

Shree Ganesh: ethics and excellence are to the future

In the midst of celebrating its twenty-fifth anniversary, Shree Ganesh is continuing to pursue its ambitious plans for expansion and recognition in the international market organically as well as inorganically. Founded in 1982 by Mr Deepak Sekhri, today the company is a preferred supplier of high-class forgings, flanges and pipe fittings all over the globe. The company is a leading light in India with an unwavering commitment to quality, honesty and the belief that maintaining long-term relationships with clients is the path to the future. Mr Sekhri shared his vision for the future of Shree Ganesh with *Stainless Steel World*.

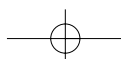
By Jojn Butterfield and Joanne McIntyre

Shree Ganesh Forgings manufactures fully machined components such as flanges, stub ends and special components both from its own product range and to customer specifications. The company also manufactures forged fittings and valve components ranging from 0.5 kg to 1000 kg with a production capacity of 25,000 tonnes per annum.

"Our many years of hard work and experience have enabled us to understand what people really want. The trust we generate by keeping our promises and delivering the products our customers need is what makes us

different from other companies regardless of which country they may be in," says Mr Deepak Sekhri, founder and Chairman cum Managing Director of Shree Ganesh Forgings Ltd.

"The advent of the internet and the way people now conduct business ensure that there will always be ten different companies offering similar product qualities or delivery times. In this work environment the relationship you develop with a customer is what counts, combined with your responsibility to supply a quality product on time. It takes a lifetime to build a reputation but





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cheap products. However, that is not the direction that we are taking. We make a point of inviting every one of our customers to visit our factory, inspect the facilities and see what we are producing rather than just being sent a catalogue and a price."

This commitment to openness and transparency has led to Shree Ganesh gaining a large number of customers from North America and Europe over the last few months despite the fact that they could choose to buy cheaper products in China. "The fact that we don't match the lowest prices offered by other Indian manufacturers does not mean that we have a higher profit margin; our entire value chain is ISO 9000 and PED approved, which means we must buy our raw materials from similarly approved mills. We strongly believe that it's extremely important that we guarantee the quality of our products and take full responsibility for them. That's why we consider it important for every customer to see for themselves what equipment and material we are using and which inspection systems we have in place," says Mr Sekhri.

Mr Akshatt Sekhri takes up the story. "Some companies in this country tend to take a rather short-sighted view in terms of developing relationships with their customers. This is what differentiates Shree Ganesh. Our clients tell us that they don't necessarily want to buy the cheapest products on the market - they are willing to pay a little bit more because they know our reputation for excellence and honesty. It's tremendously satisfying to know that the market is differentiating us from other manufacturers. Some US and European companies have turned away from goods produced in the traditional low-

only one mistake to lose it all. So the trust factor is vitally important. For example as Managing Director I will always ensure that we buy the right raw materials for our products and I can guarantee this to my customers. There is no way I am going to use substandard materials just for the sake of making money. We look at establishing and maintaining long-term relationships, not short-term ones. To achieve a long-term relationship, we must first gain our client's trust and then we can do business. We don't just take a one-off order for the sake of turning a quick profit; that's not our way of conducting business. If you took a look at our customer base you would see that it has never shrunk; since we started out a quarter of a century ago we have continuously added new customers. This shows you the track record that the trust factor generates. Reputation and quality are of the utmost importance."

This dedication to developing long-term relationships built on trust and quality certainly sets Shree Ganesh apart from many of their peers in the flange and fitting industry. "Today we are selling a reputation, not products, because of course every product has to be certified. If a customer were to tell me that he has a problem with a material he bought from me two years ago, I would say, don't worry, send it back to me and we'll replace it, no questions asked. The market is changing because of competition; people are increasingly focused on buying



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cost countries like India and China. We would like to invite them to come and have a look at our plant and see for themselves what we are doing here. We are not just another Indian company churning out products; we are making serious investments and guaranteeing premium quality. Shree Ganesh is an Indian company making a world-class product - and we're investing heavily in the future."

Shree Ganesh is one of the only Indian flange manufacturing companies that is approved by Syncrude in Canada. Quality is a very important aspect for Shree

Ganesh, which has also started focussing a lot on projects and has supplied and supported a lot of distributors for projects in Canada for Syncrude, Suncor etc. Shree Ganesh is busy getting other approvals in the USA. Besides these it has several approvals of companies in the Middle East, for example PDO, Qatar Petroleum, Takreer, ADWEA, ADNOC and many others. It has also worked with a lot of EPC companies like Bechtel, UHDE, EIL and Toyo. It also has other important approvals under its umbrella.

Investing in excellence

Shree Ganesh is one of very few Indian companies making substantial investments in high-tech, state-of-the-art equipment in its foundries rather than relying on an abundance of cheap labour to attract customers. Shree Ganesh is growing and investing both organically as well as inorganically. As part of its organic growth a 20 million euro investment is being made by which the company is in the process of doubling its forging capacity to about 25,000 tonnes by setting up two new forging press lines, of 4000 tonnes and 2500 tonnes respectively. Both lines will be fully automated to achieve higher efficiency. Forty-eight fully robotic CNC machining lines are also being installed to increase the capacity for machined products by 300% to 300,000 pieces per month. The investment in automation is quite exceptional for an Indian company and will enable it to compete alongside the most advanced European and American companies at a time when most Indian companies, because of the cheapness of labour, are still very involved with labour-intensive production processes. The expansion will allow Shree Ganesh not only to increase capacity but also develop new product lines in the same family of products, including components manufactured from exotic alloys

such as Monel, Inconel and super duplex.

