

UKIBC Scholarship Board Report 2009 Programme

UKIBC Scholarship Programme Summer 2009

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Company Placement	<p>Company</p> <p>Societe Generale de Surveillance (SGS). Specifically SGS India Pvt. Ltd.</p> <p>Company Business</p> <p>The world's leading inspection, verification, testing and certification company.</p> <p>Work Placement Role & Responsibilities</p> <p>My role was the Project Manager for the Procurement Practices of all the India branches.</p> <p>SGS India operates a network of more than 50 branches and laboratories in India. The procurement of various operational supplies (consumables, chemicals, glasswares, seals, labels, etc) and office materials were highly decentralized resulting in various suppliers for the same material leading to discrepancy in quality, prices, lead times, etc. Throughout India there was no uniform process from purchase requisitions to purchase order to supplier invoice to payment.</p> <p>The scope of the project was firstly to Identify the current gaps and issues in the procurement practices. And secondly, to define an efficient procurement process including vendor assessment and selection, purchase requisition, purchase order and supply and payment terms.</p> <p>What contributions / impact to the business did you make?</p> <p>Due to the limited timeframe and wide scope of the assignment it proved difficult to implement effective alterations to the system. The initial six weeks were spent analyzing the procurement practices at the branch level in Gurgaon, South West of New Delhi. During these weeks, it was a continuous process of learning of firstly the complex organizational structure and secondly the procurement system at branch level, and how this linked with the national and global procurement system.</p> <p>A common barrier with bottom-up analysis was the retrieval of information and the understanding of the general procedure throughout India. There existed a range of generic documentation filtered down from the corporate office in Mumbai and HQ in Geneva. At branch level this had an insignificant effect, as from the three branches analyzed (Gurgaon, Chennai and Kolkatta) each one adopted there own independent system within the rigid decentralized national structure.</p> <p>From the overall evaluation of the procurement system, I identified numerous issues across different stages of the procurement process. However, due to the time limitation I brought up only a select few with the finance team in Mumbai on the 6th week. A key contribution was to eliminate the</p>
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bureaucracy of authorization throughout the system as it often led to unnecessary duplication and inefficiency in retrieval of goods and issuance of payments. Throughout the process there existed 2-3 stages at which a single purchase would require senior approval.

Secondly, I proposed that SGS India build and deploy a uniform database throughout India to enable the compartmentalization of key data which is essential for analyzing spending patterns across SGS India. This included setting clear defined fields to enable the input of consistent data for the goods purchased, cost of goods and its breakdown (i.e. tax, freight, discount etc.). Finally, I proposed that SGS India to become pro-active in shifting over to Electronic Fund Transfer (EFT) as the current system of cheque issuance caused significant delays in the system and higher costs.

Time was a significant factor due to the scale of the assignment and the barriers I met throughout the process. Yet I feel my contribution for SGS India was to build a foundation for a procurement database and to initiate the sharing of good practices and information across the nation.

Working in India- Observations

Even though SGS is a Swiss MNE, the Indian affiliate functions independently and is separated from its corporate parent due its establishment in India since 1950. The Gurgaon office employs an estimated 500 employees, majority (99.8%) Indian staff. Over the years the Indian affiliate has developed its own procedures and routines for competing within its national market, yet although efficient in some respects it would benefit from sharing practices with its foreign affiliates. However, In respect to culture, communication, responsibilities and leadership I encountered these main challenges;

- I felt initially as a newcomer that the employees of SGS India were reluctant to co-operate in terms of sharing information and helping me understand the true scenario of the procurement practices in India. Yet the questions I asked were often directly related to their performance and I found only with time and multiple rounds of meetings that the quality of information received increased.
- Additionally, Information was often very difficult to receive and required much persistence. I found that many of the meetings were ended on good terms but always finished on false promises.
- The Indian affiliate benefited from market leadership and thus failed to be aware or focused on competitors. I felt this was primarily due to their rigid structure and lack of internal and external communication.
- Lauren and I both adopted an independent role in evaluating our fields yet there existed a misunderstanding of our practical experience. A resistance to change coupled with a bureaucratic structure often led to neglect of our input or reason for change (meeting). Moreover if an idea seemed to be accepted within a meeting it was often not preceded by the act of following through.
- Communication barriers were often met due to the level of English within the lower tiers of the hierarchy. Analyzing the procurement practice involved communicating with administrative teams from multiple branches. I found that meetings were unproductive and therefore I turned to observing the daily procedures of staff. Probing questions led to swift change in subjects, rotating of the head and force-feeding of samosas.

