forces behind the rise of emerging market OFDI flows in 2008. With OFDI flows of about US\$141.7 billion in 2008, this group accounted for approximately 40% of total OFDI flows from emerging markets. In 2010, developing and transition economies accounted for more than half of global FDI inflows. According to a World Bank report in 2010, the FDI flows into developing countries, including India, were projected to increase by 17% to US\$416 billion, up from its 2009 level of US\$354 billion.<sup>7</sup>

Another interesting trend in the RDEs was the high growth rate of the domestic markets. According to the Global Challengers Report published in 2011 by global management consulting firm Boston Consulting Group (BCG), despite the economic slowdown, between 2000 and 2010, the share of global GDP generated by the RDEs increased from 18% to 31% and their share of world trade jumped almost as much, from 18% to 28%. The RDEs were expected to capture about 45% of global GDP by 2020.<sup>8</sup>

Earlier, companies from the RDEs could not compete with those from the developed economies. The MNCs of the West had certain advantages over the RDE companies. For instance, Western brands were well established, their management practices and innovation systems were quite efficient, and good talent and finance were also readily available to them. This was due to their well-established financial markets. Also, their labor markets worked efficiently and they could boast of sophisticated technologies. Incidentally, the strengths of the companies

from developed economies were the weaknesses of the companies from developing economies. However, with the changing economic scenario, various companies from the RDEs were emerging on the global scene. (Refer to Table I for some of the emerging giants.) For example, the Lenovo Group from China bought the PC business of IBM, and Tata Motors (car-maker from India) acquired Jaguar and Land Rover from Ford Motor Co.<sup>9</sup> Notably, companies from the RDEs had large businesses, were active on a global scale, and demonstrated the potential for globalization. They had their own brands and products. They began to compete with the established MNCs of the West for supplies, capital, talent, innovation, acquisition, and a share of domestic as well as foreign markets.

Moreover, the RDEs could fit into any of the following categories compared to the MNCs of the West—competitors, customers, probable partners, or acquirers. In effect, they were proving themselves to be formidable competitors by challenging the MNCs. The companies from the emerging markets were hectically pursuing globalization. Also, when the emerging markets adopted liberal economic policies, the domestic companies were subjected to competition from foreign companies. The domestic companies lost some of their domestic market share to the foreign players. As a result, the RDE companies started exploring the global markets to make up for the loss. At the same time, the rationale behind globalization stemmed from their desire for growth. Being confined to the domestic markets would not make these firms sustainable in the long-term. With globalization, their scale of business improved and they were able to compete with the MNCs.

Apart from these reasons, the RDE companies went global for various other reasons. For instance, by pursuing

<sup>6</sup> "Emerging-Market Multinationals," [www.economist.com](http://www.economist.com), January 10, 2008.

<sup>7</sup> "FDI into Developing Countries to Rise 17% in 2010: WB," [www.business-standard.com](http://www.business-standard.com), December 10, 2010.

<sup>8</sup> "Companies on the Move," [www.bcg.com.cn](http://www.bcg.com.cn), January 2011.

<sup>9</sup> In 2008, Tata Motors acquired the Jaguar and Land Rover business from Ford Motor Company in a US\$2.3 billion deal, thereby entering the international luxury car market.

globalization, these companies could develop supportive activities such as R&D and acquire abstract assets such as established brands. Moreover, by going global, they could experiment with new business models as well. Globalization of the RDE companies was evident from their presence in BCG's list of global challengers for 2011<sup>10</sup>, in which there were as many as 33 companies from China, 20 companies from India, seven from Mexico, and six from Russia.

Global challengers were companies based in the RDEs. These companies employed new ways of doing business and modeled their businesses in compliance with their domestic conditions. The global challengers developed innovative business models and tapped emerging markets, which served as the growth engines of the global economy. The revenues of the global challengers rose by 18% annually from 2000 through 2009. By 2020, the global challengers were expected to grow at an average rate of 5.5% and to generate US\$ 8 trillion in revenue.<sup>11</sup>

### EMERGING-MARKET COMPANIES: REDEFINING BUSINESS

The companies from emerging markets strategically exploited their domestic conditions to be successful. To begin with, RDE companies had good knowledge about local customers, domestic manufacturing capacity, local brands and products, and key supply sources, and they had control over various channels. They also shared a good relationship with government officials and regulators. As a result, the emerging-market companies had an edge in identifying the needs of the market and fulfilling its demands in a cost-effective manner. For example, Inventec Corporation (Inventec), a Taiwanese company, was one of the largest manufacturers of notebook computers, PCs, and servers. Exploiting the knowledge of local supply chains, Inventec manufactured most of its products in China and supplied them to Toshiba Corporation and Hewlett-Packard Co. Inventec benefitted from the talented hardware and software professionals and low manufacturing costs of China.

Emerging market companies employed strategies that were similar to each other's but were in a way unique to them. In pursuing globalization, the RDEs adopted different brand strategies. One of their strategies was to take the brand to a global level after establishing themselves domestically. A case in point was Hisense, a consumer-electronics group from China. The company started shifting its focus to the global market after having achieved a significant market share for TV sets domestically. It took advantage of its domestic Chinese market, which provided a cheap manufacturing base. The strategies adopted by RDE companies could be broadly interpreted as strategies of low-optimizer, low-cost partner, global consolidator, global first-mover,<sup>12</sup> and M&A. (Refer to *Exhibit 1* for strategies of emerging market companies.)

