

# Indian Thought, a Global Platform

## Guillaume Sicard<sup>1</sup>

India is contributing immensely to the global business environment. We are well aware of the advantages India has. Its demographic advantage, high-cost competitiveness and domestic consumption-led economy are some of the prime reasons that make it an attractive investment destination. For successfully tapping of the Indian market, many companies often have to introduce new products and develop strategies for marketing to a diverse population base. Here is where the Indian Thought is ‘going global’ and in turn ‘becoming globalized’. While India is bolstered by its native and technical strengths, it is also working on acquiring new competencies by learning from global organizations. I call this a two-way process—give and take.

As a multinational organization, we bring to India global knowledge, practices and products and, in turn, we are learning the need to simplify, minimize cost and maximize value of our offers. The knowledge, culture, ideas and resources in India lead to a new level of innovation and improvisation. So the key word in India is *synthesis* which is also defining certain business environment, global practices and processes. For Nissan, this is a synthesis of two impressive cultures and processes that are creating an effective business ecosystem and a conducive R&D environment driving towards Innovation and Excitement.

## Integrating Internationally

I am representing a Japanese Auto major, Nissan Motor Co; hence, I will focus on what we bring to India as a Japanese car maker. With 80-year-old history in automobile manufacturing, Nissan brings to India some intrinsic business practices and a rich manufacturing culture, the Nissan Way.

Indians by nature are emotional and instinctive. Due to this, there is a natural drive to emphasize business

decisions based on intuition and feeling rather than hard facts and data. This is even truer today, as we are working in one of the fastest growing economies and volatile market conditions, where one is conditioned to act and react quickly. Japanese business culture, on the other hand, is very analytical and process oriented. Japanese understand situations based on facts and figures. This process is a collective responsibility driven by consensus. This gives rise to a transnational business environment focused on global quality and deliverables.

The second GIVE from a Japanese company to India is the culture of continuous improvement, Kaizen. We call this PDCA approach in Nissan—plan, do, check and act. It is like a never ending circle that is always climbing up on the curve of performance. In Japan, it is a deep-rooted cultural value; I would say a commitment to society, a commitment to your family and country. Interestingly, Kaizen means ‘good change’. If you visit our plant, you will see that Kaizen is a way of life for us. We seek refinement involving everyone from management to workers alike. This is the reason why we are able to produce high-quality cars that are exported to more than 100 countries.

Another key GIVE is the automobile culture that we bring to India. We have not only shared our manufacturing processes but more importantly, we have brought the engineering know-how. Since 1933, Nissan has been creating the kinds of cars that move people’s hearts. In our pursuit of this idea, we have always challenged the limits of what is possible by rejecting assumptions and turning conventional wisdom on its head. Our history has seen us take on an endless series of challenges.

This is the spirit which led to the development of an all new global platform in India, for India and from India. Datsun GO, the new car brand we launched last year is a great example. The best part of the story now is, we start to export our know-how synthesized in India to other

<sup>1</sup> President Nissan Motor India Pvt Ltd.

---

### Corresponding author:

Guillaume Sicard, President and CEO, Nissan Motor Corporation.  
E-mail: [guillaumesicard@email.nissan.in](mailto:guillaumesicard@email.nissan.in)

plants in the world that are starting production of Datsun GO—adopting Indian engineering.

## Globalizing Indian Innovation

Most multinational organizations are in search of a next big product and it is born out of resourcefulness, recognized as the most valuable trait of India. This is a unique mindset that Indians call *jugaad* the ability to turn adversity into an opportunity and improvise solutions to problems. The idea of *jugaad* is now an Indian management concept that's come to mean an innovative fix for just about anything.

In a business context, *jugaad* is a 'frugal, flexible, and inclusive approach to problem solving and innovation'.<sup>1</sup> In 2006, our CEO Carlos Ghosn coined the term 'frugal engineering'—inspired by Indian engineers' ability to innovate cost effectively and swiftly, under extreme resource constraints. Frugal innovation is not just about doing more with less. It's about learning how to innovate under severe constraints and turn extreme adversity into an opportunity for growth. It is a peculiar Indian way of life, a mindset he believes is the code to crack emerging markets. That is why he made India the epicentre of frugal engineering: Chennai is the 'frugal engineering hub' for Renault-Nissan. This helped us to set a new industry standard in localization at nearly 100 per cent.

Let me give you an example of frugal engineering with our Datsun GO. We have developed a single-piece front seat and have moved up break lever and gear shift more up by the dashboard. It allows more space for front passage and at the same time reduces cost with simplified components and less cabling.

In India, there are 17 cars for every 1000 persons. Demand for automobiles in India, especially in the passenger car segment, remains untapped and this is growing with rising aspirations. The tremendous sales growth in these markets has been due in part to automakers offering

increasingly affordable cars to first-time, cost-conscious buyers in the rapidly rising middle class. The Alliance's CMF-A platform (Common Module Family), created and manufactured in India, is paving the way for a new generation of consumers to experience the freedom and mobility of personal transportation.

We are breaking new ground with CMF-A to meet and exceed the high standards of consumers in the world's fastest growing economies—particularly people buying a new car for the first time. These influential consumers do not want a decontented car originally intended for consumers in mature markets. They want and deserve a car that is modern, robust and stylish—at a price point that represents a 'cost breakthrough' for such a generous vehicle.

Let me explain what CMF platform is—it is Renault-Nissan's unique, modular system of vehicle architecture, which extends manufacturing commonalization to an unprecedented number of vehicles developed within the Alliance. CMF will generate an average 30–40 per cent reduction in entry cost per model and a 20–30 per cent reduction in parts cost for the Alliance. CMF-A, specifically covers the most affordable category of cars in the Common Module Family. Production of the vehicles within the CMF-A scope will begin this year at our plant in Chennai.

So in conclusion, I want to say that due to confluence of a number of favorable drivers, India is poised to explore new frontiers of innovation and economic advancement. A strong R&D ecosystem is shaping up in India where we are learning to build from the ground up with a deeply value-driven approach. Multinational organizations are coming here not just to bring products but to also take back a whole new mindset. I see this exchange as a mega trend which gives us whole new meaning and perspective to innovation, business practices and culture of 'synthesis'.

### Note

1. Navi Radjou, Jaideep Prabhu & Simone Ahuja. *Jugaad innovation: Think frugal, be flexible, generate breakthrough growth*.