	<ul style="list-style-type: none"> • A personal barrier was the age gap and experience between my colleagues and I. I was treated as a senior of an organization and given much respect. I noticed overtime that this hierarchy was deeply embedded and came across incidents at where staff would utilize their power openly, even against people much older than them. <p>Overall it has been journey where my impressions of India as a business environment have fluctuated and problems varied. To say I overcome problems would be an exaggeration, I feel my pure determination to find results has often led me frustrated even when I felt I have gained significant amount of trust. I would spend weeks trying to capture information that should of being captured in a much shorter timeframe. I put this down to firstly the communication barrier and secondly the sheer complexity of the current procurement system and lack of formal procedure. And thirdly the cultural barriers that exist.</p>
<p>Impressions of India</p>	<p>As a place to live & work</p> <p>India is a very diverse environment compared to the U.K. Throughout my time I found many aspects of the Indian environment very intriguing, as it was extremely developed in locations and underdeveloped in others. Other factors of interest were;</p> <p>“Simplified by the west... and then complicated by the east”. The amount of service supplied at every level was overwhelming and somewhat irritating as I was not accustom to this and in some obscure way I felt it infringed upon my independence (i.e. a person in place to press a parking ticket button and to hand the ticket over from a machine designed to be used independently). Yet I eventually became accustom to this style of life and realized it was a means to gain full employment throughout India and provide a premium experience.</p> <p>A debating environment. I found myself being encountered by individuals at work on a daily basis concerning politics within India (notably the striking down of Section 377), relations between India and the U.K. and the former British empire. This often lead to complicated situations i.e. making me sing “I love my India” before Independence Day and discussing sensitive areas that a Brit would prefer not to comment on openly. However I found these hours immensely interesting but also an opportunity to gain an insight into the patriotism and curiosity distilled within the people.</p> <p>Evidently I noticed the major cultural differences within society such as the high segregation between the classes, which have significant implications on day-to-day life in India. I found this difficult, as the mechanics of such a system was difficult to accept. Before experiencing India, I initially perceived the nation to have a structured middle class that would have directly reflected on the infrastructure and environment. However my impression is that the extent of the gap was actually wider than first perceived but yet differed from city to city. Mumbai had a less of a contrast and a more evident middle class in comparison to Delhi. I felt this contrast in society had major implications on the impressions I had of India.</p> <p>Throughout the past year I have studied the Indian economy into significant depth. To further this I have received a vast amount of information at the workplace, network events and media sources on India’s future progress from all pro-India perspectives. And I am myself pro-India. As a true emerging economy its rate of growth on all measurements is truly astonishing. However I feel there is over-optimism in relation to the targets India has been set to achieve or wants to achieve. Not just because I sense unrealism in the proposed targets but also the process towards these targets I feel are somewhat unsustainable, in terms of consumption and the quality of the final output. For example, the targets set within Delhi for the Commonwealth Games have been overly targeted with</p>

	<p>the majority of venues not looking to being completed on time. Moreover the infrastructure targets to become an ‘international city’ could not be further from the truth.</p> <p>I feel that India has the potential to meet these targets but due to its ever-increasing economic growth since independence, these targets are becoming more ambitious and unrealistic and thus integrity and key components of sustainable growth are being missed. I feel the quality of output is of a substandard into what has been stated and could lead to problems with India’s future progress.</p> <p>Additionally, I feel with the over servicing and high fragmentation of job roles causes high inefficiency and over bureaucracy of achieving targets.</p>
<p>UKIBC Scholarship</p>	<p>What has been the value of the Scholarship to you?</p> <p>The scholarship has given me the opportunity to gain a greater and more in-depth understanding of the Indian general and business environment. The work experience has given me the opportunity to be involved in MNC practices in an emerging economy but also provided me with top-tier corporate experience that would have been impossible to receive in the UK. I benefited from learning about business processes from the bottom up and top-down perspectives, and indirectly how communication channels and structure can truly have a detrimental effect on firm performance. I feel SGS India and firms within India are encountering rapid economic growth, opportunities and demand, and consequently heightened competition. There seems to be an evolving process by which firms are becoming and required to become leaner and alert of international competition.</p> <p>From an international perspective I feel that I have developed an applicable understanding of India as a place of business, but due to its mass diversity and overriding complexity I imagine I would always fail to gain a true understanding. Yet I have developed knowledge of the approaches to business situations when working with Indians, which is also applicable to other cultures and can applied back in the U.K. Developing long-term and trusting relationships is a key factor in the Indian business environment.</p> <p>The scholarship itself broke-down a personal misconception I held of India as an economy but also highlighted potential problems concerning bilateral trade. Indians generally have the utmost respect for British people, which notably the British are aware of and is often reciprocated. However I feel the Indian culture tend to underestimate their potential vis-à-vis the British and therefore fail to benefit from their own pool of knowledge. But as I mentioned earlier, I feel the empowerment process and becoming leaner is a developing process as India arises.</p> <p>What would be the value of the Scholarship for others?</p> <p>It will assist in expanding their perception of the Indian economy and culture, which will be of increasing value as these two countries become more interdependent and thus the individual can find themselves far more applicable to an international business environment.</p>
<p>Improvements</p>	<p>How can the programme be improved / changed for next year?</p>