The RDE companies converted their domestic expertise in engineering into innovative expertise at the global level. They focused on innovation as it supported their companies' growth. They fostered innovation as they were experienced in working with a low-income customer base, low-cost business model, and risk management. For example, after privatization, Embraer of Brazil, which had initially been supported by the Brazilian government, took over Bombardier Inc., of Canada and became the leading manufacturer of regional jets worldwide. Its strengths were mainly low-cost manufacturing and high-class R&D. It also entered into a joint venture with China Aviation Industry Corporation II and even challenged the Boeing Company and Airbus. Embraer focused on high-growth markets and on innovation aimed at creating aircraft that featured low price tags and operating costs and as well as higher reliability, comfort, and safety.

At the same time, the RDE companies were strategically exploiting the natural resources to fuel their growth. They used them to their full potential through effective marketing and distribution. Perdigão, Brazil's largest food company, and Sadia, a large poultry exporter also based in Brazil, effectively employed this strategy. They exploited Brazil's abundant resources to produce pork, poultry, and grain, which were supported by low labor costs and congenial growth conditions for the industry. From January 2006 through August 2010, challengers in the resources and commodities industry announced 154 cross-border mergers and acquisitions, far more than any other sector. Some of the RDE companies also used new business models for diverse markets. Using this strategy, CEMEX (Mexican cement manufacturer), became the largest supplier of ready-mixed concrete in the world. It acquired companies and by using standardized procedures and a well-developed IT system, effectively managed the acquisitions in its own style.

The local governments also played a significant role in the development of RDE companies. By being active investors, they made the environment conducive for business for the RDE companies and provided the required infrastructure. Further, they helped in boosting exports and offered low-cost finance. They also supported RDE companies by providing technology and R&D. For example, the "State-Owned Assets Supervision and Administration Commission" (SASAC)<sup>13</sup> controlled many emerging giants of China. Similarly, the Brazilian Development Bank (BNDES) supported programs such as infrastructure projects and exports financing for the development of Brazil.

As the RDE companies strategically exploited the domestic conditions to be successful, they were often in an advantageous position as compared to companies from the developed world. For instance, the RDE companies benefitted from the market structures of the developing economies. Though the foreign MNCs and RDE companies competed with each other in the global tier, the MNCs were able to serve only the global tier of the market due to the drawbacks present in the developing economies. At the same time, RDE companies exploited the similarities of geographies and grew across borders. They also

<sup>10</sup> The global challengers included Argentina, Brazil, Chile, China, Egypt, Hungary, India, Indonesia, Malaysia, Mexico, Russia, Saudi Arabia, South Africa, Thailand, Turkey and The United Arab Emir

<sup>11</sup> "Companies on the Move," [www.bcg.com.cn](http://www.bcg.com.cn), January 2011.

<sup>12</sup> "No Longer a One-Way Street: The Growing Impact of India's Emerging Multinationals," <http://knowledge.wharton.upenn.edu>, June 28, 2007.

<sup>13</sup> SASAC is a Chinese government holding company, which manages the state-owned enterprises.

**EXHIBIT I Strategies of Emerging Market Companies****Low-optimizer Strategy**

- The companies from the emerging markets focus on the products and processes specifically for the emerging markets.
- They develop niches in the developed countries—for example, automotive divisions of Tata Motors and Mahindra & Mahindra Ltd.
- They try to achieve global leadership in a narrow product category—Hong Kong-based Johnson Electric (Johnson) makes more than 3 million tiny electric motors per day, most of which are exported.
- They focus on such products that cannot be common to countries with varied characteristics such as income levels, tastes, etc.

**Low-cost Partner Strategy**

- This strategy is applicable to those businesses where the processes have been already optimized and the RDE companies do not have to upgrade an outdated system. For example, Business Process Outsourcing (BPO) operations of Infosys Technologies and Wipro Technologies. India has an advantageous position as it has a good resource of well educated, English speaking, and reasonably priced workforce.

**Global Consolidator Strategy**

- This strategy is used by those RDE companies which are in the business of products that can be standardized across countries. Further, these companies belong to the industries that have already matured in the developed economies and are flourishing in the developing economies.
- Benefitting from the experience as domestic consolidators, they consolidate at a global level. For example, Tata Steel took over the Anglo-Dutch steel giant Corus, thereby becoming the fifth-largest steel company of the world. Similarly, CEMEX became the largest supplier of building materials in the world after it bought a majority stake in Rinker Group of Australia.

**Global First Mover Strategy**

- While the market for wind turbines and wind-generated electricity is rapidly growing across the globe, India's Suzlon has benefitted from its dominance in the domestic market.
- Suzlon dominates the home market as well as Asia and is the fifth largest wind power company in the world.
- It has achieved efficiencies of scale, a vast knowledge base and a strong financial support, which is aiding in expansion.

**Merger & Acquisition Strategy**

- Provides opportunities for growth—for example, by acquiring Novelis Inc., Hindalco Industries Ltd., became the number one aluminum rolling company of the world and one of top five aluminum companies of the world.
- Helps the company to acquire tangible and intangible assets such as—brands, image in the market, control over natural resources, technological know how, customer base, distribution networks, and knowledge about the market. On acquiring Inco Ltd. (Inco), Companhia Vale Do Rio Roce (CVRD) gained access to the largest reserves of nickel in the world. Further, with Inco came a good resource of present and future products, technological know-how about the nickel industry, a competent workforce, and a well-established brand name.
- Helps in bringing home the superior manufacturing capabilities of the developed nations, which supplements low-cost production domestically.

