the **hunt** report

HUNT PARTNERS


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FOREWORD

Dear Reader,

We are delighted to present the seventh issue of The Hunt Report, a half-yearly industry roundup of key trends impacting executive hiring across industries.

This issue captures people movement and analysis of 19 key industries. The policy paralysis further heightened by the 2014 General Elections, has led to a virtual stagnation in most sectors.

The report is aggregated for your benefit and assesses the impact of these industry trends on human-capital and their implications on the leadership talent movement.

We hope you find the Report insightful. We welcome your comments and feedback at thehuntreport@hunt-partners.com

Happy Reading!

The Knowledge Management Team
Hunt Partners
December, 2013

IN THIS ISSUE

The Hunt Report, a half-yearly update, evaluates the key business trends in industry practices, ranging from Real Estate to Insurance. This issue of The Hunt Report analyses the impact of these significant business trends on the executive hiring process and the leadership movements in nineteen industry verticals.

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Reeling from the slowdown

As the sector continues to face sluggish growth, companies are trying to buck the trend through restructuring and management reshuffles. However, hiring continues to be muted across levels

BY SURESH RAINA AND UDAY BROCA

In the first half of 2013-14, the automotive sector continued to reel from one of its worst slowdowns in the last decade. Hiring continues to be muted across all levels with executive placements being either mission critical or replacement hires. Multiple product recalls of over 300,000 vehicles in the past year have further led to a negative sentiment surrounding the sector.

Mandatory vehicle recall on the cards

General Motors recalled over 100,000 Chevrolet Tavera cars, resulting in some senior-level exits across the US and Indian powertrain operations. Ford recalled over 150,000 units of its Figo and Classic models. The government is now planning to introduce a mandatory vehicle recall for auto makers, aping polices followed in developed economies. This would significantly impact hiring, as both Indian and multinational companies are now focussing on higher standards in testing, quality and product engineering.

Stability in two-wheelers

The two-wheeler sector is stable with a significant increase in demand from domestic and international markets. Honda grew by over 35 percent, claiming the second highest market share. With two new plants in Gujarat and Bangalore, it also plans to add 3,000 employees across levels.

Restructuring and reshuffles

Taking a cue from Honda's growth, major reshuffles have taken place at Hero Motorcorp with the reallocation of portfolios. With Deepak Mokashi now heading International Business and Sanjeev Shukla promoted to lead National Marketing, Hero is leaving no stone unturned to retain its top position.

On the other hand, Bajaj Auto is concentrating on the international markets of Africa and Latin America, where it is witnessing robust growth. Senior Indian talent is filling up the Country Manager positions, with local hiring taking place at junior and mid-levels.

PEOPLE MOVEMENT

- **Vijay Deshpande** has moved to Skoda India as HR Director from Hindustan Coca Cola Beverages, where he was the Zonal Head – HR.
- **Vineet Sahni** is now the CEO at Lumax. Previously, he was President at Varroc Lighting Systems.
- **Vimal Sumbly** has joined Triumph Motorcycles as Managing Director after being the General Manager - Sales at Bajaj Auto.
- **Kenichiro Yomura**, who was previously General Manager – Middle East at Nissan Motors, is now Managing Director of Nissan Motors India.

- **KR Murali** will head Johnson Controls India as CEO after its split from TACO. He was previously the President at Aramada Johnson Controls.
- **Arnaud Lesschaeve** has moved to GKN Driveline to take up the role of President – APAC. He was earlier with Faurecia Emission Controls Asia as Vice President.
- **Gregory Edwards**, who was previously the President of Nanyang MBA Student Executive Committee, will now head dealer development for Harley Davidson Asia.
- **Pankaj Dhingra** has joined Nissan Motors as General Manager – Global Mergers. He was earlier a Venture Partner at Augment Ventures.

The slowdown has led to a significant shakeup of senior leadership across most major players. Mahindra & Mahindra (M&M) has undertaken a complete restructuring exercise, merging its two loss-making businesses (two-wheeler and commercial vehicles) into the more profitable Auto & Farm Equipment (AFS) division. Ashok Leyland has conducted a revamp wherein the business has been split into three distinct units in a bid to make the organisation more nimble. Rajive Saharia will now oversee the Trucks business, with T Venkataraman handling the Bus Division and CG Belsare taking responsibility of the Power Solutions vertical. It will be interesting to see which of the two strategies prove to be successful in the long run.

In another development, Mahindra ceded control of Systech, its auto components division, to Spanish auto-components giant, CIE Automotive. The deal will create a combined business valued at ₹17,000 crore, and M&M will hold a minority stake of 13.5 percent in CIE Automotive.

Despite a massive restructuring exercise and a new leadership team, Tata Motors continues to struggle in both passenger cars and commercial vehicles.

Facing the repercussions of the domestic market slowdown, Tata AutoComp Systems too recently exited multiple joint ventures, including that with Johnson Controls and Yazaki.

Ford India has beefed up its sales and marketing team after the successful launch of the EcoSport. Expatriate talent is being relocated to India to strengthen the local team. A part of Ford US since 1996, Raj Sarkar is now Vice President – Marketing at the organisation. He was last associated with the Lincoln Global Business Team.

Chennai as an investment hub

During the last 12 months, Indonesia and Thailand trumped India in attracting fresh investments of over ₹34,000 crore from auto majors Honda, Toyota, Nissan and Ford. Oragadam in Chennai is an apt example of how India can win back these investments. The state government's policies provide a conducive environment in this hub, with investments growing by over 30 percent. Investments of over ₹5,000 crore have already poured in, leading to a creation of over 10,000 jobs.

Bullish prospects

While the consumer durables sector managed to escape the impact of the downturn, other segments continue to lag behind. The government's move to allow Chinese service centre shops will intensify competition

BY **SURESH RAINA** AND **RAJESH KUMAR**

The electrical sector continues to be impacted by the economic downturn. While some of the sectors such as power generation (equipment manufacturers) are still lagging, the consumer durables sector managed to maintain its growth riding on sustained demand. Overall, the sector is bullish about the long-term prospects.

Under pressure

The power sector, comprising generation, transmission and distribution sub–sectors, is under pressure due to raw material related issues. It is expected to grow by approximately six percent in 2013-14 as compared to four percent for the previous year. The power T&D sector has seen some orders flow in, while the capital goods companies expect to receive orders worth ₹24,000 crore as the government has revived the Ultra Mega Power Projects programme.

The companies are expanding their footprints globally. Some of the major developments in the sector are as follows:

- Power Grid Corporation of India Limited won an order to manage Ethiopian Electric Power Corporation.
- Alstom T&D bagged an order of ₹105 crore to supply transformers to the NTPC Nabinagar power project.
- Alstom won an order from GVK worth ₹840 crore to supply hydro turbines to the Ratle power project.
- Kalpatru Power Transmission has won new contracts whose combined value is estimated to be ₹6.2 billion.
- AION Capital partners has acquired minority stakes in Jyoti International, a mid-size company in EPC contracts for power transmission, with an investment of US $23 million.

The power sector is highly regulated and capital intensive. The competition from Chinese companies is intensifying. The government's move allowing Chinese companies to open service centre shops will further intensify competition. In the next six months, we do not expect any major movements with respect to talent, with people preferring to stay in their current positions. The government outlook, which will influence talent movement, will also become clear in the coming months.

PEOPLE MOVEMENT

- **Sanjeev Gambhir** is now CEO – India for Allied Moulded Products. He was previously Head – Sales & Marketing, with Pentair Technical Products.
- **Apratim Das** is now Chief Operating Officer – Fan Division, for Xenitis Infotech Ltd. Earlier he was AVP – Operations with Eon Electric.
- **Ullas Sharma**, who was earlier Country Manager - Key Accounts with Emerson Network Power, has moved to Johnson Controls as Director - Product Management.
- **Lipika Verma** has moved to Schneider Electric as Director – Rewards, from her earlier position as Vice-President - Compensation & Benefits at GE Capital.

- **Sriraman Bhashyam** has exited Indecomm Technology as Director, Talent Acquisition. He is now Director at Seva Switchgear Pvt. Ltd.
- **S Parthsarthy**, who was earlier with Honeywell Technology Solutions Inc as Centre Head, is now Senior Director & Centre Head for Flextronics.
- **RJ Aranha-Shenoy** is now CEO at GroValue Industries Limited. Earlier he was General Manager – Aftermarket & Global Partners with Honeywell International.

Electrical: Consumer durables, lighting, drives

The consumer durables market is riding on the demand from the rural markets and urbanisation. Some salient highlights from the sector:

- Halonix Limited sold its general lighting business to Actis for ₹160 crore.
- French Company Delfingen Industries acquired Kartar Wire Industries.
- Toshiba is planning to buy majority stakes in Vijai Electricals for US $200 million.
- Warburg Pincus sold its 8.35 percent stake in Havells India for ₹730 crore.

On the talent front, requirement of senior talent for business roles will remain high.

Instrumentation: Automation, switchgears

The switchgear sector is forecast to grow at a CAGR of 15 percent. An important element in this sector is energy efficient systems. Schneider, ABB and others are working closely with BEE to popularise energy efficient systems. Some other major developments are as follows:

- CG opened a research centre focusing on high power sub-station equipment.
- GE Capital is planning to sell its 10 percent stake in C&S Electric.
- CG and PT Prima Layanan to form a 51:49 joint venture to manufacture HV switchgear in Indonesia.
- IBM is designing smart grid solutions for Tata Power Delhi Distribution, a joint venture between Tata Power and the Delhi Government.

We expect a positive trend towards automation and energy efficiency. IT companies like IBM and electrical companies like Honeywell, ABB are developing capabilities in this vertical, and will require talent in application and project execution.

Challenges and opportunities

The sector maintained its slow pace of growth, being severely hit by stalled and delayed projects. Indian firms are now seeking growth in global markets, just as foreign players have again turned their attention to investing in the country

BY **SURESH RAINA** AND **UDAY BROCA**

As a continuation of the previous financial year, the engineering sector in India maintained its growth through a period of slowdown in the first half of 2013-14. However, the sector has been hit severely with many large-scale projects across the infrastructure space stalled due to policy, regulatory clearances, lack of demand and capital. Marquee projects such as Arcelor Mittal's 12 million tonne project in Odisha and Posco's ₹30,000-crore project in Karnataka have been shelved. Besides these, many smaller projects in infra, mining, power and ports have been either delayed or completely shelved, forcing companies to look at innovative solutions for growth.

Talent churn

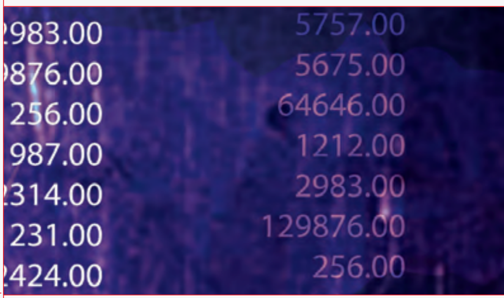
Another fall out of the slowdown is pressure on the bottom line of these companies along with cash flow challenges, resulting in companies finding it difficult to meet debt commitments as well as day-to-day operational expenses. Organisations are witnessing senior talent churn. Lalit Vidhani, who was earlier Head – Finance at Suzlon Group, has moved to Sunil Hitech Engineers as Chief Financial Officer. Rajeev Palsule and Tanmoy Mondal of Lanco Infratech have moved on. Rajeev has joined Walchandnagar Industries as Vice President – Material, while Tanmoy has joined Jiwanram Sheoduttrai Group as Chief Operating Officer.

