



Suhas Baxi

PRESIDENT & CEO, PENNAR INDUSTRIES

Date of birth: 30 November 1966

Education: BE (Mechanical), VNIT Nagpur, 1988; Management Development, IIM Ahmedabad 1998.

Career: sales executive, **Thermax**, 1988; sales manager, 1994; marketing head, micro power systems 1998; business head, E2Thermax 2000; business head, Asia, & director, India, **Triple Point Technology** Inc 2001; managing director, **Demag Cranes**, India, 2006; president & CEO, **Pennar Industries** 2012

Chasing perfection

Change and innovation are the twin themes Suhas Baxi is highlighting as the new leader of the top management team at Pennar Industries Limited. A 25-year industry veteran, Baxi joined the Hyderabad-based steel manufacturer in December 2012 to spearhead its thrust to reposition itself as an engineering company.

Baxi, who stood sixth in Maharashtra in the higher secondary school certificate examination in 1984, went on to shine as third in Nagpur University, when he finished his mechanical engineering four years later from the Visvesvaraya National Institute of Technology (VNIT), formerly the Regional College of Engineering, Nagpur.

Moving out of home town Nagpur when he was 22 years old, Baxi joined boiler major Thermax in Pune in 1988 as a sales executive, and rose through the ranks to become sales manager in six years and marketing head for its micro power systems another four years later. In 2000, when the company set up a new division to develop software and provide Web-enabled solutions for the energy sector, he was appointed business head.

"My years at Thermax definitely stand out for the intensity of learning

in an environment that was conducive for learning, experimentation and risk taking," Baxi says. "It was a stupendous training ground. All the training I received was at Thermax. The team was fantastic and to this day I believe that it was the best thing that happened to me in my career."

Baxi stayed in his first job for 13 years but left because, in his words, "Thermax changed". Having suggested and set up the E-Square (energy and environment) engineering services division to look at the US market, he lost interest in it, because the company wanted to sell it as part of its restructuring to concentrate on its core competencies.

M.S. Unnikrishnan, managing director, Thermax, remembers Baxi as a young man with all the potential traits of a budding CEO. "Right from the beginning, he showed a special ability to absorb things and then only react, which was a rare quality in someone so young in those days," says Unnikrishnan, a veteran in the company, who had just risen to become MD in 2000. "I've personally observed him during the tough days in the early part of the century, when he was stevedoring our fledgling generation business. Even though he was only in his early 30s, he had the

right qualities."

Moving on to the international arena in 2001, Baxi stuck to software and was taken on by the then \$25 million energy trading solutions provider Triple Point Technology Inc (TPT), as general manager in charge of Asian operations. "Triple Point was an early-stage company; and the spirit and vitality of this environment helped me grow as a people manager," he recalls of the US-headquartered software firm that now deals in multi-market commodity and enterprise risk management.

Both Triple Point India and Demag India were 'business creation assignments', he says. TPT had no presence in India when he joined them in the US. "The business of energy trading and risk management is quite sophisticated; and the domain skills available in India were limited. Further, as a product software company, the type of software development that we did was different from most Indian software houses. So, building engineering, business consulting and marketing teams was a challenge," he explains.

Back to the old economy, and a six-year stint followed as managing director, Demag Cranes & Components India, a subsidiary of the

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€1-billion-plus German material handling major. The company was mostly doing trading, sales and service here, and setting up R&D, manufacturing, local product development and growing the business was 'an exciting journey' for Baxi. "The 'can do' spirit I learnt at Thermax found an appropriate systemic environment at Demag," he says. "The company has some of the best control systems that I have seen. This allowed me to create a wonderful feedback loop."

Looking back at his time at both the places, Baxi says what gave him the biggest satisfaction was "making a bunch of talented people believe in my dream and the organisation's dream, and helping them realise it". At times, he points out, commitment made is interpreted as assurance for efforts even in the most professional environment in India. While this has its own merits, TPT and Demag treated such a commitment as one for efforts and results. The planning process behind commitment making was elaborate with tremendous attention to details.

Baxi, who says he enjoyed all three of his earlier jobs equally, now looks forward to "creating a similar learning environment" at the Hyderabad-based Pennar Industries, which he joined in December 2012 as president and chief executive officer – his first move out of Pune in his working life. "The company was clearly wanting to outgrow the steel sector and get into value-added engineering products and projects," he explains, pointing out that it is innovating from the building blocks of metal, mining and steel to the more sophisticated areas of engineering and technology, and empowering itself to move into new businesses. "I think I can help lead it in that direction." As the ₹850 crore company celebrates its silver jubilee in 2013, with a current share price of about ₹26 and market capitalisation of a little over ₹350 crore, it is full of energy and ready to transform, he says, to take on the new challenges of the Indian and global business environment, and to keep growing, healthily.

Baxi obviously finds it good

working with a chairman who has been conferred the 'Outstanding Entrepreneur Award' by the Council of State Industrial Development and Investment Corporations of India in February 2013 and, earlier, the Hyderabad Management Association's 'Entrepreneur of the Year' award. Pennar founder Nrupendra Rao was also the recipient of the IIT-Kharagpur alumnus award for 2011, as well as the 'Nayudamma Gold Medal' for his contribution to Industrial Development in Andhra Pradesh.

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business processes and breaking our traditional geographical boundaries from a South-focussed company to become pan-India and global," Baxi says. He has set six goals for the company: to be in the top three in India by market share in all its businesses; to become the most profitable company in the industry based on RoCE; to create a greener and safer work environment; to be one of the best places to work in India; to be the benchmark for delivery and quality; and to become a \$1 billion group by 2018. The strategy to make all this work involves achieving 10 per cent of its revenue from overseas, inorganic expansion to add ₹1,000 crore in revenue, triple the revenue from existing businesses, save 10 per cent

in cost of operations, and implement the 'Pennar operating system' for performance, productivity, quality and safety improvement.

Diversification is a big item on the agenda, for which Pennar plans a 'doubles play' of growing its tubular products business and getting into a totally new initiative, warehousing and material handling. Sticking to the comparison with badminton, which is a 21-point game, the company has an implementation plan for 21 projects in 2014. It has also roped in Mercuri Goldmann, the world's largest customer interaction management, training and consulting organisation, to teach each employee to 'become a customer first'.

Over the years, Baxi has had various industry affiliations, becoming chairman of CII's Pune zonal council for 2010-11 and head of its higher education sub-committee for the western region from 2011 to 2013. Earlier, he was a member of its national committee on higher education from 2001 to 2006. A keen student of organisational behaviour and strategy, he presented a paper on *Deployment of whole brain thinking* model at the global summit of the American Society of Training Directors (ASTD) in Washington DC four years ago.

In his leisure, Baxi practises the CEOs' pursuit of golf. "Golfing has become a passion for me since I was introduced to the sport five years back," he says. "I try to play on weekends and have a group of friends with whom I can laugh like a kid. It takes me away from the rigour of the typical working week." He also reads a lot of biographies and books on philosophy, management, history and sports. "Cycling and jogging with my son Mihir, who is now getting in to his first year at college, is another favourite recreation," he adds. Wife Neeta, who was head, marketing, BPL Mobile, now runs her own consulting practice. One statement that defines the man, however, is why he likes photography: "When I have a camera in hand, I get into a zone where chasing perfection becomes a hobby." And, at 46, he has a lot of his working life left to do just that.

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