

Report
1st IPO Suppliers Conference, 2/9/2009, New Delhi

ACMA has been taking many initiatives in strengthening the business relationship and linkages between the OEMs, IPOs (International Purchasing office in India) and the component industry in order to sustain the growth and bring new opportunities. In order to carry this forward, IPO members joined together and formed an **IPO Forum**, last year. This forum is convened by Mr. Thomas Thym, Head IPO – BMW and more than 20 IPOs are actively involved in this forum.

IPO Forum in its first initiative organised the **1st IPO Suppliers Conference** on **2nd September** in Hotel Sheraton, District Center, Saket, New Delhi.

At the Inaugural session Mr. Thym welcomed the IPOs & Suppliers and briefed them about the initiative that has been taken by the forum. He updated that the forum has already met 5 times and the objective of the Forum is to develop a platform to discuss common issues between the IPOs and suppliers in India and to examine how to further strengthen the network and to bring new opportunities to grow the export of automotive components from India in the future.

Mr. Deep Kapuria, Past President & Chairman – Globalisation & India Brand Building, ACMA welcomed and complimented the forum for carrying forward such an initiative of meeting supplier and IPO together. Also in his remarks he mentioned that this IPO Conference is relevant for tackling issues which crops up while dealing with IPO's or vice versa. He stressed on the point that lot of changes in the automotive world is happening & through this forum we should try to share all these issues not only for export business but also to bring new opportunities.

Mr. P.S. Satish, Head of IPO, Bosch Ltd. briefed everyone about the idea behind this conference after which Mr. Vikas Kumar, Associate Director, Ernst & Young made a presentation on Sourcing from Emerging Markets.

The IPO session was moderated by Mr. P.S. Satish, Head of IPO, Bosch Ltd where following IPOs had given the Case Study Presentation on "Challenges & Lessons Learnt on"

Mr. Prashant Swadia, Director, SFO-India Global Purchasing & Supply Chain, GM India made a presentation on Quality, Mr. Thomas Thym, Head IPO, BMW India presented on Project Management, Mr. Niraj Hans, Managing Director & Country Head, Fiat Group Purchasing presented on Deliveries, Mr. Nitin Chilwarwar, Supplier Quality Development Specialist & Mr. Umesh Gujarathi, Head – Purchase & Supplier Development, Magna presented on Supplier Development.

In the post lunch session Mr. Arvind Kapur, Chairman-ACMA Centre for Technology (ACT) made a presentation about the ACT initiative and ACT cluster programme followed by a case study presentation by Mr. V.N. Vijayaraghavan, Managing Director, I M Gears Pvt. Ltd.

Mr. Vivek Hazari, Vice President (Global Strategy & Business Dev.), Rico Auto Industries Ltd. made a case study presentation on Rico's journey towards export to International OE and Tier 1s followed by the case study presentation by Mr. Nitin Bahl, Director Business Development, Radiant Polymers Pvt. Ltd. on Radiant's journey towards export to International OE and Tier 1s. .

A panel discussion moderated by Mr. Bijoy K. Bose, VP (India Sourcing), Cummins was held in the evening on "What need to be done to increase sourcing from India?"

The Panelists were Mr. Harvansh Batra, Director Sourcing (India), EADS, Mr. Akhil Bhargava, General Manager (India), Electrolux, Mr. Michael Pohl, General Manager Global Procurement India, Mercedes-Benz, Mr. Arvind Kapur, Chairman – ACMA Centre for Technology (ACT), Mr. C.N. Prasad, President-APD, Sundaram Clayton Ltd & Mr. V.N. Vijayaraghavan, Managing Director, I M Gears Pvt. Ltd.

The points discussed in the panel were about the Current Scenario, India compared to other LCC destinations, Role of IPO / Role of Suppliers, Strengths of India Sourcing, Areas of Improvement. Some of the highlights of the discussion were:

1. Infrastructure: Need not be something we should be sorry about. It is not a show stopper and is improving.
2. Subsidy available in other LCC countries: India is competing against Government subsidy by other LCC – We should not shy away, ultimately the suppliers need to be competitive on the landed cost basis.
3. Role of IPOs: IPOs are acting as a shock absorber and may like to review and broaden its horizon in creating a marketing organization and act as a facilitator in bridging the knowledge gap between the suppliers and its overseas customers. There is also a need of IPOs to act in identifying the potential "buying influencers" of the parent organizations and overseas offices and synergise accordingly in promoting the same.
4. RFI and RFQ: A lot of time and effort is being spent with regard to enquiry. It is advisable if RFI and RFQ could be analysed well before it is being issued to suppliers. Also improve upon response time on RFQ's from the suppliers as well as IPO's. Suppliers should target Hit rate for RFQ's > 10%
5. Visibility: Suppliers need to be proactive with right investment, more visibility and right responsiveness towards customers end on a regular basis.

In his concluding remarks, Mr. Thym reiterated that this is a beginning of such an initiative and this will further be strengthened through such events in near future.

The conference was well attended with over 140 delegates consisting of 20 IPOs and 90 suppliers. Everybody present at this gathering has really welcomed and complimented such a great initiative taken by the IPOs.