Opportunities abroad

More and more Indian firms are increasingly looking at both organic and in-organic growth in international markets, including traditional ones like the US, Europe and emerging markets across Latin America and Africa. Kirloskar Brothers subsidiary SPP Pumps inaugurated its seventh plant, a state-of-the-art facility in Atlanta, US. Apollo Tyres is presently evaluating a US $2.5 billion acquisition of Cooper Tires. If the deal goes through the combined entity would be the seventh largest tyre company in the world. PCM Group recently acquired Rail.One, a German Rail Infra and Engineering firm.

PEOPLE MOVEMENT

- **Sameer Nagpal** has been nominated by Shalimar Paints as Managing Director and CEO. He was earlier the Business Head for Residential Solutions at Ingersoll Rand.
- **Sunil Mathur** has been elevated as India CEO for Siemens. He was earlier its Chief Financial Officer.
- **Srinivas Batni** is now Vice-President – Marketing at Mittal Corp. He was earlier Chief of Marketing at Pennar India.
- **Rohit Gambhir** has moved to ESAB India as Vice President – Sales & Marketing. He was earlier the Business Head for India & Exports at Stanley Black and Decker.



- **Gopal Mahadevan** has moved from Thermax to become the new Chief Financial Officer at Ashok Leyland.
- **Robert Zhu** is now Managing Director at Kennametal – APAC. He was earlier President, Tyco Fire & Security – APAC.
- **John Baron** is now Vice President – Global Aftermarket at Ingersoll Rand. He was earlier Regional Director – APAC at Elliot Company.
- **Anthony Farmer** has moved to Volvo Construction Equipment as Director of Product Marketing for APAC. He was earlier Product Director for Terex Germany.
- **Admiral KC Sekhar**, earlier the Managing Director at Garden Reach Shipbuilders and Engineers is now Chief Operating Officer at Pipavav Defence.

With slow domestic demand, Indian engineering firms are keen to invest abroad both for market access as well technology transfer. This trend has a huge impact on talent, especially at the executive level, as in many cases companies prefer to send senior Indian talent to manage international operations while hiring locally for junior and mid-level positions. It has become crucial for Indian talent to become more global in nature in order to take advantage of this situation. Indian managers with overseas experience will therefore continue to be in demand.

India in focus again

An interesting outcome of rupee depreciation is that Multinational Corporations, especially from the US, are again looking at India as a favourable investment destination in the mid- to long-term perspective, as fundamentally, the Indian growth story still persists. The companies are looking both at the domestic Indian market as well as exports due to availability of cheaper, skilled man-power, resources and overall economies of scale.

Several new foreign players have entered the Indian market: Delfingen recently acquired Kartar Wires, Emerson group added Virgo Valves to its existing portfolio, Mitsubishi-Hitachi recently bought Concast India, and Harsco Corporation is considering fresh acquisition targets.

The Indian ship building industry comes across as a silver lining in an otherwise badly hit sector. The industry is growing at a CAGR of over 25 percent, with demand coming both from the commercial and defence segment. The Shipping ministry is promoting cluster-based shipyards by offering incentives. Pipavav Defense has recently raised US $150 million through a London Stock Exchange listing to support its expansion plans.

Growth opportunities

The export driven agri-chemical sector has good prospects, with patent expirations attracting global players to India. Decorative paints are driving the industrial paints segment, while speciality chemicals has shown healthy growth

BY **Suresh Raina** AND **Rajesh Kumar**

The economy is still feeling the pressure of the slow down, aggravated by rupee depreciation and general election sentiments. However, respite is expected from good monsoons that have helped boost growth in rural markets.

Agri-Chemical: major growth driver

According to Tata Strategic Management Group (TSMG) estimates, the Agri-Chemical segment is expected to grow by 12-13 percent and reach ₹39,000 crore by 2017. This is majorly an export-driven sector focused on the US, UK and European markets. Furthermore, patent expiration is prompting MNC players to look for partners in India. Japanese companies have already initiated efforts in this direction.

Some developments in the sector:

- Tata Chemicals introduced two new product formulations in the crop nutrition portfolio.
- Japanese firm ISK, in collaboration with United Phosphorus, is doing trials of new pesticides.
- Otsuka Agritechno formed a joint venture with Insecticides India for joint R&D activities.

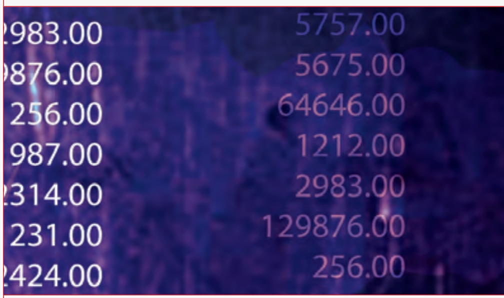
This sector provides good opportunities for growth, and sub-sectors like fertilisers, pesticides and neem-based chemicals show growth projections in the range of 8-14 percent. Since the market is price sensitive, new product development and efficient operations will help to increase margins. Talent will be in demand for senior leadership levels, primarily for business development, operations and R&D activities.

Paints

The paint industry is estimated to reach ₹50,000 crore by 2016, as per an AC Nielson estimate. The industrial paint segment is presently impacted by sluggish demand in the automotive and other infrastructure-based sectors. Decorative paints are driving the sector, with strong growth due to demand from both urban and rural segments.

PEOPLE MOVEMENT

- **Sumantra Sen** is now Director with Colourtech Products Private Limited. Earlier he was with DSE India as Principal – Business Consultant.
- **Devpal Sisodia** has joined DIC Corporation as Regional CIO – Asia Pacific, moving on from Reliance Infrastructure EPC, where he was Head – IT.
- **Prasanna Ganesh** is now General Manager – Regional Business Services, India with Clariant Chemicals. He was earlier Regional Market and Application Manager – Surface Protection Solution Chemicals, Asia Pacific, with Dupont.
- **Anand Vora**, who was earlier Chief Financial Officer – India with Bunge India is now Chief Finance Officer with United Phosphorus.
- **Suresh Babu** is now Head – Compensation and Benefits (South Asia) for BASF India Limited. Earlier he was Deputy General Manager – HR (Compensation & Benefits) with General Motors Technical Centre India.
- **Rakesh Goyal** is now Vice-President – Operations at National Peroxide Limited. He moved on from his role as Vice-President – Operations with Jesons Industries Limited.



Some developments in the sector:

- Heubach Colour and Toyo Ink are in partnership for setting up a pigment manufacturing unit.
- AkzoNobel, riding on strong demand for paints in China, is making significant investments.
- Asian Paints is looking for downstream integration, by investing ₹120 crore (increasing its stake to 51 percent) in Sleek International.
- A new product launch by Nippon Paints to build on its environment-friendly platform.
- Henkel inaugurates its Innovation Centre, especially targeting the automotive and transportation industry in Pune.

The decorative paint segment will require innovative and eco-friendly products, and hence more emphasis on R&D activities. The talent requirement for this particular segment will be in terms of sales, marketing and business development.

Speciality chemicals

The speciality chemicals sector is doing well and expected to grow to US $60-70 billion by 2020 as per a TSMG estimate. These chemicals, used majorly in food, FMCG and pharmaceuticals industries, continue to see good demand. Therefore, the sector is growing at a healthy rate of 10-12 percent.

Capacity enhancements and formation of new joint ventures will lead to churning of talent at higher levels. Senior hiring requirements in the next six months will be in operations and product development functions.

Some key highlights of the sector:

- BASF has expanded the Singapore-based production facility to produce new antioxidants.
- Tata Chemicals, optimistic about speciality chemicals, is investing in the nutraceuticals business.
- Clariant is expanding the capacity of its Roha plant in Maharashtra.
- Kanoria Chemicals and Momentive Chemicals will form a joint venture for joint production of speciality chemicals.
- Celanese is expanding polyacetal manufacturing facilities in Asia.

The rise of the Digital CMO

The digital CMO may soon be here to stay. Digital marketing, with its contextually relevant and measurable impact, is set to expand further, bringing into focus the limited talent available today

BY **SUNIT MEHRA** AND **PRAFUL NANGIA**

The changing demographics and an ever evolving technology landscape have affected businesses in many ways. However, the most profound impact of this has clearly been on the Chief Marketing Officer (CMO).

Gone are the days when the return on marketing investment was ambiguous and afforded reprieve to the CMO from true accountability. Today, digital marketing allows the measurement of each and every parameter of a campaign to arrive at the quantifiable impact.

Advent of social media

In addition, the advent of social media has transformed the manner in which advertisement dollars are being spent. The latest Gartner report reveals that the traditional analogue spends still outstrip the resources allocated to digital marketing, which is not in any way a surprise. However, as more and more Chief Executives discover the power of the digital medium, we expect to see a pendulum shift. This is not to say that analogue is on its way out, but that there is definitely more awareness about the potency of the digital medium.

According to the Gartner study, by 2015, 25 percent of organisations would prefer to have a Digital Marketing Head in addition to the CMO. Interestingly, research also suggests that the CMO's technology budget will exceed that of the Chief Information Officer (CIO) in the next few years.

There are enough examples available to convince even the most die-hard critics that the early adopters have quantifiable data to back the efficacy of these channels, mostly to the detriment of their competitors who refuse to accept this change. This makes it extremely necessary for marketing teams to push the case harder within their management committees as well as in the Board rooms.

A number of incumbents have admitted that digital marketing as a medium is grossly underutilised in India. This is not due to any aversion, but lack of talent. There was a time when digital marketing was outsourced. But now, more and more CMOs prefer to have an in-house team leading the digital initiative.

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PEOPLE MOVEMENT

- In an internal move at Disney UTV Interactive, **Sameer Ganapathy**, who was the Executive Director Movie Channels and Channel Distribution, Media Networks is now the Chief Operating Officer.
- **Arvind Pal Singh** has joined ValueFirst Digital Media as the Content, Creative & Communication Head. He was earlier National Creative Director at Purple Focus.
- **Vikas Katoch**, has moved to Affle as National Sales Head, Digital. He was earlier associated with Komli Media as National Sales Head, Video Advertising.
- **Prashant Kripps** who was previously with Komli Media as National Head, Publisher Groups has joined Affle as Head – Publisher Development and Management Digital.
- **SV Sunilkumar** has moved to Havas Media as Business Head, Digital, Mumbai. He was previously the Principal Consultant at Infosys.
- **Ranjan Nautiyal**, earlier the Senior Creative Director at Oglivy and Mather is now with Cheil as the Group Creative Director.
- **P Murali Gopal** has moved to Cheil as Senior Creative Director. He was earlier with Rediffusion-Wunderman as Creative Director.

The non-conformist Digital CMO

Simultaneously, the leadership team also has to consider the fact that the Digital CMO is a non-conformist. He or she may not necessarily have attended the savviest of MBA schools; they may not even be visible power dressers who automatically command space on the executive floor. Rather, he or she would typically be a fast thinker and a person of action, with a deep connect to the consumer. They could be individuals who are not afraid of experimenting and can change the marketing strategy every day (or hour), rapidly moving to the next bid idea if the existing one does not work.

There is a general convergence of views that the digital medium offers opportunities to engage consumers across the physical and virtual worlds, and enables the marketing team to target contextually relevant experiences and offers. This has already been perfected to the level of an art by leading e-commerce companies and is also being adopted by a few progressive global FMCG majors.

While we do see progressive CMOs who have embraced the digital revolution wholeheartedly, there are also the disbelievers who remain unwilling today. Conversations with the Board and Chief Executives reflect that they are cognisant of this changing scenario and are now beginning to pose the right questions to their CMO. We believe that as more and more companies take to the digital space, there will be a rush for the limited talent available, which today is mostly concentrated around new-age industries.