"Today's discerning customers are looking for a supplier who can guarantee a good-quality product and supply it to them on time," explains Mr Sekrhi. "We are trying to create a niche whereby we will produce specialised products, with a superior finish and improved efficiencies, while also having checking systems in place that other flange manufacturers cannot offer. These niche markets - for customers who are seeking top quality - are where our future lies. I am constantly being asked why, as our production increases, our prices do not decrease. My answer is that our strategy is to guarantee a top-quality product made from high-quality raw material at a fair price rather than a poorer-quality product at a cheap price. The brand name of Shree Ganesh represents excellence."

"Our extensive investments will create a state-of-the-art facility, because we want to be recognised as one of the most reputable companies in India. We're investing in machines not normally seen in this country. One of the robotic CNC machine lines is already in use. We will have about 18 CNCs, which can do the work of at least 20 people in a regular Indian factory working in three shifts, which means employing 60 people. By contrast, I have 10 to 15 people working around the clock giving me four times the production. The operation is highly efficient, gives a better finish and is more accurate.

However, the capital cost is extremely high of course, and as this is the first time we have made such a major investment it's a real transformation," says Mr P.K. Chakravarty (Controller Operations).

"An American company which is also a competitor recently commented that they thought I was crazy to be making such an investment. They questioned why, as an Indian manufacturer with access to cheap labour, we would want to spend so much money on capital equip-



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ment. Indeed, for the same money I could have tripled capacity and employed many more people, but I believe that we need to compete with state-of-the-art companies on the global market. Once our expansion is complete we will be on par with any of the top European or Japanese companies."

In order to assure quality products the already robust quality control systems at Shree Ganesh are being upgraded in line with the expansion of the company's facilities. Extensive quality checks are conducted throughout the production process, from raw materials through to completed product. The entire process system and manufacturing facilities at Shree Ganesh Forgings have been surveyed and certified by various certification and approval bodies and are fully ISO-9001:2000 approved. The company was awarded the "Certificate of Excellence" by the Engineering Export Promotion Council of India for the years 1991-1995 and 1998-2002, and it was awarded a special trophy in the years 2002 and 2003.

A visionary outlook

Mr Sekhri is considered to be something of a visionary in India: where he is leading others will surely have to follow when wage prices eventually increase in future. He also applies high ethical standards to his staff and considers them to be more than just employees.

"Shree Ganesh employees are all-rounders; they have been highly trained to do the job, so they fully understand how to deliver top quality," he explains. "We take great pride in our work force and invest heavily in them. All Shree Ganesh staff members are given an equal opportunity to learn and further improve their skills. As a result we enjoy tremendous loyalty from our people, who know they will flourish under our care and therefore choose to remain with us, safe in the knowledge that they are expanding their careers in a world-class company. As we expand we offer them opportunities to grow within the company, whilst also bringing in professionals from outside. In our trade experience counts, which is why we are recruiting professionals to lead the

younger generation. We have an outstanding team of people like Mr G.P. Singh (Director) and Mr P.K. Chakravarty, who have been guiding and pushing the team forward, but the rapid growth we are undergoing means we also need to appoint senior people from outside the company who have a fresh perspective and can identify new ways in which we can grow. This maintains a flow of new ideas."

In order to grow rapidly and introduce new systems and infuse fresh vigour and blood, Shree Ganesh now has a new COO, Mr R.S. Katiyar, who is extremely experienced in the forging industry and is at the helm of affairs. He has a new team of professionals alongside the existing team and is busy setting up the new project.

In addition to organic growth achieved through ambitious expansion, Shree Ganesh is also growing through mergers, acquisitions and joint ventures. The company has established a successful joint venture with Geldbach UK Ltd, a company based in the West Midlands of the UK. Geldbach is also a marketing arm which supports all of Shree Ganesh's main customers such as the Woolsey Group, BSS Group, Amari Metal Centre, Metalfin and many others. The company is headed by an extremely experienced veteran, Mr Stephen Thomson, who is the Managing Director of the company. Shree Ganesh has also set up a company in Dubai to facilitate operations in the Middle East.

This is indicative of how the company is actively pursuing its goal to establish an international presence and reputation through both strategic acquisitions and internal expansion.

"Flanges are needed around the globe," says Mr Sekhri. "We're very proud to have acquired two companies in Europe which will operate as two independent power houses. These manufacturing plants will ensure that we are well positioned to take advantage of future opportunities as they arise. In the coming years we plan to develop a presence in every large market around the globe to provide support bases for our customers wherever they need us as a part of our inorganic growth. In particular we are concentrating on Europe, the Middle East (which is already a significant market for us) and North America. In the long term, our plan is to continue to build lasting relationships and provide top-quality products which exactly meet our customers needs - wherever they may be," concludes Mr Sekhri with a smile.

Facts & Figures

Name: Shree Ganesh Forgings Ltd.

Founded: 1982.

Headquarters: Mumbai, India.

Staff: about 500.

Products: flanges (weld neck, slip on, blinds, lap joint, threaded etc); fittings, forged valve bodies and bonnets; automotive components.

Key markets: oil, gas, petrochemical, pharmaceuticals, breweries, defence, automobiles, OEMs etc.

Current group turnover last financial year: about 34 million euro.