*Source:* Compiled by the author from “No Longer a One-Way Street: The Growing Impact of India's Emerging Multinationals”, <http://knowledge.wharton.upenn.edu/india/article.cfm?articleid=4206>, June 28th 2007 and Aguiar Marcos, et al., “The 2008 BCG 100 New Global Challengers”, [http://www.bcg.com/impact\\_expertise/publications/files/New\\_Global\\_Challengers\\_Feb\\_2008.pdf](http://www.bcg.com/impact_expertise/publications/files/New_Global_Challengers_Feb_2008.pdf), December 2007

served their home community spread across countries. For instance, the cooked chicken of Pollo Campero of Guatemala was sold to the Latino people of Central America and South America as well. It was successful despite competition from fast food chains such as KFC Corporation and McDonald's Corporation.

Further, the RDE companies also derived competitive advantages from their low-cost model due to the ready availability of low-cost resources. The low cost of labor significantly contributed to their business model. The low-cost approach helped these companies achieve a cost advantage and economies of scale. They also benefitted from the large and rapidly growing domestic markets. For example, in the BPO and IT sectors, Indian companies such as Infosys Technologies (Infosys), Tata Consultancy Services (TCS), and Wipro Technologies benefitted from the low-cost strategy. They gave tough competition to the companies from developed economies.

Further, the RDE companies were in an advantageous position compared to companies from the developed nations due to the availability of an abundant workforce in the RDEs. The companies from developed nations, on the other hand, had to source their workforce globally due to the aging baby boomer<sup>14</sup> generation in the U.S. and Europe. In the U.S., 75 million baby boomers were on the verge of retirement as of 2011. A similar situation prevailed in the European Union (EU) nations. For the EU nations, it was predicted that the working population would fall by 16% or 48 million by 2050.<sup>15</sup> On the contrary, in China, it was estimated that around 375 million students would enroll for higher studies between 2007 and 2015, making available enough talent even for the future. Moreover, the companies of the West also found it difficult to compete with the domestic companies in scouting good local talent. Also, in sourcing workforce in the emerging markets, the companies of the West found it difficult to compete with the domestic companies. Significantly, the local companies were better positioned in attracting talented workforce and selecting the right candidates.

However, the RDE companies faced several other challenges. For example, while RDEs had an abundant entry-level workforce, there was a dearth of talent in the senior positions. The RDE companies tackled this challenge by imparting in-house training to the employees, as seen in the case of Tenaris (manufacturer of specialty steel pipes) from Argentina. The company developed programs for its global workforce because it recognized the value of training. Its "Tenaris University" not only imparted training to existing Tenaris employees but also recruited new employees for the company. Further, the RDE companies tried to be the best employers as their global growth plans gave employees an opportunity to have a global career path. As a result, talented young professionals of the RDEs preferred to work in the domestic companies as against the local subsidiaries of MNCs.

However, while many RDE companies had succeeded in the midst of global competition because their businesses were modeled on low-cost structures, the demand patterns of the domestic consumers had become sophisticated. As such, analysts felt that the RDE companies might not find it possible to make the products as per customer requirements by sticking to the low-cost models. Moreover, the costs of doing business were higher in going global, which affected the cost-focused positioning of the RDE companies. Therefore, experts said it was practical for the RDE companies to explore other factors such as offering superior services.

Another challenge that the RDE companies faced was the presence of institutional voids in the developing economies. Institutional voids were the weaknesses inherent in their domestic business environments. This referred to the situation wherein the regulatory systems and the mechanisms that enforced contracts were not well developed. These voids had some direct implications for companies from developing economies. For example, resources such as capital for doing business were not available. Therefore, these companies were unable to spend much on effective R&D. As a result, such companies were not able to build global brands. However, while operating in the emerging markets, the domestic companies were better equipped to handle these institutional voids as compared to their foreign counterparts, as they were experienced in working without proper facilities. They sought opportunities in the institutional voids and tackled this challenge through innovation. The case of Suzlon Energy Ltd. (Suzlon)—a wind-energy company from India—serves as a good example in this context.

Suzlon's founder, Tulsī Tanti (Tanti), was in the textiles business before venturing into wind energy. However, his business was not doing well due to high costs as well as irregular availability of electricity. To address this problem, Tanti set up two windmills to generate power for his textile mills. Soon, Tanti realized that wind-energy generation had better prospects than textiles. Having initiated the business in the wind power industry, Tanti became one of the wealthiest men in India and Suzlon became a well-established global player. Its production plants, R&D facilities, and sales and support offices were located at many prominent places across the globe. Like Suzlon, many other RDE companies had converted their weaknesses into opportunities. They had their own typical mechanisms for conducting business. For example, the Philippines' Ayala Group was able to raise capital from the local stock market as it enjoyed a very good reputation there. Another mechanism that such companies employed was making their managers work across businesses. This helped them in performing under diverse circumstances.

MNCs, on the other hand, found it difficult to cope with the institutional voids. They were accustomed to working within well-developed infrastructures. Therefore, they were hesitant about doing business in the emerging markets. For instance, in the absence of proper market research mechanisms, the MNCs were unable to understand the needs of the customers. Similarly, due to the lack of a system of supply-chain partners, the MNCs were unable to make their products available to

<sup>14</sup> Post-World War II, there was a spurt in the birth rate, especially in the U.S. People born between 1946 and 1964 are generally referred to as the baby boomer generation.

<sup>15</sup> Friedman, Daniel, et al., "Aligning Talent for Global Advantage," [www.bcg.com](http://www.bcg.com), September 2007.

the interior regions of the developing countries. In short, their business models did not work in such economies.