India logs in

Rapid maturity of the e-commerce sector has brought out the importance of new skill sets such as IT architecture and analytics, and triggered demand for talent

BY **SUNIT MEHRA** AND **PRAFUL NANGIA**

It does not come as a surprise that India's political and bureaucratic leadership has missed some of the most transformational trends in infrastructure, education, healthcare and sanitation since the country's independence. On the other hand, India's leading business houses have always managed to identify emerging trends and invest in business opportunities, such as in power generation, airports, airlines and retail, to name a few.

Number crunch

In the backdrop of these investment opportunities, the following statistics are of interest:

- Over 50 percent of India's population is under the age of 25, and over 65 percent is below the age of 35.
- India is among the top three fastest growing internet markets in the world, with over 125 million users.
- An ASSOCHAM and comScore study predicts more accelerated growth for the country, reaching 330-370 million users over the next two years, making India the second largest audience after China.

Going by the above data, the internet boom in India is already evident. Yet, large Indian corporations are sceptical and continue to view the e-commerce space as a fad or a premature idea.

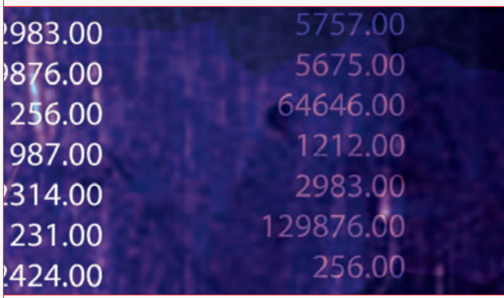
Although this is similar to the general world view on the sector, new and innovative companies such as Amazon and Alibaba have established their presence and carved out a niche in the sector.

New skill sets in demand

These instances of success have opened up the playing field for young, aggressive and ambitious entrepreneurs, who have the backing of venture capital (VC) firms. VC firms, in a way, are filling the void that comes naturally to a large business. Explosive growth in the e-commerce sector, pegged at 40-50 percent CAGR, has fuelled demand for an entirely new set of skills, prime among which are IT architecture, engineering, customer relationship management, and analytics and marketing.

PEOPLE MOVEMENT

- In an internal move at TripAdvisor, **Marc Charron** has become the President, Business. He was earlier President – APAC.
- In another internal move, **Karim Temsamani**, who was Vice President, New Products and Solutions, Americas at Google, has moved up the ladder to hold the post of President, Asia-Pacific.
- **Kashyap Dalal**, who was the founder and CEO of Inkfruit.com has co-founded Zovi.com and also holds the post of Chief Product Officer there.
- **Vivek Shah**, who had co-founded Fetise.com is now Director - Investment Banking at Espirito Santo.
- **Rajesh Kaul** has moved to Fashionandyou.com as Director - Supply Chain Management. He was previously associated with Myntra.com as the Vice President Supply Chain.
- **Geetu Ahuja Sharma** has joined Fashionandyou.com as Chief Marketing Officer. She was earlier part of Tyroo Media as Director - Delivery (Internet/Performance Campaigns).
- **Prashant Shivankutty**, who was the Senior Vice President – India at Possible Worldwide, is now the Chief Technology Officer at Fashionandyou.com.



Most e-commerce businesses are competing with one another to acquire customers, thus learning the significance of analytics, business intelligence and marketing in the journey. Interactions with business leaders continuously highlight the importance and the inherent lack of talent in the country. The current, insatiable demand for these specialised skill sets and the corresponding limited availability is reminiscent of the telecom and ITeS boom and the resulting rush to acquire the best available resources.

As was the case with most new-age sectors in India since the 1990s, most business leaders are now attempting to bring in talent from other mature sectors, and invest in training them for critical functions.

India, China attracting talent

Given the scarcity of talent and our understanding of the sector, we firmly hold the view that focus on mature markets of North America and Europe for talent in analytics and big data should be high on the priority list.

The mature e-commerce sector in those markets has created a large pool of trained and exceptionally qualified professionals, who are now more open to the idea of working in the next big market, whether it is China or India. The general economic climate in these countries coupled with the increased readiness to move to Asia provides Indian businesses a ready talent pool that can not only deliver on requirements, but also enable knowledge assimilation, an essential for business longevity.

Malaysia in the limelight

Armed with a young workforce and aided by enhanced infrastructure and market stability, Malaysia is fast becoming an investment attraction for multinationals seeking talent. The rise in job advertisements across sectors bears testament to this

BY **Arjun Erry**

The Malaysian population is extremely young, with nearly half the Malaysian workforce comprising people from Generation 'Y' or the Millennial Generation. The key to engaging this segment is gaining a deeper understanding of the factors that motivate and inspire them and appreciating their values.

Within the financial services industry, inter-generational gaps exist between baby boomers and the Gen-Y. This shift in the workforce requires talent managers to appreciate Gen-Y's value systems in order to maximise their true potential.

Growth in job advertising volumes

Job advertising volumes across Asia grew 9.6 percent compared with Q1 2013, despite reports that the Chinese economy was turning sluggish. However, most of the countries did witness a drop in job advertising volumes from April to June 2013. Retail services continued to be a robust area for job advertising across Asia, with figures showing an increase in growth: China (7.6 percent), Malaysia (9.2 percent), Hong Kong (6 percent), Singapore (9.1 percent) and South Korea (4.6 percent).

Malaysia clocked in an overall rise in job advertisements of 11 percent. With its enhanced infrastructure and superior standard of living on offer to repatriates or those relocating, Malaysia is fast turning into one of the most attractive hubs in Southeast Asia for multinationals. Moreover, the country is a particularly positive story as it has benefited from market stability following the government elections.

Malaysia's developing real estate sector is generating demand for property management professionals with job advertisements in this space in Q2 2013 up 10 percent from the previous quarter. Job advertisements for lawyers and compliance officers jumped 19 percent. The positive sentiment has led to large companies expanding their in-house legal teams and local law firms seeking legal professionals. International firms continue to view Malaysia as an attractive destination for shared service centres.

Sequential monthly analysis of job advertisements for professional positions placed in Q1 2013/Q2 2013:

	Hong Kong	Singa-pore	Japan	China	Malay-sia	South Korea	TOTAL
Jan-2013	147,515	117,902	301,111	4,590,936	22,868	240,847	5,421,179
Feb-2013	133,555	104,657	264,757	4,911,956	24,133	226,639	5,665,697
Mar-2013	173,115	109,259	305,993	5,683,525	28,367	235,128	6,535,387
Total in Q1 2013	**454,185**	**331,818**	**871,861**	**15,186,417**	**75,368**	**702,614**	**17,622,263**
Apr-2013	163,593	117,024	272,248	5,439,431	28,703	215,018	6,236,017
May-2013	173,145	118,160	253,208	5,775,565	27,865	259,189	6,607,132
Jun-2013	162,293	115,064	270,690	5,686,260	27,133	213,035	6,474,475
Total in Q2 2013	**499,031**	**350,248**	**796,146**	**16,901,256**	**83,701**	**687,242**	**19,317,624**
% change Q1 2013–Q2 2013	9.9	5.6	-8.7	11.3	11.1	-2.2	9.6
% change April 2013 – June 2013	-0.8	-1.7	-0.6	4.5	-5.5	-0.9	3.8

This is likely driving the demand for IT, operations and accounting professionals for back office positions. More recently, there has been a spike in demand from the oil and gas industry for professionals from across the skill spectrum, particularly for skilled technical functions.

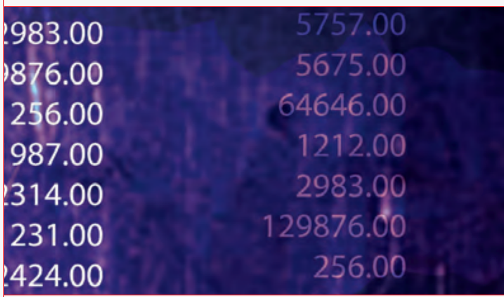
Changes in the Auditing Industry

Within the audit functions, there have been some key changes in the talent marketplace. The auditing industry in Malaysia is fairly matured with a small set of large firms dominating the market. Therefore, the demand for professionals in the financial reporting ecosystem is also intense. This scenario is compounded by the fact that many other economies within the region face similar challenges and source talent from Malaysia.

Also, it was noted that audit firms tend to stretch the working hours of their audit personnel, which could also compromise their effectiveness, thereby affecting the quality of work. This practice is viewed as one of the major drivers of staff turnover in audit firms. The Accounting Oversight Board of the Securities Commission Malaysia has been engaging professional accountancy bodies and institutions of higher learning to identify measures that could be implemented to ensure supply of talent.

PEOPLE MOVEMENT

- **Amitava Mukerjee** has joined Pacific Inter-Link Sdn Bhd as Head – Distribution Companies. He was earlier with Mother Dairy Fruit and Vegetables Ltd as Business Head – Milk.
- **Vishal Rao** has moved to Alcom as Managing Director from Novelis, where he was Director of Sales – Foil & Packaging.
- In an internal move at AIA, **Sainthan Satyamoorthy**, who was formerly the Head of Partnership Distribution, is now the Chief Corporate Solutions Officer.
- **Muru CM**, who was previously with Unilever as Finance Director – Customer Development (Sales) and Business Transformation, is now Global Senior Vice-President – Strategic Business Partnering and Business Controlling at Sinarmas Agri and Foods Business.
- **Jidesh Veeramachaneni** is now the Vice-President – Digital Plumbing at Astro Malaysia Holdings Bhd. He was previously the Business Development Manager for Amazon Web Services at Amazon.
- In an internal move at Novartis, **Arvind Mohan Mathur** has taken up the role of Head, Operations and Strategy, CSO. He was earlier the Franchise Head, Neuroscience and Ophthalmology (NSO).
- **Chandrasekar Sailesh** has joined Exicom Tele-systems as Director – Business Development and Solutions. He earlier held the post of Global Commodity Director at Schneider Electric.
- **Anand Govindaluri** is now a Consultant with The Wellcome Trust Limited. He was earlier Member – Board of Directors at UAL Biotech Pte Ltd.
- **Kapil Kapoor,** previously a Director at Global Discovery Academy, has moved to the Timex Group as Global Chief Operating Officer.



- **Tulika Tripathi** has joined Hudson as the Managing Director – India. She was previously Managing Director – Michael Page (India).
- **Rozaini M Sani**, who was earlier the CFO at PETRONAS Dagangan Berhad, has moved to Astro Malaysia Holdings Bhd as Group CFO.
- **Mahesh Neelakantan** is now the Chief Operating Officer of Advocacy Malaysia. He was earlier the Managing Director and APAC Hub Director at OgilvyAction Malaysia.
- **Ripa Rashid**, who was previously the VP, Global Workforce Diversity and Inclusion, Corporate Social Responsibility at Time Warner, has joined ICLIF Centre for Leadership and Corporate Governance as Director of Research and Curriculum.
- **Vijay Sreenivasan** has joined NetCracker as VP, Strategic Accounts. He was earlier the Business Development Director/Consulting Manager at Amdocs.

Credit watch

Hurt by rising bad debt and cases of non-compliance, the sector is facing closer RBI scrutiny, and is in process of strengthening all aspects of compliance and risk management. There will accordingly be rising demand for compliance and credit-risk professionals

BY ARJUN ERRY AND RAHUL BHAT

The current economic slowdown coupled with deteriorating asset-quality and lacunae in credit-underwriting has led to a souring of corporate loan books. Gross Non-Performing Assets (NPAs) have risen sharply, and particularly hard-hit have been capital intensive sectors such as infrastructure, resources, capital goods, automotive, aviation, etc., due to rising debt levels. This, in turn, has made a serious dent in banks' profitability.

Instances of large-scale defaults came to light when credit facilities were extended to firms without requisite due-diligence. In a recent case involving Winsome Diamonds, letters of credit were offered by banks which now need to be written off due to a default.

