

In conversation with Ajay Kapur
SIMSR Alum Batch 1989-91
Managing Director & CEO - Ambuja Cements Ltd.



Q. You have been awarded as ‘Asia’s Most Promising Leader’. Can you share with us the experience and level of effort that led to this honourable recognition at the global level?

A. We are a fairly big organisation. Our market capital is close to \$ 8 billion today and we engage over 14000 manpower (Direct/Indirect)for our daily operations. To make this large organisation effective, we continuously work on building effective teams. I have many colleagues like me who give 100% and continue to give their 100%;and our predecessorstoo who have built the company.

Our vision is to be the most competitive and sustainable company. We value our global hat. We look at sustainability, health and safety, commercial transformation and branding. Also, over the years, brand Ambuja has been built by successive teams and leaders. Two years ago, we released the very engaging ‘Khali’ campaign.We are constantly trying to get closer to the customer. We always try to keep our cost under control.

We also believe in empowerment. In today’s times, you cannot just look at profit alone.

Q. Can you share insights into the journey of the past two decades with Ambuja – where you joined as an executive assistant to the then MD to now being the MD yourself?

A. When I joined Ambuja at the age of 27, it was my third job – following short stints with Indian Hotels and Citibank, respectively. At that time, Ambuja was small with just one plant in Gujarat. This break worked well for me – I wanted to do more in a smaller ship than get lost in a big one.

I am fortunate to have worked with leaders who had an open mind and were visionary in their approach. I was a young man who picked up a lot of knowledge and as the company grew, I realised my roots in this company were getting deeper. So I do feel that I have become rooted in the right values. I got a vocation which was channelizing my positives and developing my negatives.

Q. Mid-career you enrolled at the Wharton School of Business for its Advanced Management Program. How important is this act of learning, after all the industry experience?

A. I passed out of SIMSR in 1991 and went to Wharton almost two decades later. When I reflect on this, I realise my thought process was very different. I had some experience by then but the idea was to go and spend time with global leaders. The professors at Wharton were experts with very rich experience. Some of the participants themselves were CEOs and CXOs of global companies. You also get the opportunity to interact with owners of some of the biggest companies. There is a lot of opportunity to network and be part of work groups where you are coached and also get to coach. It is also a time to take a break and reflect. You also pick up from what's happening around the world; and once I returned, I started implementing some of these learnings at Ambuja. It was a very valuable and extremely interesting learning curve.

Q. Ambuja Cement is one of the first Indian companies to implement Integrated Logistics System. How was this idea seeded?

A. When Ambuja was born, the plant was set up on the coast of Gujarat. But as we started growing, customer appreciation increased, and hence we also strived to grow better. Our next plants were set up in north India – at Himachal and Punjab. The fantastic response spurred us to expand further in Gujarat. At one of our plant meetings, a young engineer suggested we take the sea route to Bombay and then the sea route to Surat. We started looking into the idea because we had to be more than a cement company. We also had to have knowledge about infrastructure. So we set about by first getting the rights to build a jetty in Surat and Mumbai, then purchase the port and ships and plan the entire handling system for ships. The upside was that the distance was reduced by a third and this positively impacted the freight costs too. And that is how we came up with the sea based transportation system in India. It was environment friendly as well. But we always kept in mind -- if one has to grow one has to reach new markets. We have now built jetties in Cochin, Bangalore and Sri Lanka.

Q. How do you deal with stress and how do you unwind after work?

A. I ensure work-life balance is added in my Individual Development Plan (IDP). Also, technology can be an advantage if you stay on top of it; but a disaster if it overtakes your life. First thing on waking up we check emails and receive updates from social media with messages jumping out to us; and this should be managed. Life is 24x7 connected to these technology mediums. One practice I follow -- switch off my phone at intervals. When I am outside the work situation – relaxing or working-out etc, I refrain from even looking at my phone. I really feel good and follow it even when I am out on weekends with family and friends, watch movies and plays, take annual holidays. Also, I always have my sports gear with me packed wherever I go. Spirituality is another aspect that helps me cope with stress.

Q. How, according to you, will GST impact the cement industry in India?

A. GST is the biggest reform in the taxation system of this country and will surely bring about transparency and operational efficiency. As for the cement industry, it will more or less impact the entire supply chain, right from input materials to selling products and its accounting. Also, since it will reduce the tax burden, it would also boost the cement demand which will lead to better utilization of the company's assets.

Q. There are so many major changes taking place in India from all aspects; where do you see India on the global table 10-15 years from now?

A. I am very positive about India. We are the third largest populated country and the 3rd largest economy in the world; however, the sad part is that our per capita income is only USD1800. India is growing at 7-8% GDP and at this rate, we can double our GDP in a decade. Telecom is a classic example of the fact that when we change, we can change very fast. Yet another example are the innumerable cars on the roads today that are made in India by global companies; industries like banking, stock market, education and IT are also growing at an exponential rate. By 2027, India should be one of the top three economies in the world with increased education and increased income.

Q. According to you, which sectors will do well in the next 5 years?

A. Digital companies that act as a platform for business and banking will grow because India is moving towards a service economy. In addition, retail, infrastructure, manufacturing and companies focused on rural market will grow as 60% of India is still rural. About 30% of India is urbanised; and if this shifts by 10-15%, then all the infrastructure and services required for the development of small cities will also develop.

Q. Ambuja focuses a lot on water management and has also won several awards; what can be done in India as a whole in this regard?

A. Awareness about water and its conservation has to be created on a much larger scale. For us at Ambuja, water is very important and when we set up our first plant at Gujarat, a water management system was set up. Had we not done that, it could have been difficult to acquire land for mining – so, this became a win-win situation for both. Today, our company has also introduced water harvesting systems at its construction sites; and the government is also doing its bit by making legislations like creating a water harvesting system mandatory for every house.

Q. As a child of seven or eight years, what was your ambition?

A. To join the army and serve the nation.

Q. What are the significant learnings in the two years you spent on SIMSR campus?

A. To establish one's fundamentals and to build a network of friends.

Q. Your advice to young alumni starting out on their career?

A. Believe in yourself. Even as you strive for higher goals, stay grounded. Along with this, the corporate world needs a lot of energy, so they should keep a healthy body for a healthy mind. It is not an easy journey but with values and patience they can achieve their goals. Finally, it is all about attitude. The greatest leaders in the world did not necessarily go to Harvard. Each one is a leader – take time to find out your true potential.

Rapid Fire Questions:

a. Favourite movie: *DilChahtaHai*

b. Favourite book: *Stop Worrying and Start Living* by Dale Carnegie

c. Favourite holiday destination: Switzerland

d. Favourite Quote: Love the life you live, live the life you love

e. Favourite car: Mercedes E Class

f. Role Model: Narayana Murthy

g. One word/line you say the most: Customer is God

h. One word that describes you the best: Cool

Interviewed and drafted by:

Gayatri Kulkarni

Tulika Singh

Suryani Ray