According to industry experts, emerging market companies became successful by employing unique strategies and by deriving competitive advantages from their domestic conditions. This was evident from the presence of many companies from the emerging markets in BCG's 2011 Value Creators Report.<sup>16</sup> Companies from emerging markets were well represented among the global top ten. These included Chinese companies Shandong Weigao and Baidu; Hong Kong-based Tencent and Xinyi Glass; India-based Jindal Steel and Power; Mexico-based Industrias Penoles; and the Philippines-based Aboitiz Equity Ventures. Notably, in BCG's report, M&M occupied the fifth position in the Automotive Original Equipment Manufacturer (OEM) top ten. The list also included other Indian automobile companies like Hero Honda Motors and Maruti Suzuki India. The top four positions were occupied by companies from China (Dongfeng Motors), Hong Kong (Brilliance China Automotive), Germany (Volkswagen) and Turkey (Tofaş). M&M's key to success had been "frugal engineering," i.e., developing products that were lower in cost as compared to similar products developed in the West. M&M positioned itself as a global player despite hurdles such as poor infrastructure, tax burdens, and bureaucratic complexities.

### M&M: AN EMERGING GLOBAL GIANT?

The origins of M&M can be traced back to 1945 when brothers J. C. Mahindra and K. C. Mahindra joined hands with Ghulam Mohammad, an entrepreneur, and started Mahindra & Mohammad, a steel company in Mumbai. Two years later, when India attained independence, Ghulam Mohammad left the company to become Pakistan's first finance minister. The Mahindra brothers took over and entered into a collaboration with Willys-Overland Corporation<sup>17</sup> to import and assemble the Willys Jeep for the Indian market. Over the years, the group's automotive sector emerged as one of the leading arms of the Mahindra Group. It manufactured and marketed utility vehicles and light commercial vehicles, including three-wheelers.

From the beginning, M&M nurtured ambitions of becoming a global player in the auto industry. Globalization was an inextricable part of its business strategy. Having established itself in the domestic utility vehicle market, M&M went on a global expansion spree to enhance its presence in the international markets. As part of its globalization strategy, it collaborated with many international companies. During the 1950s and 1960s, M&M tied up with many foreign companies such as Chrysler Corp., Dr. Beck, International Harvester Company, and Willys-Overland Motors. It worked in collaboration with several MNCs, which included France's Peugeot and Japan's Nissan Motor Company (Nissan) for engine technology, Ford Motor

Company (Ford)<sup>18</sup> in the passenger car segment, and British Telecom Plc., in the field of telecommunications and software.

As part of its globalization strategy, M&M launched its products in the global markets including Africa, Europe, the Middle East, the U.S., Latin America, China, and Malaysia. It set up dealerships and assembly plants in several countries. M&M's automotive division exported its products to several countries in Africa, Asia, Europe, and Latin America. The company had established its presence across all the continents except Antarctica as of 2011. Further, it was also forging alliances with companies at home and abroad. It entered into strategic partnerships in Eurasia, Africa, and South America and set up assembly plants in Brazil and Egypt. Notably, M&M was also in the fray to buy Jaguar and Land Rover from Ford Motor Co. when this business was up for sale. Though M&M could not clinch the deal, it indicated its ambitious global plans.

In pursuing its globalization plans, M&M followed a strategy common among companies from the emerging markets. Generally, after attaining dominance in the domestic markets, the RDE companies went global by entering those markets that were similar to their domestic markets. By doing this, the RDE companies gained confidence as well as expertise. Thereafter, they took up the challenging and sophisticated markets of the developed nations. Likewise, M&M ventured into emerging markets such as Malaysia, Indonesia, and Thailand before going on to explore the developed markets. Its global ventures were strategically thought out and well planned for. The company focused on improving the quality of its products, which was critical to gaining acceptance in key global markets. M&M also developed capabilities to develop new products that could meet global standards. One of the emerging trends in the global auto industry was outsourcing of business processes to low-cost countries like China and India. This was primarily driven by the increasing competitiveness of the advanced markets and the need to cut costs in order to remain profitable. This created a number of opportunities for Indian players. M&M acquired the expertise to capitalize on these opportunities and offered global OEM and Tier 1 suppliers, products, and services across the chain. It focused on achieving cost leadership through focused cost optimization, value engineering, improved efficiency measures such as supply chain management and countrywide connectivity of all its suppliers and dealers, and by exploiting synergies between its divisions.

M&M entered the U.S. as Mahindra USA (MUSA) in 1994 with compact utility tractors, a segment that was underserved. The company began by importing tractors from India and later set up assembly plants in the U.S. where it assembled complete knock down (CKD)<sup>19</sup> kits imported from low-cost manufacturing centers such as India and other Asian countries. In January 2009, the company entered the SUV market in the U.S. by launching its SUVs there. The strategy was to sell the SUVs as fuel-efficient vehicles.

<sup>16</sup> The 2011 Value Creators Report of BCG was based on corporate strategy wherein it was suggested that the Total Shareholder Return (TSR) should be pivotal in any corporate strategy process.

<sup>17</sup> Willys-Overland Corporation was an American automobile company known for its design and production of military Jeeps and civilian versions during the 20th century.

<sup>18</sup> Ford had entered the Indian market in the 1990s through a joint venture with M&M. The two companies had at that time launched the Ford Escort.

<sup>19</sup> CKD is a complete kit needed to assemble a vehicle.

In the U.S., the company followed a “low-optimizer strategy” commonly employed by emerging market companies. As per this strategy, the companies first focused on those products and processes which were useful for the emerging markets. While focusing on such products, they tried to create a niche for themselves in the developed markets. Likewise, operating in various business segments domestically, M&M focused on products demanded by the consumers in the emerging markets. At the same time, it tried to carve a niche for itself in the market for SUVs in the developed markets, particularly the U.S. It consciously worked on the fuel-efficiency and environmental safety aspects of its vehicles in the U.S. M&M’s Unique Selling Proposition (USP) in the U.S. was its highly fuel-efficient diesel engines. It launched its vehicles in the U.S. with T2B5 emission norms, considered to be the most stringent of all emission norms. M&M also focused on keeping the number of defects in its vehicles to the minimum.