The major factors that lead to rising NPAs are:

- A general economic slow-down, coupled with rising interest rates and a weakening currency
- Credit-worthy corporations not borrowing much, or raising funds from non-banking channels such as bonds, money markets and overseas debt
- Aggressive targets set by banks on corporate banking teams

In order to improve credit standards, banks have therefore come up with a distinct set of interventions:

- Strengthening the loan-recovery and Corporate Debt Restructuring (CDR) teams to push defaulters to pay, and also to sell-down loans to asset-reconstruction companies (ARCs)
- Strengthening credit-risk systems

Reserve Bank of India scrutiny

The money-laundering allegations by news portal Cobrapost against a number of banks earlier this year resulted in the RBI carrying out scrutiny of books of accounts, internal controls, compliance systems and processes of several banks. The scrutiny revealed violations of certain regulations and instructions set by RBI. The violations included non-adherence to Know Your Customer and anti-money laundering norms, and non-compliance with instructions for import of gold on consignment basis, instructions on sale of gold coins and demand-drafts and instructions on permitted credit to non-resident accounts.

A major driving factor for these violations is the immense pressure put on wealth management teams to generate revenues. With drastic cuts in sales commission payable by mutual funds and insurance companies, there has been a sudden rush to sell aggressively. In addition, the moribund capital markets have increased the investors' woes, causing a sudden halt in investment activities and the resultant pressure on the sales teams.

Corrective measures

The initial step has been to improve the hiring processes so as to identify individuals who would be reasonably aggressive without compromising established norms. Simultaneously, there has been an increased focus on strengthening the compliance teams. The operational risk function teams are also under the scanner to improve threat assessments and reduce violations arising from technology and operations.

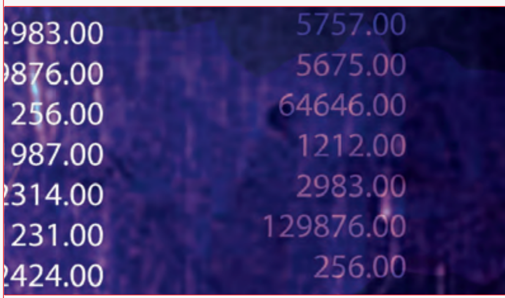
Hiring trends

In the aftermath of the business pressure on banks, demand for talent in loan recovery and loan structuring is at an all-time high; anecdotally noticeable was State Bank of India's top-brass providing clear instructions to loan-recovery staff to follow borrowers until recoveries were made in full.

We see a sudden demand for creating a new cadre of compliance professionals, with strong understanding of operations and a natural affinity to good governance. We also see a rise in demand for credit-risk professionals. Simultaneously, banking operations and supporting technology will continue to act as abackbone, which would pass through the scanner of skilled operations risk professionals. In conclusion, trying times call for a more disciplined use of processes and systems.

PEOPLE MOVEMENT

- **Sameer Ratolikar**, Chief Information Security Officer, Bank of India, is now with Axis bank in a similar role.
- **Bikram Rishi**, Head of Consumer Bank, Oman, has joined Muscat Finance as CEO.
- **Gajendra Hindurao**, Head, Internal Audit, Rabo Bank, has joined Bank of Tokyo, Mitsubishi, UFJ,in a similar role.
- **Linus Dsouza**, Vice-President (Operational Risk) at Barclays Wealth, India, has joined HSBC as Senior Vice-President (Operational Risk Management).
- **Roshan Kumar**, Chief Business Technologist and Head (IM Tech) JP Morgan Chase, is now with Barclays as Director, Head of Wealth and Investment Management Technology.
- **Vinay Rustagi**, earlier the Director-Project and Export Finance, India at Standard Chartered Bank is now with Sun Terrace as CEO.
- **Gurmeet Mongia**, who was previously with American Express as Director, USA has joined Barclays as Vice President, Financial Controller-Corporate and Investment Banking, India.



- **Ayman Elsonbaty** who was earlier with Barclays as Director, Head of GRE's GCC, has moved to Merrill Lynch as Director-Global Corporate and Investment Banking, UAE.
- **Dinkar Raj** has joined ANZ Bank as Director-Business Execution and Development Singapore. He was previously with Standard Chartered Bank as Program Manager, Singapore.
- **Keith Magnus** is now with Evercore Partners as Senior Managing Director, Singapore. He was earlier with Union Bank of Switzerland (UBS) as Chairman and Head of Singapore and Malayasia Investment Banking.
- **Philip Lee** has joined Deutsche Bank as Chief Country Officer, Singapore and Vice Chairman, South East Asia. He was previously with JP Morgan, Asia Investment Banking as Senior Country Officer, Singapore and CEO, South East Asia Investment Banking.
- **Andrew Géczy** who was with Lloyds Banking Group as the CEO Wholesale Banking and Markets, UK has moved to ANZ Bank as CEO International and Institutional Banking, Australia.

Mixed bag of goodies

While agency and broking channels are growing, the direct-sales channel is declining. Hiring trends indicate demand for insurance professionals from mature markets North America, Europe and Japan. Professionals related to consumer-internet, social-media and digital-marketing will be in demand

BY **ARJUN ERRY** AND **YVO METZELLAR**

The gross written premium (GWP) in General Insurance for April-November 2012 was ₹444,510 million (US $8,386 million). The corresponding figure for the last fiscal was ₹372,350 million (US $7,025 million). The graph on the right compares the GWP for Non-Life Insurers.

Key insights

- Nearly all insurers succeeded in lowering their net loss-ratios for Motor, Property and Marine in H1 of the fiscal.
- Net loss ratios of most insurers for Health have risen in H1 of 2012-13.

On the distribution side, the agency and broking channels are growing, whereas the direct-sales channel is declining. Several key regulatory changes are expected to have far-reaching impact, including:

- Revised IPO norms
- Regulations for bancassurance
- Streamlining the accounting process of general insurance companies
- Centralised database for health claims

Insurance Regulatory and Development Authority (IRDA) has revised the regulations on bancassurance; this is expected to give more flexibility to banks and insurers.

According to the proposed norms, a bank will be allowed tie-ups with a particular life, non-life and health insurer at a minimum of 10 and a maximum of 20 locations. For the remaining areas, the bank will be free to seek different partners.

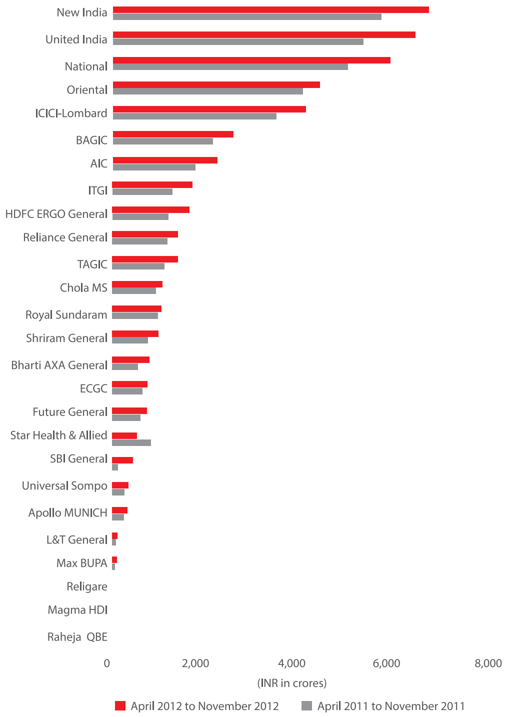
IRDA may relax the ceiling on overall expenses. This will give insurers greater flexibility to expand their operations and an enhanced ability to increase remuneration. General insurance companies are pitching for an increase of expenses – from the current 28 percent of the gross direct premium to 32.5-37.5 percent. Interestingly, management expenses alone account for 20 percent.

Impact on talent

On the basis of the above, the following impact is expected on the talent front:

- Insurers may have greater flexibility to increase remuneration for management personnel. This will allow them to attract senior talent from near-shore, i.e., Dubai, Singapore and Hong Kong.

Comparison of GWP by Non-Life Insurers



- The orientation of distribution away from agency towards alternate channels will pressure insurers to hire senior non-agency distribution talent, including from more mature Asian markets.
- The increased penetration of internet will pressure insurers to hire professionals with a deep understanding of consumers across internet, social-media and digital-marketing.
- The availability of richer customer-data provides insurers with an opportunity to improve customer-segmentation. Accordingly, insurers will need to hire senior professionals for customer-insight/big-data/analytics.

Insurance in Asia – penetration and innovation

One of the key reasons for relatively low insurance penetration rates in South East Asia is that insurers have not expanded beyond mainstream offerings, such as motor, home, travel and health. According to PricewaterhouseCoopers, insurance penetration rates across Asia stand at just 6.1 percent, for both life and general products as a percentage of GDP. Meanwhile, the life side of insurers' business is booming on the back of growing wealth in South East Asia.

The relatively younger population in many Asian countries also means that there is a lack of awareness of different insurance products among consumers. Insurance in the region remains a 'push' industry, in which intermediaries need to raise awareness about the need for insurance.

Product innovation

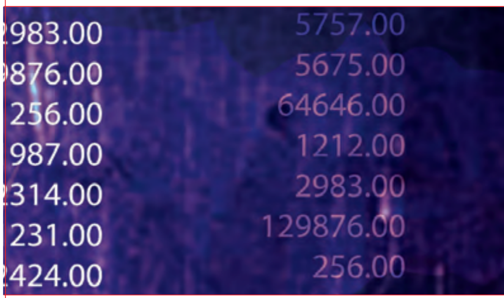
Despite the emphasis on core products, there are examples of product innovation. In Hong Kong, the majority of general insurers offer maid insurance. Meanwhile, golf insurance offers protection for everything from having your clubs stolen, to having to buy a round of drinks in the clubhouse after hitting a hole-in-one. Mobile phone and smartphone protection is also popular.

We expect insurers in Asia to continue to invest in quality talent on the distribution side, as well as improve their underwriting policies and product development. In this, we see a trend for a greater number of insurance professionals from mature markets (North America, Europe, Japan) taking up roles in Asia.

PEOPLE MOVEMENT

APAC

- **Ollivier Goualou** has moved on from SCOR Global Life, where he was Managing Director – Asia Pacific, Singapore, and joined Arch Reinsurance Ltd as Senior Vice-President – Life, Asia Pacific & Middle East Zurich, Switzerland.
- **Stephan Rajotte** has left Samsung Life Insurance, where he was Executive Vice-President (Busajang), Head of International Operations, Hong Kong, to join Das Group as its CEO, Hong Kong.
- **Bundit Kenny Jiamanukoonkit** Chief Distribution Officer, Siam Samsung Life Insurance, Bangkok, is now President and CEO, Thai Samsung Life Insurance.
- **Wael Al-Sharif** has quit MetLife Alico, where he was General Manager, KSA, Egypt and Jordan, to join Takaful Emarat-Insurance (P.S.C) as CEO, Dubai.



- **Patrick Cheah** has joined RHB Bank as Head of bancassurance, Kuala Lumpur. He was previously with AmLife Insurance Berhad as Chief Marketing Officer, Selangor, Malaysia.

India

- **Raghavan KS** has left MetLife Insurance, where he was Chief Operating Officer, and joined Star Union Dai-ichi Life Insurance as Executive Vice-President – Operations and Service Delivery.
- **Sandeep Shrikhande** is on board Kotak Mahindra Pension Fund as Chief Executive Officer, moving on from Kotak Mahindra Old Mutual Fund Life Insurance, where he was Senior Vice-President, Head Group Business.
- **Anand M** has resigned from his position of Senior Vice-President and Chief of Partnership Distribution at Tata AIA Life Insurance Company, and joined HDFC Standard Life Insurance, as Senior Vice-President – Bancassurance.
- **Subhrajit Mukhopadhya** has left ING Life Insurance, where he was Senior Vice-President, Head of Product Management and is now on board Avantha Ergo Life Insurance as Chief Actuary.

