



Background

GE's relationship with India started way back in 1902, when it installed India's first hydro power plant. In 1930, IGE (International General Electric) was set up for sales of GE products and services, by GE businesses - not represented in India.

Today, the majority of GE's worldwide businesses have a presence in India - aircraft engines, broadcasting, capital services, lighting, medical systems, industrial systems, plastics, power systems and transportation systems - either through joint ventures, wholly-owned subsidiaries, strategic alliances or business development and customer support presence. GE's revenues and orders in India are worth approximately US\$ 1 billion. Over US\$ 1 billion of exports from India support GE's global business operations. Employment across India, including GE affiliates, exceeds 22,000. In 2002, GE celebrated a century of working in India and building on its solid foundations to become a significant participant across a wide range of key services, technology and manufacturing industries.

Factors for success

GE's strategy for India has been two pronged.

- Capitalise on the intellectual talent in India.
- Grow the industrial and financial services business faster than the local markets.

GE has always been clear that India has one obvious competency - lots of bright, well educated young people hungry to succeed in business. Talent that is willing to accept and adopt global best practices and make them work in India.

To ensure that the Company capitalises on this, GE's priority has always been to keep costs low. Lower costs mean higher cash flows, giving the Company the price leader advantage and enabling it to spend on new products and offer better customer service.

Which is why from day one, the Company has been clear about training to develop local leaders and send

expensive expats home. GE trains over 1,000 employees every year through various GE leadership programmes. Further, it has also changed well-accepted norms to improve costs; be it inventories, payments and receivables and distribution costs. Speaking to *Communicate*, the journal of the Confederation of Indian industry, Scott Bayman, President & CEO, GE India, said "Base cost and variable cost productivity is every bit as important in India as it is in the US. The same approaches work. Set targets, demand results, measure progress, reward success. Then, do it all over again and again and again."

Leveraging the India Advantage

India as an attractive market

GE understood right from the beginning that in India financial services was where the Company could make money. In India GE' financial services businesses - both

consumer and commercial – have seen good growth. For its credit card business, GE has a joint venture with the State Bank of India (SBI) – the country's leading bank with the largest distribution network and the country's largest potential customer base for credit cards - just the thing GE needed in India to quickly leverage its strengths in selling and marketing credit and managing the back-room operations. The Company also has a tie-up with Maruti Udyog, India's leading automobile manufacturer, for car financing.

India - a global engineering base

India has an unmatched pool of intellectual and technical talent and GE's decision in locating the company's largest R&D centre outside the US in Bangalore, was based on the availability of this bright, young, technical and scientific talent.

The focus of the John F. Welch Technology Centre is to enable the growth of GE businesses through innovation and use of cutting edge technologies.

The teams at JFWTC work on research and development for various GE businesses in high-impact technology areas like Electromagnetic Analytics, Engineering Analysis, Computational Fluid Dynamics, Composite Material Design, Colour Technology, Additive Technology, Non-Destructive Evaluation, Corrosion Technology, MEMS, Molecular Modelling, Power Electronics and Analysis Technologies.

The Centre has filed for over 185 patents and 12 have been granted to date.

India - a sourcing hub

GE was amongst the first global companies to choose India as a sourcing hub. And the Company been very successful in sourcing products, services and intellectual talent from India for a wide cross section of its global businesses:

- GE pioneered the concept of software sourcing from India through Offshore Development Centres across the country, which now account for approximately 5 per cent of India's software exports.
- The JFWTC is India's first and largest multi-

disciplinary research centre, which provides critical technology, research and development for GE's diverse global businesses.

- Medical Systems, Motors and Lighting supply finished products to the global GE system.
- Power Systems, Industrial Systems and Appliances source parts and components from suppliers for use in operations outside India.
- Medical Systems, Appliances, Aircraft Engines, Industrial Systems, Power Systems and Transportation Systems develop and provide design and engineering services, and analysis for GE global businesses.
- GE Capital Services (GECIS) which has been a large part of GE in India till now has catered to the diverse needs of a global business through its outsourcing services which include transaction processing, finance and accounting services, call centre services, customer fulfilment activities and processes, data modelling and analytics support, managed IT services, software solutions and e-learning. As a recapitalised, standalone company, GECIS will soon extend its Six Sigma, cost-savings, business-support services companies all over the world. GE will own 40 per cent of GECIS. And, GE will continue to use and expand on the services GECIS provides it.

India - community service

Corporate social responsibility has been top of the agenda for GE in India. In 1999, it started the India chapter of in GE Elfun Volunteers - a global community service organisation comprising GE employees and retirees. Today the India movement has over 3,500 members and has grown to six chapters - New Delhi, Bangalore, Hyderabad, Chennai, Mumbai and Jaipur.

The India Chapter, which is also the largest outside the US, works with 34 NGO partners. The Chapter's activities include blood donation drives, education with mobile crèche projects, environment-related causes including tree planting projects, participation in AIDS-related causes, medicine collection drives, adoption of schools for the hearing impaired and computer literacy programmes.

The GE Foundation is also active in India. The Foundation gives immediate funding help, along with GE Employees worldwide for large-scale tragedies like the Gujarat earthquake. It has given Electric Insurance Grants to four NGOs: Vidyarambam, Sevalaya, EISA and MagicBus, and has established Scholarship Programs to encourage Indian students to pursue higher education in Technology and Management. In 2003 the total funding by GE Foundation to India exceeded US\$ 600,000 and it had awarded scholarships worth US\$ 1,371,000 to over 260 students across more than 25 institutes.

Future plans

GE is bullish on several sectors in India and plans to continue investing in the country as the infrastructure develops. The sectors that it is now focusing on are civil aviation, power, healthcare, security and water treatment. As Bayman puts it: "India can be one of the cornerstones in the development of more open trade among Asian countries. Think about China, Japan, ASEAN and India as these cornerstones. Add, Taiwan, Korea, SARC and ANZ. Then think about India being the bridge for Asia to the Middle East and the former Soviet States." Exciting? Definitely so.

Guillermo Wille, Director, GE's John F Welch Technology Centre at Bangalore leads a team of engineers that has filed for 195 US patents since 2000