The company emphasized innovation and the customer-centric approach of doing business, i.e., developing new products by anticipating customer demands. Concepts such as innovation were generally unheard of in companies from emerging markets because they focused on cost-related advantages. As Anand Mahindra (Mahindra), vice chairman and managing director of M&M, noted, “Once a company has paid the fees, in a manner of speaking, to enter a sector, it becomes even harder to stay afloat.”<sup>20</sup> Moreover, Mahindra observed, “If M&M is going to compete with the world’s best companies, it has to become an innovation factory. . . .”<sup>21</sup> In compliance with its emphasis on innovation, the company plans to launch many new products in the future.

Besides in the U.S., the company established a presence in South America, Europe, the Middle East, Africa, Asia, and Australia. In South America, the company’s products included Mahindra Reva electric cars and a range of diesel Mahindra vehicles. The company also sold Rakshak armored vehicles to the government of Guyana and Nepal through its defense products company, Defence Land Systems. The company sold many Mahindra vehicles across Europe, including the electric cars under the Mahindra Reva brand. It set up plants across Germany, the UK, and Italy. The company exported tractors to Iran, Syria, and the United Arab Emirates in the Middle East and Nigeria, Mali, Chad, Gambia, Angola, Sudan, Ghana, and Morocco in Africa. It entered the markets of South Africa, Uruguay, and Malaysia for the first time in 2004. The company sold a wide range of Mahindra vehicles in South Africa. In Malaysia, the Mahindra Reva electric car enjoyed a significant market share. With the launch of a tractor assembly and customer support center in 2005, M&M launched its operations in Australia. The company served a loyal and growing customer base through a network of 40 dealerships across Australia, and expanded

distribution to New Zealand and Fiji. It launched its Chinese operations in July 2005, through Mahindra (China) Tractor Co. Ltd., an 80-20 joint venture with Jiangling Motor Co. Group<sup>22</sup> (JMCG). M&M also planned to utilize its partnership with JMCG to source components from China and to sell tractors in China through JMCG’s network. Strategically, this venture gave M&M a quick entry into China as well as other export markets.

In 2002, with the goal of achieving revenues from outside India, M&M decided to enter the UV segment at the global level, through the Scorpio and the Bolero (M&M’s utility vehicles). As Pawan Goenka (Goenka), President (Automotive & Farm Equipment Sectors), M&M, observed, “. . . Between 2002 and 2004, we had taken a clear call that we will aspire to be a global UV company, spanning pickup trucks, Sports Utility Vehicles (SUVs), and Multi-purpose Utility Vehicles (MUVs).”<sup>23</sup> In 2004, M&M began exporting Scorpions to countries such as Sri Lanka, Nepal, and Bangladesh, and countries of the Middle East. It entered the Latin American market by launching the Bolero in Uruguay under the name “Mahindra Cimarron,” because Uruguay was a favorable market for M&M vehicles. Further, it launched the Scorpio as the “Mahindra Goa” in Europe. At the same time, in 2004, M&M entered South Africa through a local joint venture.

According to experts, the Scorpio exemplified how M&M had exploited the domestic manufacturing conditions in being successful. For instance, when M&M was developing the Scorpio, there were large foreign production facilities available in India. These facilities, however, were not able to utilize their capacity fully, as the automobile business in India at that time was not a volume-based business. Exploiting this condition, various parts of the Scorpio were produced in India at low cost with foreign technology. Goenka spoke about referring to the German Behr Group, which had a facility for the manufacture of heating, ventilating, and air-conditioning systems for cars, in India, “They had huge capacity and were looking for business. (In return) we had German engineering at Indian cost.”<sup>24</sup> Further, M&M also benefited from the low-cost model. It was able to achieve cost competitiveness by emphasizing cost-cutting and efficiency. For instance, the entire Scorpio project maintained quite low costs compared to those which any global automaker would have incurred. While the cost of investment for the Scorpio plant was US\$120million, the same for global automakers would have been US\$289 million.

To access products, technology, and new markets, M&M entered into strategic partnerships with other international automakers. In 2005, it entered into a joint venture with Renault S.A.<sup>25</sup> (Renault) of France to manufacture and sell the mid-sized sedan, the Renault Logan in India. The partnership also helped M&M sell SUVs in Europe through the French auto major’s

<sup>20</sup> Stewart A. Thomas and Raman P. Anand, “Finding a Higher Gear,” *Harvard Business Review*, July–August 2008.

<sup>21</sup> Stewart A. Thomas and Raman P. Anand, “Finding a Higher Gear,” *Harvard Business Review*, July–August 2008.

<sup>22</sup> Jiangling Motor Co. Group is one of the leading commercial vehicles manufacturers in China.

<sup>23</sup> Layak Suman, “Mahindra’s New Growth Engines,” <http://businesstoday.digitaltoday.in>, October 2, 2008.

<sup>24</sup> Khanna Tarun, et al., “Mahindra and Mahindra: Creating Scorpio,” *Harvard Business School*, February 22, 2005.