Winds of change

With HNIs turning cautious, APAC is witnessing a focus on relationships and rise in demand for experienced wealth managers. In India, the proposed SEBI moves can be a game changer and bring about the much needed consolidation

BY **PRAFUL NANGIA** AND **ARJUN ERRY**

The rising number of dollar millionaires in the Asia Pacific indicates that the region has gained strategic importance among all major players. A recent survey by PricewaterhouseCoopers indicated that all firms now prefer the growth strategy of hiring experienced wealth managers. The same survey also indicates that bankers expect revenues to grow by 23 percent in 2013-14 and 21 percent in 2014-15, suggesting that the demand for talent can only grow.

The current situation has already resulted in a demand–supply mismatch on the talent side. Firms are now keen on hiring senior managers who bring their book of clients along, thereby turning profitable sooner.

Focus on relationships

The region's High Net Worth Individuals having burnt their fingers once, have turned cautious about their bankers and are now more informed. Their increasing 'stickiness' to wealth managers is seen as one of the major causes of rampant poaching. As a result, the cost margins in the industry are being squeezed. This leads us to believe that the product itself is no longer the king. In a way, the industry could be seen as transforming itself to focus on relationships, which was the norm a few decades ago.

Corporate bankers in limelight

Many organisations are looking to innovate in this scenario. While private banks would have previously hired and trained individuals from broader wealth managers such as HSBC or Citibank, they have now shifted focus to corporate bankers who would bring along their book of clients. It now remains to be seen if the corporate bankers can adjust to the new game. A number of organisations are also institutionalising their campus recruitment strategy to build a strong, home-grown leadership pipeline.

The Indian scenario: SEBI developments

Developments over the past six months include:

1. The Securities and Exchange Board of India (SEBI) has proposed a ₹1 billion minimum capital outlay, a 10-fold increase from current norms, to dissuade non-interested players.

HUNT PARTNERS

PEOPLE MOVEMENT

- **Andreas Mondovits**, who was previously the Managing Director, Global Head Business Development - Global Real Estate at UBS Global Asset Management, is now Global Head of Marketing & Client Relations (London) at Intermediate Capital Group.
- **Uday Suri** is now National Head - Sales & Distribution at Tata Asset Management. He was earlier with BNP Paribas Asset Management as Head - Sales & Marketing.
- **Nitin Singh** has moved to HSBC Bank as Senior Vice President & Head, Investment Advisory Group, Private Banking. He was earlier Senior Vice President & National Head, Wholesale Distribution at HSBC Asset Management.

- **Rohit Bhuta**, who was the CEO of Religare Macquarie Wealth Advisors, has resigned and moved to Singapore.
- **Sriram Iyer** has moved up the ladder at Religare Macquarie Wealth Advisors to become the Chief Business Officer. He was earlier the Head of Sales.
- **Sanjiv Sud** has moved to HSBC Bank as the Head of Retail Banking. He was previously Head of Consumer Assets at HSBC Asset Management.
- **Benedicte Chretien** has joined Edmond de Rothschild as the Global Head of HR. She was earlier part of AXA Investment Managers in the same function.
- **A Murugappan**, previously the Head of UTI Capital's infrastructure fund, is now the Managing Director – Asia Fund Team at CDC Group.
- **Deepak Khanna** is now the Head - Wealth Development at HSBC, Singapore. He was earlier Senior Director, Head of Wealth Management at ANZ, Singapore.

2. Another SEBI proposal propagates 'seed capital' for mutual funds.

If these proposals are accepted, they could be a game changer for the industry with fund houses in the bottom ten of the Assets Under Management (AUM) rankings feeling the maximum heat. The stiffer capital outlay would make it tougher for smaller funds to survive and could increase the pace of the much needed consolidation in the sector.

If the moves make the game harder, the proposal allowing fund houses to bid and manage pension and savings funds could bring back the much needed focus on retail investors. While 3.5 million retail folios were lost in the first half of the current financial year, debt funds continue to attract retail investors.

In AUM terms, corporates continue to dominate the sector with a 49 percent share followed by HNIs controlling a 30 percent share, while retail investors hold 19 percent. Against this backdrop, the recent SEBI move mandating colour coding mutual fund schemes is seen as a positive move and should get fund houses to focus on building investor confidence through additional investor awareness programmes.

Alternate investment models

As mentioned in the previous edition, a number of fund houses are now considering alternate investment models. With increased acceptance of the online model in the insurance and e-commerce space, there would unlikely be any barriers in AMCs taking advantage of this channel. From a talent perspective, this indicates investments in key functional areas such as that of a Chief Marketing Officer. An empowered and capable CMO with a good budget would be a valuable addition to maximise returns from these new channels. A similar strategy in the insurance space has been successful and should encourage this move.

With only 16,000 distributors controlling the trade, a direct sales model could enable the mid and small-sized fund houses to reach out to the customer, especially in Tier II and Tier III cities. This model, perfected by the FMCG giants, has paid rich dividends and could enable the early birds to capture a major share of the market. Reserve Bank of India's efforts to issue new banking licences to address these untapped, semi-urban areas will likely help build the requisite infrastructure which could address most requirements.

Fillip to growth

With the Electronic Payments industry witnessing robust growth, opportunities for leadership talent will arise across functions related to mobile and online payments, ATMs and POS terminals

BY **SURESH RAINA**

The Electronic payments industry continues to see robust growth, aided by RBI's proactive initiatives such as financial inclusion, reduction of cash transactions and bringing payment and settlement systems in the country on par with international standards.

Demand driven growth

The demand for quality manpower in the Electronic Payments industry will continue to grow. In the past, factors driving this growth were ATMs, net banking and Point-of-Sales terminals, with mobile banking being the latest addition. Similarly, other influencing factors such as loyalty cards, e-commerce and analytics will aid consumer engagement, further helping the industry. A quick assessment of the various payment channels reveals the following:

POS: The deployment of POS terminals has grown steadily, more recently taking a boost from an energetic State Bank of India. Over the next 12 months, POS deployments should witness a rise to over one million, with a significant number of installations in Tier II and Tier III cities. Companies that have witnessed steady growth include ATOS, Firstdata and Global Payments.

With Axis Bank planning to monetise its acquisitions business, more action is expected in this space. Among Indian firms, Prizm, TCBIL and AGS are also growing, while new players are keen on entering India, such as Network International through its subsidiary Times of Money. In order to enable POS transactions through phones, new technologies are being introduced by Verifone and Ingenico. As a result, opportunities are opening up for leadership talent in product application, technology and operations.

ATM: The Ministry of Finance (MoF)-led ATM project, which aims to set up over 60,000 ATMs, has strengthened the ATM base significantly, giving a fillip to growth. This number is likely to double in the next 12 months, driven primarily by the PSU banks. The initiative is being led by companies like NCR, Diebold, AGS, TCBIL and Prizm.

White Label ATM deployment has begun with Tata Indicash closely followed BTI Payments and will see another 12 licensees commencing operations over the next 12 months. Newer players like Mphasis and CMS are also striving to win orders.

Significant hiring is expected in business roles, managed services and operations, with the ATM base projected to expand to over 2.25 lakh by 2015. With deployments focused more on the Tier II and III cities, operations and logistics will become crucial for growth in non-metro cities. Significant emphasis on technology, analytics and operational excellence will drive the need for talent in this sector.

On-line Payments: India's rapidly growing e-commerce segment is evolving with dozens of start-ups testing their mettle in a bid to win customers. This is further driving the need for innovation. International players like Ogone and Naspers are looking to ride on the rapidly increasing internet user base, with RBI mandating banks on increasing debit card issuance and the launch of new platforms for enabling transactions. Banks and Non-Banking Financial Companies are also eyeing this market by designing customised consumer credit offerings, which will further give a boost to growth.

We are already witnessing leadership opportunities emerge in areas such as technology, system integration and business development.

Mobile Payments: The segment is growing, albeit on a small scale. Both mobile banking and mobile wallet are seeing plenty of action, with multiple players gaining a foothold. Several carriers are offering services like M-Pesa, Airtel Money and Mobile Money, to name a few. The linking of Aadhaar to the mobile payment network will give a much-needed boost to the sector. Several global players including Movida, Fortumo and Square have shown a keen interest in India. Indian companies such as Ezetap Citrus Pay and ZaakPay are some of the many start-ups attracting investor interest and capital.

PEOPLE MOVEMENT

- **Raja Rajamannar**, WellPoint's Executive Vice-President and Senior Business and Chief Transformational Officer, has jointed MasterCard as Chief Marketing Officer.
- **Sanjeev Sandhu**, previously the Assistant Vice-President, Business Development (South Asia) at Ingenico, is now Director – Vertical Sales at Verifone.
- **Rajan RV,** Head – POS Operation, Prizm Payment, is now Head – Business Development at QuantumAeon Embedded Systems.
- **Amitabh Jaipuria** has joined AGS Transact as CEO, Banking Business. He was earlier the Managing Director at Monsanto.
- **Avinash Yeole** has moved to NiSa BMC as Business and Management Consultant. He was earlier associated with Wincor Nixdorf as the Head – Banking Products.
- **Sanjeev Patel**, previously the Executive Vice-President & Head – Strategic Initiatives at HDFC Bank, is now CEO at Tata Communications Payment Solutions.

- **Vishal Sharma** has taken up the role of Director – Operations & Project at Castech Group. He was earlier associated with Financial Software & Systems in the capacity of Head – Project Delivery.
- **Anurag Nigam**, previously the Director – Services at Diebold, has joined Tata Communications Payment Solutions Limited (TCPSL), previously known as Tata Communications Banking Infrasolution (TCBIL), as Vice President and Chief of Operations.
- **Amit Tyagi** has joined MphasiS as Vice-President and Head – Customer Relations, Payment Management Services. He was earlier with NCR Corporation as Assistant Services General Manager.
- **Gopinath Malliah**, former Vice-President of Cashlink Global Systems, is now with CMS Infosystems as Head – ATM Services.

Trends in compensation

Base compensation for a senior client-advisor has gone down significantly over the past three years. Variations can also be observed based on the type of market participant in wealth management

BY **Arjun Erry**

The largest percentage of any client-advisor's remuneration is driven by his or her book-size, i.e. assets under management (AUM). In addition, client-advisors are given 'bonus' points for product development. Most private banks pay the client-advisor an amount comprising one-fourth to one-fifth of their fee-income. So, assuming a banker manages an AUM of ₹5,000 million, the fee-income to the bank will be ₹40 million; thus the banker would be paid somewhere between ₹8-10 million.

Trends in remuneration

There is a distinct gradation of the AUM/fee-income targets depending upon grade or seniority, as shown in **Table A**.

Decline in total compensation

The total compensation has gone down over the past three years. Our analysis shows that base compensation for a senior client-adviser could be as low as one-fourth of their total compensation. Additionally, performance-pay has also reduced given that:

i) AUMs have shrunk
   a. As a result, net-new-monies have tapered off
   b. Capital appreciation of existing investments hasn't taken place

ii) Fee-income has declined
   a. In the period leading up to 2010, fee-income equalled 110 to 120 bps of AUM
   b. The realistic number now is 70-80 bps

Remuneration across wealth management platforms

We see three distinct categories of market participants in the wealth management sector. These are:

i) Indian branches of global private banks
ii) Private-banking arms of Indian private-sector banks
iii) Wealth-management arms of Indian NBFCs

On the basis of the above assessment, we see distinct compensation variations amongst different categories.

Remuneration from global private banks for their client-advisors is extremely linear. That is, the compensation of a client-advisor is closely linked to her or his fee-income for the bank. Further, base pay is determined by grade.

