INTERVIEW

Philippe Divry

AB Volvo's senior VP and board member of VE Commercial Vehicles, speaks to **Brian de Souza** on the company's India innings, the JV with Eicher and the FuelWatch contest for truck drivers.

It has been about 15 years since Volvo Trucks made its India debut. What are the key developments since then and what are the key achievements ?
The current situation has been tough and Volvo has lost volume because mining and industry have been subdued. But in terms of market share, we have gained in India, going up from 55 percent to 65 percent over the last few years.

We are not happy with the general volumes but we are with the market share. Our customers are becoming much more professional and see our products as the ultimate solution. When they work with us, they get peace of mind.

When the economy bounces back, we expect to benefit and get business from specialised companies. They will have to focus on growth and with our products, they will be able to grow their business. When I meet my customers, I insist that they focus on growing their businesses and assure them that we are there to provide full support.

How did you align the business to reflect the subdued scenario in India?
When you are in the truck business, the challenge is to be able to manage the business cycle. One needs to take the long-term view. At Volvo, we keep investing in people, in brand-building activities such as the FuelWatch.

A year and a half ago, Volvo launched the 10X4 truck which it says gives customers better productivity.

We started this competition way back in 2010 but we have not stopped. We have brought in new products. At end-2012, we launched the 10X4 truck which gives the customer better productivity. In this market, one cannot take the short-term view.

Does the current situation in India remind you of any other emerging market that you are familiar with?
The Volvo Group is present in 192 countries. By 2030 or so, it is forecast that India will be the leading market, either No 1 or 2, so we will see customers professionalising their business even more. The demand for world-class technology will only grow in India.

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The situation here may approximate the situation in Indonesia. However, India's key challenge is that it has pockets of modernity and the trick is to generalise that across the country.

We may have political cycles that cause business uncertainty and what fascinates me about India is that it is a young country in its demographics. You had 100 million more young voters vote in 2014 as compared to the 2009 elections. This demographic itself will not only drive tremendous economic growth but also demand for modern products. People born with technology cannot imagine doing their business without the latest technology.

What are the other initiatives you take besides FuelWatch?
FuelWatch is a global contest and we have had it here in India for five years. The finals in Asia will see participants from Korea, Japan, China, Australia and India compete together. We also have the V Star which is a competition for mechanics because we have to give customers premium service. Just as drivers need to be world-class, so have our mechanics.

As in the case of drivers, teams of technicians compete within a country, then go to the finals in Asia and globally. We also have the Volvo Ocean Race which is the world's toughest sailing race. I think there was a stopover in Mumbai some years ago. It is an exercise in endurance, teamwork and pushing to the limits, reflecting Volvo's own values. Its essence is durable performance.

Eicher is a brand that comes under the larger Volvo family. What is the feedback you get?
Many of my colleagues around the world are looking at Eicher's new Pro series and whether we can export this range from India. We are happy with the engines that we ship to Europe but are looking at exporting the Pro series.

We would then have to identify the models that make the best sense and for which market. Eicher has added something of its own to the Volvo brand.

What is your view of the upcoming Delhi-Mumbai Industrial corridor?
For Volvo Trucks, we are in the mining and over-dimensional cargo segments in India. What we are looking at is infrastructure projects, power plants and turbines – convoys of 150 to 250 tonnes. India had started on this before 2011 but due to the slowdown in the economy, these projects have got delayed. If they come back, we will benefit.

How does the Indian market compare with China's?
The trucks in the Chinese market are fairly different from India. China is a few years ahead in building more highways and that means a lot for the truck business. The market is more advanced in modernisation, closer to western-market levels than India's. But we must remember that 15 percent of the global population in one country requires a lot of effort and things cannot be sold overnight.

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You have the Volvo Driver Training Centre in Bangalore. How does it fit in with your larger HR/training philosophy?
Volvo invests a lot in people. We try to identify, train and retain good drivers. A driver trained by Volvo is considered to be among the elite in his fraternity.

I recall an incident when I was at a mine at Chattisgarh a month ago and got into a truck with a driver who showed me his papers of all his Volvo training sessions. In between jobs, he had actually paid for Volvo training in Bangalore as he was confident that it would help him get another job. He felt the value of Volvo training as he paid for the training with his own money! ■