<sup>25</sup> Renault SA is a French automaker producing passenger cars and light commercial vehicles. The Company produces the Twingo, Clio, Kangoo, Megane, Scenic, Laguna, Espace, Avantime and Vel Satis automobiles, and vans.

distribution channel. Analysts said that by partnering with Renault, M&M tried to undermine the edge which Maruti Suzuki and Tata Motors enjoyed in the domestic passenger car market. However, in April 2010, M&M and Renault parted ways as the car failed to meet expectations. M&M had agreed to buy out Renault's 49% stake in the JV for an undisclosed sum. The company renamed Mahindra Renault as Mahindra Verito.

In June 2005, M&M also launched a joint venture with International Truck & Engine Corporation, one of the leading commercial vehicle producers in the U.S., to manufacture and market LCVs, MCVs, and HCVs for both the domestic and export markets in Asia, the Middle East, Africa, Russia, and Central Europe. That same year, the company also entered into an agreement with USF-HICOM (Malaysia) Sdn Bhd<sup>26</sup> to market the Scorpio in Malaysia. In 2008, M&M entered the two-wheeler segment by acquiring an 80% stake in Kinetic Motor Company Ltd.<sup>27</sup> In January 2008, it announced the launch of the Mahindra Scorpio SUV in Egypt in partnership with the Bavarian Auto Group.<sup>28</sup> Industry observers said that M&M also gained from the economic downturn as the demand for smaller pickups increased in the U.S. Domestically, M&M has managed the downturn well, they said. (Refer to Table II for the details of M&M Vehicles sold in 2006, 2007 and 2008).

**TABLE II** M & M Vehicles Sold

(Year ending March 31)	2008	2007	2006
Vehicles	161,001	135,961	125,772
3 Wheelers	34,076	33,718	22,419
MUV (domestic)	148,761	127,856	114,694
Exports	12,359	8,021	5,534
LCVs	10,373	8,652	6,777
Tractors	99,042	102,531	85,029

*Compiled from the Annual Reports of Mahindra & Mahindra*

In January 2009, to strengthen its position in the UV market, M&M launched the "Xylo"—a luxury MUV. By entering the two-wheeler segment and with the launch of the Xylo, M&M established its presence in almost all the segments of the automobile industry. The rationale behind M&M venturing into all the segments was clear from Goenka's statement, "The idea is to have such products (trucks, scooters, cars) under our umbrella offering, without losing our focus (on UVs). . ."<sup>29</sup>

<sup>26</sup> Based in Kuala Lumpur, Malaysia, USF-HICOM operates as an importer, assembler, and distributor of multi-purpose vehicles, commercial vehicles, double-cabs, and buses.

<sup>27</sup> Kinetic Motor Company Limited was one of the leading two-wheeler manufacturers in India.

<sup>28</sup> The Bavarian Group is the importer and assembler of the BMW Group with exclusive rights for the assembly, import, and distribution of BMW vehicles in Egypt.

<sup>29</sup> Layak Suman, "Mahindra's New Growth Engines," <http://businesstoday.digitaltoday.in>, October 2, 2008.

To strengthen its position in the electric vehicles domain, M&M acquired a majority stake in REVA Electric Car Co Ltd.,<sup>30</sup> Bangalore, in May 2010. REVA was renamed Mahindra REVA Electric Vehicle Co. Ltd. Under the agreement, M&M owned 55.2% equity in Mahindra REVA. According to industry experts, the buyout would make the Mahindra group a strong global player in the electric vehicle space. Mahindra REVA would have access to Mahindra's vehicle development technology and distribution network, significantly enhancing its ability to launch a state-of-the-art electric vehicle for global markets. According to Goenka, "This is a key strategic acquisition for Mahindra in its march towards sustainable mobility. Mahindra and REVA bring together complementary strengths. With Mahindra's vehicle engineering expertise, global distribution network, sourcing clout, and financing support, REVA's vehicles have the potential to significantly gain in market penetration. Mahindra will also benefit from REVA's EV technology for its own products."<sup>31</sup>

In March 2011, to become a dominant player in the global SUV arena, M&M acquired a 70% controlling stake in the ailing South Korean auto maker, SsangYong Motor Company (SsangYong),<sup>32</sup> for US\$463 million. The acquisition helped M&M utilize the strong R & D capabilities of SsangYong. M&M could benefit from the strong dealer network of SsangYong in 98 countries, said analysts. As SsangYong had a strong presence in premium-segment vehicles, this could help the Indian automaker expand its profile into this particular segment. Talking about the acquisition, Goenka said, "The coming together of Mahindra and SsangYong will result in a competitive global UV (utility vehicle) player. Together with its financial capability, M&M offers competence in sourcing and marketing strategy, while SsangYong has strong capabilities in technology. We are committed to leverage the combined synergies by investing in a new SsangYong product portfolio, to gain momentum in global markets."<sup>33</sup>

In September 2011, M&M announced the roll-out of the Mahindra series of pick-ups, the Genio, in the global markets. The Genio was targeted at the small and medium entrepreneurs (SMEs). This was followed by the launch of the company's first global SUV, the XUV<sub>500</sub>, in October 2011. The XUV<sub>500</sub>, launched simultaneously in India and South Africa, was designed and developed entirely in-house at the company's world-class R&D facility—the Mahindra Research Valley in Chennai, India. Experts said that the vehicle would be a litmus

<sup>30</sup> REVA was established in Bangalore in 1994 as a joint venture between the Maini Group of Bangalore, India, and AEV LLC of California, U.S. REVA is one of the leading electric car brands in the global market, available in 24 countries across Europe, Asia, and Central and South America.

<sup>31</sup> "Mahindra Acquires Majority Stake in REVA," <http://theindiacar.com>, May 26, 2010.

<sup>32</sup> SsangYong is a premier manufacturer of sports utility vehicles (SUVs) and recreational vehicles (RVs) in Korea. Founded in 1954, it has been manufacturing automobiles for more than five decades. The group's product portfolio comprises of a luxury sedan, four sport utility vehicles, and a multipurpose vehicle.