Table A: Remuneration of client-advisors based on seniority

Grade	Profile	Role	AUM Target	Revenue Target	Total Compensation
			INDIA		
Senior Client Advisor	15+ years of work experience, of which at least 7 have been in the wealth management industry	• Maintain and grow the client base • Develop, train and mentor junior client advisors • Help structure products • Promote visibility of the bank among target communities	₹2,500 – 5,000 million	₹25 – 50 million	₹6.25 – 12.5 million
Junior Client Advisor	Approximately 5+ years of work experience	• Maintain and grow the client base in terms of: -Number of clients -AUM -Revenue	₹1,000 – 2,500 million	₹10 – 25 million	₹2.5 – 6.25 million
Fresh Client Advisor	Freshers from MBA schools or qualified Chartered Accountants	• No independent targets. Assigned to a team with a senior client advisor as a mentor. Needs to learn processes, products, start his own client base and farm some existing clients	NA	NA	₹2.5 – 3.5 million

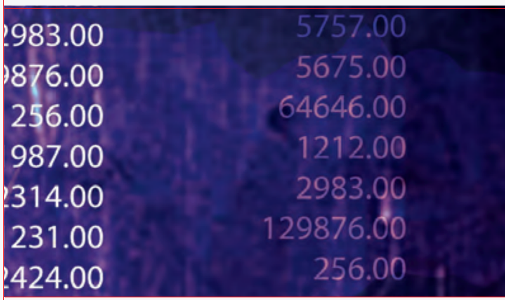
Table B: Total remuneration and base salaries across wealth management platforms

Grade	Profile	Role	Banks/ Institutions	Total Compen-sation
			INDIA	
Senior Client Advisor	15+ years of work experience, of which at least 7 have been in wealth management industry	• Maintain and grow the client base • Develop, train and mentor junior client advisors • Help structure products • Promote visibility of the bank among target communities	MNC Private Banks	₹14-22 million
			Indian Private Banks *India Head - WM	₹8.5-13.5 million
			Domestic Institutions *Regional Head	₹6-10.5 million

The private banking arms of the Indian private sector banks tend to be less linear, and there is more variation in the base compensation between client advisors.

PEOPLE MOVEMENT

- **Ranjit Menon** has moved to RBS Private Banking, part of the Royal Bank of Scotland Group, as the Market Head, South India. He was previously associated with Franklin Templeton AMC as the Regional Sales Head, Tamil Nadu and Andhra Pradesh.
- **Jayant Malhotra**, previously the Vice President at Citi Private Bank, is now Senior Private Banker at ING Private Bank.
- **Luo Liuyi** has joined Credit Suisse Group AG as Managing Director, Private Banking, APAC and Market Leader – Greater China. She was earlier with China International Capital Corporation Hong Kong Securities as Managing Director and Head of Ultra High Net Worth Management Team.
- **Jeffrey Benjamin** is now Managing Director, Client Advisory, Singapore at Bank J. Safra Sarasin. He was previously the Managing Director, International Private Wealth at HSBC Private Bank (Suisse) SA.
- **Benjamin Pedley,** who was earlier the Head of Investments at UBS Wealth Management, is now the Head of Investment Strategy, Asia at HSBC Private Bank.
- **Hans Diederen** has moved to Crédit Agricole Private Banking as CEO, Private Banking, Asia. He was earlier Head, Wealth Management, South East Asia at Bank of America Merrill Lynch.



- **Watty Buwanawati** has joined Coutts as Executive Director, Business Development, Indonesia Market. She was previously associated with Deutsche Bank as Head of Private Wealth Management, Indonesia.

The wealth management arms of Indian NBFCs remunerate the client advisors on a wider product range. For example, the allocation to real estate will also qualify for the client advisor's remuneration.

Table B demonstrates the differences in total remuneration as well as base salary amongst the three categories of players.

High on the list

Asia is high on the radar of growth opportunities for global medical devices companies. The Indian market is relatively nascent, but with emerging local players and better regulations, it has tremendous potential to be harnessed

BY **PRAFUL NANGIA**

Asia continues to be on the expansion list for all medical devices multi-national corporations (MNCs). The increasing pressure to establish a footprint in new regions has now been replaced with the pressure to maintain and expand in an increasingly sophisticated market. Only recently, Asia was considered a 'hardship post', with incumbents doing everything in their capacity to return to their homeland. Today, the presence of an Asian stint in the resume is considered essential for a successful international career.

Country-focussed hiring: The new flavour

The past few decades have seen the 'back waters' mature and now have their own set of complexities. Most global medical devices companies are now increasingly looking at locals to fill in leadership roles in the region so that they can better understand and identify with the culture. Continued investments contrasted with a corresponding dearth of trained talent has meant that retention has become a key factor. Another interesting trend observed is the shift from a region-centric to a country-focussed hiring philosophy.

A growing market

According to a recent report from the India Semiconductor Association, India's medical device market, with 700 companies, is currently the fourth largest market in Asia and among the top 20 in the world.

Recent reports by other industry bodies also reiterate that the Indian medical devices and equipment market is expected to grow at a CAGR of 15.5 percent and would be valued at US $7.8 billion by 2016. Enhanced healthcare penetration to the country's markets and adoption of health insurance is expected to fuel this growth.

At present, the Indian medical devices industry forms a tiny segment of the total manufacturing industry, accounting for only 0.2 percent of all certified facilities. State sponsored financial support in the form of benefits, technological advancements and policy changes will augur well for India to build a global competitive edge in the sector.

Collaborative trends across these two segments are visible through deals and acquisitions, setting up of local manufacturing units by large international players, and other technical alliances. However, the question remains whether this outlook is enticing global majors to invest in manufacturing or R&D in the country.

Ground realities

Interactions with senior business leaders provide an interesting insight into the ground realities. Publicly available data suggests that most US-based MNCs are growing at 8-10 percent in their home market and India. With a large customer base and the convenience of conducting business in a regulated market, there is little incentive for them to invest in India. The hiring trends in the country mirror this trend, with almost all hiring restricted to sales and marketing roles.

However, this scenario may change with improved demand including offtake for country-specific products. The advent of innovative domestic companies and the creation of the Central Drugs Authority of India can underpin this transformation.

With most pharmaceutical companies having completed their aggressive hiring for leadership roles over the past two years, growth opportunities for talented business leaders are now capped in the industry. As the pharmaceutical sector comes of age, it is now more receptive to opportunities in medical devices space.

The friction between most MNCs and the Indian regulator has shed light on the inability of MNCs to negotiate through the bureaucratic process. Several progressive companies are now exploring the option of constituting an Advisory Board to assist regional and local leadership in various processes. We expect this trend to cause a surge in demand for accomplished professionals as increasingly more companies warm up to this concept.

PEOPLE MOVEMENT

- **Alex Chang**, previously with Novartis as Head, Asia Cluster has moved to Ferring Pharmaceuticals as Senior Vice-President – APAC.
- In an internal move at Boston Scientific, **Deep K Tankha** is now the Business Unit Head – Endoscopy. He was previously Head - Strategy and Market Development, India.
- **Rudy Van de Walle** has retired on September 30, 2013 after holding the position of General Manager – Emerging Markets Region at Carestream Health.

- **Ganesh Nair**, the former Vice-President – Primary Care, Diabetes & Public Market Business at AstraZeneca, is now the Managing Director of BSN Medical (Beiersdorf Smith & Nephew), India.
- **YS Prabhakar** has moved to Becton, Dickinson and Company as Business Director. Earlier he was Director – International Business at Hach Company.
- **Premal Pandya** is now the Chief Operating Officer at Centre For Sight, after holding the post of Director – Orthopedics & Neuro Spine at Stryker.
- **Charu Mittra** has joined Stryker as the Director – HR. She was earlier with Citibank as Vice-President – HR.

Healthy outlook

The healthcare industry has transformed into a provider of complete health services delivery, attracting the attention of PE firms and corporates. There is robust demand for senior roles and functions ranging from IT to operational efficiencies are gaining focus

BY **Anne Prabhu** AND **Rajesh Kumar**

The healthcare delivery space has metamorphosed from merely constituting 'hospitals' or 'treatments' to offering a complete service delivery model comprising pre- and post patient care, rooms, telemedicine and other services. Healthcare in India is receiving a shot in the arm from robust demand, interested Private Equity (PE) players and government intervention.

A valuation game

On the flip side, healthcare delivery has become more of a valuation game with the sector witnessing intense deal activity over the past two quarters. According to PricewaterhouseCoopers estimates, the Indian Healthcare Industry requires ₹1.63 trillion of investment. With such tremendous scope, PE firms and corporate houses are keenly eyeing the sector. Mentioned below are some of the major deals of the past few months:

- Apollo Hospitals attracts investment of ₹550 crore from US-based KKR
- Medi Assist Healthcare receives ₹125 crore from IDFC Alternatives
- Dabur strikes ₹200 crore deal with UK-based Healthcare At Home
- HealthCare Global, backed by Azim Premji's PremjiInvest and Temasek is seeking to acquire Sterling Hospitals
- Reliance Foundation is developing a multi-speciality hospital in Mumbai
- The government of Assam to open a cancer institute with the Tata group and Hindustan Unilever under the public private partnership model

There is increasing pressure on the bottom line of companies due to the long gestation period and involvement of PE firms. Due to this, some disinvestments have also taken place. For instance, Fortis Healthcare has divested its entire stake in Hong Kong's Quality Healthcare for US $355 million, as well as its stake in the Vietnam hospital chain Fortis Hoan My Medical Corp for US $80 million.

COOs in demand

There is robust demand for senior level talent due to expansion in the sector and requirements are also arising due to the several challenges faced in the industry. The need to improve operational efficiencies is another factor fuelling demand in this space.

PEOPLE MOVEMENT

- **Dr Harish Pillai** is now the CEO of Aster Medcity. He was earlier the CEO of As-Salam International Hospital Cairo, Egypt.
- **Pushpam Kashyap**, who was previously the Head - HR of Fortis Hospital, Shalimar Bagh, is now the Group Head – HR of Rockland Hospital.
- **Gaurav Malhotra** has moved to Bourn Hall International as the India CEO. He was earlier the Managing Director and CEO of Patni Healthcare Limited.
- **Michael Stroud** has joined Lifeline Healthcare as the Group CEO. He was previously the CEO of Healthcare Partners, Dubai.

- **Sunil Kapur**, who was Director – Business Development & International Business for Nova Medical Centres, is now the Director – Business for Rockland Hospitals.
- **VP Kamath** has taken up the position of Group Chief Operating Officer at Nova Medical Centres. He was earlier the Chief Operating Officer for Wockhardt Hospitals.
- **Kesavan Venugopalan** has joined Narayana Hrudayalaya as the Group Chief Financial Officer. He was earlier associated with Wipro as the Senior Vice-President and Corporate Controller.
- **Dr Sandeep Chatrath** is now the CEO of Dharamshila Hospital and Research Centre. Earlier, he held the position of Group Chief Operating Officer at Metro Hospitals and Heart Institute.

Increasingly, more companies are looking to fill Chief Operating Officer (COO) roles to ensure enhanced operational efficiencies. Nova Medical Centre recently appointed VP Kamath as the Group COO to look after operational efficiencies across their multiple centres. Enhancing the top line demands business development skills and integration through mergers and acquisitions, etc.

IT in the spotlight

Information technology, currently at a nascent stage in India, will also attract talent in healthcare and requires special focus. Apollo Hospitals, which is already running a telemedicine project, has now signed a MOU with the government's Common Services Centres (CSC) Scheme to increase penetration in rural areas through virtual clinics. Interactive applications that aid effective care delivery will be in strong demand.

Medical to wellness tourism

After establishing itself as a hub for medical tourism, India is now transforming to a wellness tourism destination and is focussing on medical townships. According to an SRI International research study, India is expected to become the leader in growth in wellness tourism trips by 2017.

The wellness tourism industry is currently estimated at US $439 million. A model medical township comprising nine multispecialty hospitals, cafeterias, guest houses, a convention centre, etc., is being developed in Kochi, Kerala. These developments have resulted in a spurt in demand for wellness professionals.

Quality orientation needed

Globalisation has facilitated movement and transfer of materials, technologies and standards across borders. As a developing country, India routinely comes under the scanner of global regulatory authorities with regard to its quality practice. Going forward, we expect companies to be more stringent in maintaining quality standards, which will drive the need for suitable talent.

Key business challenges such as revenue growth, cost containment, and sustaining competitive advantages are fuelling demand for talent. However, to facilitate cross-pollination of ideas, businesses are looking to hire across industries, geographies and cultures. Organisations are striving for a streamlined and innovative talent acquisition and retention process, thereby also creating a need to build a more robust human resources function.

Riding high on success

Aided by increased investor interest, the Indian pharma sector is moving up the growth curve. In light of recent developments, there is a heightened focus on quality and thereby, corresponding talent

BY **ANNE PRABHU** AND **SAURABH COAKLEY**

India's pharmaceutical sector is firmly on its growth trajectory. With pharma companies spreading their reach far and wide in the country, the scope of the industry, currently valued at ₹72,000 crore, is tremendous. The sector is currently registering good growth and is expected to average it to 10-12 percent for the 2013-2014.

The interest displayed by foreign players like US-based drug maker MSD, and government actions like multiple Foreign Direct Investment clearances have created positive sentiments across the industry. At present, companies with investments in the Indian pharma space include Fresenius Kabi Oncology's acquisition of its Indian subsidiary and its subsequent delisting, Calyx Chemicals & Pharmaceuticals with a deal size of ₹200 crore, Smith & Nephew with an investment of ₹142.29 crore and Celon Laboratories' ₹12.55 crore deal.

Riding the growth wave

Indian pharma companies are riding the growth wave and have charted out robust expansion plans. Some of the major announcements and developments are:

- Hyderabad-based pharmaceutical firm Granules India acquires Auctus Pharma.
- Piramal Enterprises' acquisition of over-the-counter dermatology brand Caladryl in India from Valeant Pharmaceuticals Inc for an undisclosed sum.
- Sale of Unichem Laboratories' Indore-based Special Economic Zone plant to generic and specialty pharmaceuticals maker Mylan Laboratories for ₹161 crore.
- Private equity firm Actis Capital's ₹295 crore investment in Indore-based Active Pharmaceutical Ingredients (API) company Symbiotec Pharmalab.
- Natco Pharma's seven percent stake sale to CX Partners against an investment of US $25 million.

The cases of the Form 483s

However, setbacks like the Ranbaxy Laboratories' case in the US regarding drug safety have resulted in stricter quality control and inspections by US Food and Drug Administration (USFDA) and other authorities.

HUNT PARTNERS

PEOPLE MOVEMENT

- **Meheriar Patel** has joined USV as Chief Information Officer from Globus, where he was the Chief Technology Officer and Head of e-commerce.
- **Sandeep Puri** has moved to Dr Reddy's Laboratories as Vice-President, Head – Engineering & Projects, Global Generics and Formulation – Technical Operations India. He was earlier with Tata Consulting Engineers as Vice-President – Projects & Engineering, SBU Head (Pharma, F&B, FMCG & Industrial).
- **Narendra Ambhaikar** is now Director – Research and Development at Piramal Healthcare. He was previously with Sai Lifesciences as Director – Route Scouting, Process R&D.
- In an internal move, Sanofi India appointed **Bhaswati Mukherjee** as Director – Medical Affairs (Diabetes). He was earlier looking after Cardiology and Thrombosis.
- **Dr Chandrasekhar Sripada** has joined Dr Reddy's Laboratories as President & Global Head of HR. He was earlier associated with IBM as Vice-President & Head – HR, India/ South Asia.
- In an internal move at Zydus Cadila, **Prashant Sharma** has been appointed as President – HR & Corporate Communications. He was earlier Senior Vice-President – Global Demand-Supply Organization & Global IT.
- **Neeraj Garg** moved to Apollo Health and Lifestyle as CEO from Abbott Labs, where he was the Director – Global Strategy (Established Products Division).

A majority of drug manufacturers belong to small and medium businesses, and have the onus to strengthen their quality systems and processes. USFDA's Form 483s, which highlight concerns after an inspection, continue to be in news with firms such as Wockhardt, Strides Arcolab, RPG Life Sciences and Fresenius Kabi Oncology coming under the scanner.

Demand for talent set to rise

With the increased focus on quality, corporate quality and regulatory affairs are expected to witness a spurt in talent with increased hiring on the horizon. As the Indian pharma industry witnesses increased scrutiny, the going will get tough for companies seeking regulatory clearances. Hence, streamlining the quality function would be top priority for pharma companies.

The sector is also expected to witness a substantial number of mergers and acquisitions in the next few months. With the industry attracting increased interest from overseas and local investors, the demand for finance and strategy-related talent will rise.

The newest growth areas in the industry are pathology services and clinical trials. As India positions itself as the preferred destination for these services aided by the excellent cost-to-company factor, the demand for professionals in this field is expected to see an uptick over the next few months.

Power cut

Depleting investment, private equity and delayed regulatory clearances continue to plague the power sector. Power companies are thus focusing on existing projects. On the hiring front, senior leadership and plant operations talent is in demand

BY **SURESH RAINA** AND **RAHUL ROY**

The power sector continues to be stressed with reduced investment and delayed regulatory clearances. Private Equity funding too has dried up in the conventional power sector. From US $300 million in 2011-12, it became nil in 2012-13, while renewable energy reduced by half, from US $700 million to US $320 million. Bank lending to the sector is also very cautious. Several companies have either tried selling stakes to raise capital or are looking to restructure their loans.

Industry dynamics

Reliance Power is slated to double its capacity within 12 months from the current 5,000 MW. However, the next phase of growth relying on gas or imported coal looks difficult to achieve and may fall short of the planned 10,000 MW mark. Hiring in Reliance Power across all levels is going on for the projects under implementation, especially in Madhya Pradesh and Singrauli.

At a time when banks are wary of increasing exposure to power sector, LIC has shelled out ₹1,000 crore to pick up Essar Power's entire 11-year rupee bond offering. Essar Power, which has already 4,000 MW in operations, plans to increase the capacity to 7,000 MW in the next two years. Significant investments to the tune of ₹11,000 crore for the mining blocks are delayed due to regulatory clearances, in turn affecting the profitability of the projects.

Amongst the large power generation companies in India, Tata Power is one of the few profitable ones. With 8,500 MW plus installed capacity, Tata Power has started importing coal from captive mines in Indonesia. The company is now expanding internationally and recently won a bid to develop a US $1.8 billion project in Vietnam. As top talent from India will lead the project team, we expect hiring at the senior leadership level for the projects and operations.

Adani Power continues to incur losses due to rupee depreciation, which is taking a toll on its input, because of imported coal. The Central Electricity Regulatory Commission (CERC) has agreed to revisit the tariff rates following the petition last year.

HUNT PARTNERS

With the 660 MW third unit commencing operations in Tiroda, its total generation capacity rose to 7,260 MW. With new projects in the pipeline, Adani Power's total planned outlay is estimated to touch over 10,000 MW.

JSW Energy, one of the few profitable power companies, is keen to procure distressed assets related to fuel linkages and Power Purchase Agreement (PPAs) to grow their business. The company has put new projects on the back burner for the time being because of policy issues. Other companies like Sterlite, GMR, GVK and Monnet are focusing on their existing projects and are not currently exploring new projects.

Lanco Power is focusing on completing existing projects, putting all new projects on the back gear. With more than ₹34,000 crore of debt, it is struggling to find strategic investors in many of its existing projects. Lanco has been cutting jobs across various levels to streamline the organisation and reduce cost.

Hiring trends

With a significant number of new players in the market, senior leadership talent in regulatory and advocacy, which requires working with government authorities for various approvals, advocacy for Enterprise Risk Management and Market Research, amongst others, is in great demand. Another area where we witness a demand for talent is plant operations. With a large number of plants commencing commercial operations, this skill will play a critical role.

PEOPLE MOVEMENT

- **Sushil Maroo** has joined Essar Energy as the CEO, leaving Jindal Steel & Power, where he was the Deputy Managing Director.
- **BH Ravindra** has joined Essar Power to head Jharkhand SPV power plant, moving on from GVK where he was Director and Head – Business Development.
- **Vinay Mittal**, former CEO of Monnet Power, has moved on to join Essar Power as the Head of MP SPV.
- **Ramesh Kumar,** Chief Operating Officer of KSK Energy, has joined Essar Power to head their Gujarat SPV.
- **Deepak Maheshwari**, who was earlier Chief Financial Officer at Reliance Power, is now with Essar Power in the same designation.
- **Vishwaroop Lal** has joined Essar Power to head their captive power plants. He was earlier the CEO of NTPC Alstom Services.

- **JP Chalasani**, CEO, Reliance Power, recently put in his papers to pursue an entrepreneurial stint.
- **Amulya Charan**, who was Chief Mentor – Power Trading and Advocacy with Tata Power, has retired from the post and started his consulting services.
- **Vijay Gupta** has joined Monnet Power as CEO. He was earlier the CEO for Shravanthi Infratech.
- **Avdesh Sharma**, CEO of Vandana Vidyut, has joined IOT Infrastructure as Head – EPC Thermal.
- **NarayanRao K**, Vice-President – HR at GVK Power and Infra Ltd., has moved to NCC as Head of HR.
- **Lalit Tiwary**, Senior Vice-President with Essar MP, has joined Bajaj Energy as President and Head of Lalitpur project.

Renewed prospects

The future looks brighter for solar and wind energy segments, which have seen healthy activity in the form of new plants, mergers and acquisitions and focus on core assets

BY **SURESH RAINA** AND **RAJESH KUMAR**

The renewable energy sector is opening up and has seen healthy activity in the form of mergers and acquisition, and upcoming new projects. The sector will continue to elicit interest along with ability to attract foreign direct investment.

Solar energy expands base

The existing solar energy players are actively expanding their base and looking for setting up new plants. Newer MNC companies too are looking at establishing new plants. The government recently approved a proposal to set up 750 MW of solar power projects. The new proposal will increase deal activity for attracting PE investment.

Some major highlights of the sector:

- Finland's Fortum acquired a 5 MW PV Solar Plant in Rajasthan. Fortum is also planning to invest in India to develop its solar competencies and operations.
- P2 Solar, the Cleantech Energy Firm, acquired two projects.
- Sterling and Wilson won the turnkey project for a 10 MW Solar Park in Tamil Nadu and commissioned a 30 MW Solar Park in Rajasthan.
- IFC sanctioned funding for Azure's roof-top solar project in Gujarat.
- ADB is to provide US $500 million to build a transmission system to provide clean energy through renewable sources like solar and wind in Rajasthan.
- DuPont is planning to come up with solar products for Indian companies.

On the talent front, we expect companies in need of the expertise of project managers to execute the large number of orders. Business development and operations continue to remain in focus, and we should see demand for talent at senior levels. Being an extremely investment-led sector, demand for finance professionals remains high for fund raising and structuring.

Wind energy in action

The sector is witnessing large transactions and has seen a number of consolidation activities and companies selling their wind assets to concentrate on their core businesses. The non-core players are shedding their assets, whereas the core players are making acquisitions.