<sup>33</sup> "Mahindra Buys 70% in SsangYong," [www.business-standard.com](http://www.business-standard.com), November 24, 2010.

test of Mahindra's ability to make it in the auto business overseas. "The XUV<sub>500</sub> represents Mahindra's global ambitions as it seamlessly integrates world-class technology with the very best in Indian innovation. Its distinctive value proposition—bolstered by a New Age digital strategy—has resulted in the XUV<sub>500</sub> becoming an overnight sensation in its home country, India, and I am sure this success will be replicated across the globe,"<sup>34</sup> said Mahindra.

In November 2011, M&M debuted in the Ecuador market with the launch of the Scorpio and the Mahindra Pik-Up series. "Mahindra has carved a distinct niche for itself in markets across the globe with its unique combination of rugged utility and style. We are now delighted to launch the Mahindra product range in Ecuador, a market which has strategic importance for Mahindra in the Andean region. Our partner, Eljuri, is one of Ecuador's oldest and most respected groups and their sound knowledge of the local market coupled with professional expertise will ensure our success. With this launch, we have further expanded our extensive footprint in the South American market where we are present in Brazil, Chile, Paraguay, Peru, and Uruguay,"<sup>35</sup> said Pravin Shah (Shah), Chief Executive of the Automotive Division at M&M.

Taking its tractor business to the global level, M&M started exporting its tractors to Africa, Australia, China, and the nations of the South Asian Association for Regional Cooperation (SAARC), which includes Bangladesh, Bhutan, the Maldives, Nepal, Pakistan, and Sri Lanka. In January 2012, M&M overtook John Deere,<sup>36</sup> the Chicago-based market leader in the field, in terms of the number of tractors sold between 2010 and 2012. The company attributed this milestone to a concentrated push into emerging markets such as China, Turkey, Indonesia, and Australia. Between April and December 2011, M&M sold 183,274 tractors worldwide, an increase of nearly 20% compared to the previous year. As of February 2012, M&M occupied the fifth and sixth positions in the tractor market in China and in the U.S., respectively, in terms of volume. Commenting on the company's plans, Goenka said, "Our next focus is on China and USA, where my company will try to become number one in the next few years."<sup>37</sup>

Though the company registered an increase in sales, some auto analysts were concerned about its plans for the international markets, particularly the U.S. They felt that as the U.S. auto market was stagnating, and that M&M would have to have an advantage over existing rivals to attract customers and increase sales. There might even be quality issues due to the demanding regulatory standards in the U.S. Further, they felt

the name "Mahindra" sounded too ethnic for U.S. consumers and that they would not be ready to switch to a foreign brand, especially from a developing country like India. Commenting on the rationality of selling the Indian brand to American consumers, Goenka said, "In early days when Japanese or Koreans launched their products for the first time into U.S., they had similar problems . . . Launching a new brand is never easy. However we have aspirations to become a global SUV and pickup brand, and we cannot lay our claim to be global without success in the U.S. market."<sup>38</sup>

According to analysts, another challenge that M&M was likely to face was that the company's vehicles ran on diesel, which was expensive compared to gasoline in the U.S. While the average price of diesel was US\$4.06 a gallon, the average price of gasoline was US\$3.69 per gallon as of May 2011.<sup>39</sup> The U.S. customers might therefore not be willing to invest in diesel vehicles, which would affect sales of M&M vehicles, said experts. Moreover, the market for SUVs in the U.S. was highly competitive and M&M had to compete with some big players such as General Motors, Ford, Dodge, Nissan, and Toyota. Though there were challenges galore, M&M clearly identified its targeted market segments of prospective buyers in the U.S. through an extensive consumer survey. These groups included customers who believed in green technologies, people who had bought M&M tractors, and the Indian expatriate households in the U.S. Besides the U.S., M&M planned to enhance its presence in China, one of the largest auto markets in the world. It planned to launch the Scorpio, the Bolero, the Xylo, and pickup trucks in China. However, experts said that M&M could face some tough challenges in the Chinese passenger car segment, too, because the Chinese market was a restrictive market due to the strict rules and regulations of the Chinese government. It would be practical for M&M to enter the Chinese market through collaboration with a local company, they said.

Apart from the challenges that the individual overseas markets posed to M&M, there were various other challenges that M&M had to tackle in pursuing globalization and operating in various business segments, said analysts. As globalization involved many risks, M&M should be selective about the businesses that would go global first, they added. Moreover, as M&M adopted the strategy of acquisition in pursuing globalization, it would have to effectively manage its cross-border acquisitions and integrate new supply chains and distribution networks with its domestic supply chains and distribution networks. The differences arising out of processes, technologies, and languages would also have to be addressed, they said. On the talent front, M&M would have to source talent globally to ensure the presence of quality personnel in all the locations, opined some experts. Lastly, M&M would have to ensure harmony between all the group companies, they added.

<sup>34</sup> "Indian Company Mahindra's first global SUV – XUV500 Set to Take on the Global Stage," [www.mahindra.com](http://www.mahindra.com), October 18, 2011.

<sup>35</sup> "Mahindra Enters Ecuador Market with Launch of Mahindra Vehicles," [www.mahindraautoworld.com](http://www.mahindraautoworld.com), November 29, 2011.

<sup>36</sup> John Deere was founded in 1837 in Moline, Illinois, in the U.S. It was present in four main businesses—agricultural equipment, commercial and consumer equipment, construction and forestry equipment, and credit. As of 2011, it was the world's leading farm equipment manufacturer.