Some major highlights of the sector:

- DLF sold its various wind energy assets to Bharat Light and Power, Tulip Renewable Powertech and Violet Green Power.
- Green Infra acquired a majority stake in TVS Energy.
- Amplus Infra acquired a wind power facility from VRL Logistics.
- Hero Group spun-off Hero Future Energies as an IPP with a plan to develop over 1 GW by 2016-17.
- Suzlon Energy delivered 65 MW of power equipment to a Uruguay project and launched new turbines in the global market.
- Tata Power acquired AES Saurashtra Windfarms from AES Corporation.
- Gamesa bagged a 54 MW wind power project order in Andhra Pradesh.
- General Atlantic PE is targeting investments in the sector.

On the talent front, senior talent requirements in Finance and M&A will remain high. The M&A activities will also put some pressure on the HR aspects and will need augmentation of the function at a senior level.

PEOPLE MOVEMENT

- **S Venkatachalam** is now Managing Director of Orient Green Power. Earlier he was the Chief Operating Officer with Batliboi enXco Private Limited.
- **Arul Shanmugasundram** is now Executive Vice President (Projects) and Chief Technology Officer of Tata Power Solar Systems, moving on from Tata International where he was Vice-President, Head of Solar Business.
- **Sanjay Chaturvedi** is now Chief Operating Officer of Green Infra, leaving NSL Renewable Power as the CEO.
- **Amit Agarwal,** Chief Financial Officer and Director with Essar Steel India, is now Chief Financial Officer with Suzlon Energy.
- **Sandeep Chandorkar** is now the Chief Operating Officer of Visviva Renewable Energy Limited. He was earlier Consultant with the Indian School of Business.
- **Srikanth Santhanam**, who was earlier Head (Finance & Banking) with Gammon Infrastructure Projects, has moved to Mahindra Cleantech as Chief Commercial Officer.
- **S Sankara Narayanan** is now Vice President and BU Head with Hitachi Zosen India. Earlier he was Vice-President with Reliance Power.

Non-conventional power

The government is looking to harness energy from waste and has identified 60 cities under the JNNURM waste-to-energy initiative. The power ministry is planning to give exemption on Customs Duty and Service Tax on power equipment used in hydro projects.

We should see more activity from Indian players in global markets, especially Africa and South East Asia, as they continue to look for growth opportunities and will need leadership talent to lead this growth.

Some major highlights:

- Tata Power is aggressively looking to build assets outside India due to supply and regulatory constraints in India.
- Greenko is coming up with new hydel projects in Himachal Pradesh and Andhra Pradesh.

Headwinds ahead

Displaying a mixed performance, the sector has seen some optimal exits, while pressure to perform builds up. Global ventures are also in focus with some major acquisitions. As cold chain and pharma logistics gain prominence, suitable talent will be in demand

BY **ANNE PRABHU** AND **SAURABH COAKLEY**

The growth of the logistics sector, largely dependent on other industries, is currently pegged at 15 percent. While the preceding six months have been a mixed bag for the industry, investors in this sector are looking for optimal exit routes. Recent exits include that of General Insurance Corporation of India partially exiting its seven-year-old investment in Adani Ports and Special Economic Zone for close to US $51 million, and IL&FS PE selling bulk of its stake in Gujarat Pipavav Port with modest returns.

Pressure to perform

The sector has attracted investments in recent years, and currently pressure is building up on companies to perform and to get valuations for the investments attracted. Coupled with ambitious growth plans, logistics companies are now looking to venture out globally in terms of acquisitions. Some recent examples of this include Allcargo Logistics acquiring US-based logistics firm Econocaribe Consolidators for an undisclosed amount. Similarly TVS Logistics acquired US-based Wainwright Industries for US $8.9 million. Backed by KKR and Goldman Sachs, the company aims to increase its presence globally with apt mergers and acquisitions.

In the shipping sector, while the bulk carrier markets have been in upswing, there has been considerable pressure on the freight rates of container vessels due to overcapacity and less demand.

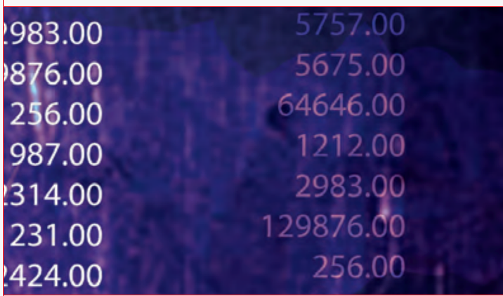
While the industry in general has been underperforming, the decreasing freight rates are also putting pressure on optimising costs and manpower requirements. With already high exchange rates, operating costs are under the radar, and hence pressure to perform is prevalent across the industry.

Investment scenario

Along with consolidation in terms of number of players and services, focus is on providing specialised services such as cold chain logistics.

PEOPLE MOVEMENT

- **Samar Nath** has joined DHL Global Forwarding as CEO and Country Manager, moving on from CEVA Logistics as Executive Vice-President and Managing Director for India and South Asia.
- **Capt. Makarand Sardesai** has joined DP World as Chief Operating Officer, exiting Opal Asia where he was Director – Opal Asia Terminals.
- **Ajay Harlal Tyagi** is on board International Container Terminal Service India as Chief Operating Officer. He was earlier with DP World as Head of Operations for Nhava Sheva International Container Terminal, DP World.
- **Venu Rao** has moved to Ecu Line as Regional Sales Manager, South East Asia. He was earlier with Panalpina as Business Unit Manager.
- **Amit Asthana** has left CEVA Logistics, where he was Director, joining Direct Logistics India as Chief Executive Officer, Global Freight Forwarding.
- **Alex Mathew** has moved on from his role as Executive Director at FEDEX. He is now with DTDC Courier and Cargo as Executive Vice-President – Operations and Strategy.
- **Stewart Schneider-Loos** has been appointed Chief Executive Officer – Australia and South East Asia at 20Cube Logistics. He was earlier Director at OBM International.
- **Dheeraj Bhatia**, in an internal move, has been promoted from Senior Vice-President, Middle East, to President, North America, Central America and Caribbean Islands at CSAV.



Even though initially, this segment was among the host of services provided by the players, with the presence of highly specialised players like Snowman Logistics, it is gradually gaining prominence by itself. With increasing interest in this sector, Snowman has received multiple rounds of funding from investors and is currently in the process of filing an Initial Public Offering (IPO) in the Indian market.

Other investments in the logistics sector include French conglomerate Bollore picking up a 49 percent stake in ABG Container Handling for US $7.5 million and agri-warehousing firm National Collateral raising US $10 million from Rabo Equity, IFC and IFFCO.

Well rounded talent

Interestingly, demand for well rounded individuals remains high in this sector. While companies look for ways and means to grow, it is expected that the sector will attract suitable talent in business development cum strategy roles. Since niche products such as cold chain and pharma logistics are gaining prominence, the need for individuals experienced in servicing such industries will pick up pace.

In the shipping industry, the mandate remains to optimise costs and to derive maximum returns from investments, and hence major disruptions in hiring trends are not visible. The hiring outlook remains dull with little changes in the short term.

Turbulent winds

The ports sector is facing multiple issues arising from competition, tariff revision and industrial relations. However, Container Freight Stations have shown steady growth with demand for leadership talent

BY **SURESH RAINA** AND **RAHUL ROY**

India's ports sector is currently going through a turbulent phase. Private players, while on one hand, are struggling to grow their business in a rather competitive landscape, on the other, they are pushing the regulatory body Tariff Authority of Major Ports (TAMP) to revise the rates to accommodate rising operating costs. While the new tariff policy has been introduced at new ports, existing ones still fall under the older norms. Port players are thus working with the government for revised tariffs, raising the requirement for experienced people in the regulatory domain.

Industrial relations in focus

Being a people intensive business, ports continually face industrial relations (IR) issues. One of the major concerns continues to be that of disparity in payscales of private players and government port employees. Private players are struggling with capped revenue and increased expenses due to IR related issues. Leadership talent with experience in managing such issues is therefore going to be critical. For example, it was only recently that NSICT faced an IR situation.

Leading ports

Mundra Port has become the largest port in India during the first quarter of the year, overtaking Kandla port in terms of volume, with a record 24 metric ton of cargo handling. In terms of container handling, it is now the second largest port with 1.57 million Twenty Foot Equivalent Unit (TEU), overtaking Chennai Container Terminal. The Jawaharlal Nehru Port Trust (JNPT) remains the largest in terms of container handling, with 4.26 million TEU.

Adani and Mediterranean Shipping Company have announced a joint venture to operate the International Container Terminal at the Mundra Port. There would be significant requirement of manpower across levels at Mundra Port as well as other ports looking to accelerate growth.

PEOPLE MOVEMENT

- **Anjani Kant**, who was earlier Vice-President – Strategy & Business Development at Dhamra Port, is now with Essar Bulk Terminals as Chief Operating Officer.
- **Ajay Harlal Tyagi** has joined International Container Terminals as Chief Operating Officer – India. He was earlier with DP World, heading the operations for Chennai Container Terminal.
- **Alok Mishra**, who was heading operations at Krishnapatnam Port, has joined DP World as General Manager – Operations at Nhava Sheva.
- **Ramnath Shetty** from Shipping Corporation of India has joined Forefront Logistics as Vice–President.

- **Capt Sai Subramanian**, Head – Port & Logistics at Geetapuram Port, has taken up an assignment at Tanzania.
- **Jasbir Singh**, Project Director at Indira Container Terminal, has joined JSW Infra as Vice-President for Jaigarh Port.
- **Andrew Adam**, National Operations Director – Australian Region, has joined Pacific National as National General Manager Intermodal.

Issues with coal

Due to continued lack of availability of coal in India, most companies are importing coal from Australia and Indonesia. In June, imports jumped more than 50 percent compared to last year, since users were stocking up for the monsoon. Though the proximity of the power plants towards the east coast of India helps to reduce the overall voyage time, many of the users prefer to get coal from the western coast ports due to lack of infrastructure availability. Ports on the east coast are ramping up their infrastructure to cater to customer demand. We are expecting a lot of hiring across levels in these ports over the coming year.

In terms of overall growth, the volumes have increased from 270.4 MT to 276.9 MT, an increase of about 2.4 percent, during last year in the period of April to September. The contribution largely came from coal and petroleum products.

Inland ports

Container Freight Station (CFS) operations in India continue to grow steadily due to congestion at the terminals. The investment cost as compared to ports is significantly less, and hence the sector has seen significant interest. CFS operations maintain relations with both the shipping lines and the end customers for export and import operations, thus playing a crucial role in the shipping logistics sector. There is a leadership talent crunch in the sector because of the high growth rate and the complexity of CFS operations.

There are more than 250 CFSs registered in India, of which 50 percent are from the three states of Tamil Nadu, Maharashtra and Gujarat. Most of the CFSs are government owned, but many are operated by private players. Amongst private players, Allcargo Logistics, APM Terminals, Gateway Distriparks and Hind Terminals are the market leaders.

HUNT PARTNERS

ABOUT HUNT PARTNERS

Hunt Partners is a leading boutique Asian executive-search firm. The firm was founded in 2004 in Hong Kong and Mumbai, and it has since grown to establish four direct offices across the region. Prior to coming together to start the firm, the founders had successful careers as corporate general managers, executive search consultants and entrepreneurs. The firm has witnessed rapid growth of people, offices, industry practices and revenue, and is now repeatedly recognised within the top 10 retained search firms.

Hunt Partners is a uniquely structured firm, being the only reputed executive-level search firm operating through an integrated structure of directly-owned and managed offices.
As a true partnership, all the firm's Partners have ownership and are committed to fostering an environment that produces results and therefore a solid reputation.

Hunt Partners operates from principal offices in Beijing, Hong Kong, Mumbai and Shanghai. Future plans include continued expansion via new offices in South East Asia and West Asia, and a continuously expanding partnership.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