<sup>37</sup> Bagish K Jha, "M&M Sets Sights on Tractor Market in US, China," <http://timesofindia.indiatimes.com>, February 20, 2012.

<sup>38</sup> Kiley David, "Mahindra's Bold US Plans," [www.businessweek.com](http://www.businessweek.com), October 25, 2008.

<sup>39</sup> "Gasoline Price Falls First Time in 8 Weeks: Energy Department," [www.reuters.com](http://www.reuters.com), May 16, 2011.

Though M&M was prepared to tackle the challenges in the overseas markets, it would take a long time for the company to build its markets abroad, opined experts. Therefore, M&M could experiment in the domestic market and bring about the requisite improvisations to satisfy the expectations of the overseas customers, they said. While on the one hand, M&M could learn from the domestic market, on the other, it could benefit from the booming Indian automobile industry, opined analysts. Notably, by 2014, India was expected to become a global hub for small cars. According to a report by global consultancy IHS Global Insight, the production of small cars in India would reach about 2.2 million by 2014 and, with this, India would account for a 29% share of the world's small car manufacturers.<sup>40</sup>

While M&M was ready to tackle challenges in India and abroad, there were some other issues. For instance, M&M was venturing into all the segments of the automobile industry and the sustainability of this diverse product portfolio was debatable. This diversification was reminiscent of the diversification that happened at M&M post-liberalization. M&M was at that time unable to sustain all the businesses and many of them were subsequently closed down. However, the company believed that in emerging markets, it made sense for companies to function as group companies because it gave them an edge over competitors.

Similarly, as M&M operated in various business segments, the heads of various M&M group companies had a lot of power in their hands. This delegation of authority was justified, as managing so many business units simultaneously was a complicated task. Given this situation, analysts wondered whether M&M could successfully sustain itself as a consolidated company. Though freedom might foster the growth of group companies, they wondered whether going forward, M&M would become vulnerable to splits. However, Mahindra said the company had review mechanisms such as the annual planning cycle, whereby the activities of all the group companies could be overseen. He said, "These mechanisms help me compose the music so that my soloists can play in my orchestra."<sup>41</sup> However, analysts said that it remained to be seen if the strategies adopted by Mahindra would hold all the M&M group companies together and ensure their success in diverse markets.

## THE ROAD AHEAD

In January 2012, M&M reported a 26% rise in its auto sales numbers, which stood at 42,761 units during December 2011 as against 34,062 units during December 2010. In the following month, M&M's automotive sector registered a 29% rise in its auto sales numbers to 43,087 units as against 33,378 units during February 2011. The Passenger Vehicles segment (which includes the UVs and Verito) registered a growth of 33%, having sold 20,573 units in February 2012, as against 15,439 units during February 2011. In March 2012, M&M registered the highest-ever monthly sales number in the history of the

company. The company registered a 25% rise in its auto sales numbers, which stood at 47,001 units during March 2012 as against 37,522 units during March 2011.<sup>42</sup> The company's domestic sales stood at 44,342 units during March 2012, compared to 35,488 units during March 2011, an increase of 25%. Commenting on the company's performance, Shah said, "We are happy to have achieved a growth of 28% in 2011–12 given the pressures the auto industry is facing. All our brands have done well this year and we hope to create excitement in the market during FY 2013 with the addition of new products in our portfolio. We thank our customers for the continued trust which they have reposed in us."<sup>43</sup>

In January 2012, at the Delhi Auto Expo, M&M announced that it would be launching a range of its mobility products during the financial year 2012–13. These would include products in the personal as well as the commercial vehicles segments. One of the most anticipated launches from Mahindra was its SUV, the SsangYong Rexton. The Maxximo Passenger Van was to be launched in the first quarter of 2012 while the Verito was scheduled for launch in the last quarter of 2012–13. "I see growth across all the sectors we're in. For autos, I think the biggest growth will be in Latin America. For tractors, Africa. South Asia is a very hot market for us too,"<sup>43</sup> said Mahindra.

Going forward, M&M plans to set up assembly plants in emerging markets of the world such as Russia, Brazil, and China. The company said it was planning to set up a vehicle production facility in Russia in 2014, in collaboration with its Korean subsidiary SsangYong. Experts said that if the plan materialized, M&M would be the first Indian automaker to set up an assembly operation in Russia. However, some analysts were concerned whether an emerging market company like M&M would be able to overcome its challenges and make a mark in the global automobile market. With liberalization in India, huge competition around the world, a threatened Western world, and MNCs making strong efforts to target India, they wondered whether M&M could survive and gain a top spot in the highly competitive global auto industry.

## Assignment Questions

1. What are the unique strategies that the emerging-market companies employ in pursuing globalization?
2. What strategies will M&M have to employ in the U.S. to be able to sell its SUVs?
3. What are the various alternatives in front of M&M in building its brand at the global level?

<sup>40</sup> "India to be the Small Car Hub," [www.cardekho.com](http://www.cardekho.com), July 27, 2011.

<sup>41</sup> Stewart A. Thomas and Raman P. Anand, "Finding a Higher Gear," *Harvard Business Review*, July–August 2008.

<sup>42</sup> <http://www.mahindra.com/News/Press-Releases/1333272096>.

<sup>43</sup> "Mahindra's Auto Sector Registers Highest Ever Sales Volume at 47001 Units & a 25% Growth in March 2012," [www.mahindra.com](http://www.mahindra.com), April 1, 2012.

<sup>44</sup> "Anand Mahindra Sets Sight on Global Footprint," [www.indianexpress.com](http://www.indianexpress.com), October 14, 2011.