

Customer focus drives positive results for Indian glassmaker

A hot topic of conversation at last October's glasspex INDIA 2019 exhibition in Mumbai involved the positive performance of Borosil Glassworks and the diversified company's latest pro-active investments. Shreevar Kheruka, Managing Director, exclusively explained his influential role in the family-owned glassmaking organisation's return to success to *Glass Worldwide*, preferred international AIGMF journal.



Shreevar Kheruka took over as Managing Director of Borosil in 2011.

Borosil Ltd is the market leader in India for laboratory glassware and microwavable kitchenware. The parent company, Borosil Glass Works Ltd was established in 1962 in collaboration with Corning Glass Works. This business became a wholly-owned Indian enterprise in 1988, managed and directed by members of the Kheruka family from headquarters in Mumbai. Sister company Borosil Renewables Ltd specialises in the manufacture of high performance solar



Today, Pradeep Kheruka concentrates on the Borosil Renewables solar business.

glass. Other production specialties include lighting, extra clear patterned glass and pharmaceutical glassware. In 2016, Borosil completed its acquisition of Hopewell Tableware (manufacturer of tempered opal glass tableware) and Klasspack, a producer of glass ampoules and tubular glass vials. Both businesses have now been successfully integrated within the Borosil Group.

In the 2000s, however, the business has encountered severe financial difficulties, before ultimately returning to its current position of stability and profitability. Labour problems, challenging bank lending

rates and escalating fuel costs all combined to impact the company's performance, at a time when cheap imports started to flood the local market. In addition, it became necessary to source some products from outside India to satisfy customer requirements. "It was a very difficult situation" Shreevar Kheruka confirms "but I was blessed to be placed in a position to be able to address such huge challenges."

Over the years, the company has operated four different manufacturing sites in India but its two main production sites are at Bharuch in Gujarat and at Jaipur in Rajasthan.

Family glassmaking dynasty

Shreevar Kheruka was six years old when his grandfather, Mr B L Kheruka, who already owned a glass manufacturing business in Kolkata, took the decision to acquire Borosil from Corning in 1988. "Where I grew up in the Marwari or Gujarati community of north west India, the area is famous for its entrepreneurial families, where it is normal to hear business discussions at the dinner table. Even though I might not have been aware of it on a career level, subconsciously the knowledge and experience keeps going in and as children, we would visit the glass plant in Kolkata every weekend. So when our family took over Borosil and relocated to Mumbai, I was fully aware of the company."

Following the completion of his studies in India, Shreevar Kheruka completed a dual finance and international relations degree at The Wharton School of the University of Pennsylvania in the USA. He then worked for two years at Monitor Consultants (now Monitor Deloitte) in Boston, before returning to Mumbai in 2006 to join the management team at Borosil.

It was always envisaged that Shreevar Kheruka would follow in the footsteps of his father and grandfather and work in the family glassmaking business. During four years at university in the USA, he was exposed to different types



Mr B L Kheruka is still Executive Chairman at Borosil.



The Borosil Renewables factory at Bharuch, Gujarat.



Shreevar Kheruka addresses staff at the Borosil glassworks.

of communication and education, in a very international environment, before experiencing how corporate America works during his time in Boston.

"Studying at a prestigious university and having worked for a successful company gave me a lot of credibility when I came back to India to work at Borosil, rather than being viewed as someone who was entitled and the son of the owner!"

He joined as Assistant Vice President, at a time when the business was in the midst of a substantial crisis, suddenly going from being profitable to making losses. As explained above, the Mumbai operation was bleeding money heavily and represented a tough initiation for the latest member of the Kheruka dynasty. "The challenges that affected the business so significantly all arose within a short space of time, so we were caught unawares." It was necessary to address product costings and

Shreevar Kheruka visited numerous glass factories around the world, learning many best practices that helped in the formulation of a new business model. "There were lots of moving parts but by 2010, I think we had managed to deal with the bigger problems and ever since, the company has been on a very good wicket."

Close-knit family benefits

While the company's patriarch, Mr B L Kheruka (Executive Chairman) concentrated on developing valuable architectural business opportunities and his son Pradeep (Vice Chairman) was heavily involved in intensive labour and legal issues, grandson Shreevar was tasked with the day-to-day running of the Borosil Glass Works consumer and scientific division. This involved sourcing, operations, setting up a new plant in Gujarat and connecting with customers.

The reallocation of responsibilities

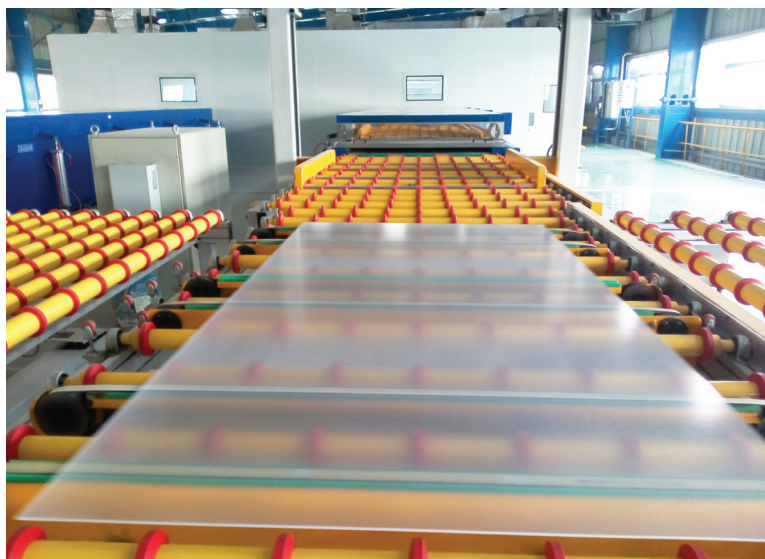
worked well, to the point where Shreevar Kheruka was made Managing Director in 2011. Today, he has full responsibility for the consumer and scientific division, while his father Pradeep is responsible for the solar business. "I would never say that my grandfather has retired because he has a very high level work ethic and I don't know what he'd do with himself! But as Chairman of the Board, he is now in a more advisory role rather than operations" Shreevar explains. "Obviously, we are a very close-knit family and any key decisions are taken with 100% consensus between the three of us. Overall, the co-operation between us could not be better and the communication and level of understanding is very strong."

In recognition of his six decades' long career in the glass industry and his valuable contribution in the areas of technology, manufacturing, innovation, services and education, last year Mr B L Kheruka was announced as a worthy winner of the AIGMF's C K Somany Award for Innovation and Technology. This award was supported by *Glass Worldwide*. "Always thinking beyond himself, he has continually been trying to improve the prospects of not just Borosil but the glass industry in general" his grandson commented. "He was delighted to receive this award because it means so much to receive recognition from his peers."

All three generations of the Kheruka family share the same work ethic and approach to the delivery of appropriate value systems, respecting customers and suppliers alike, offering high quality products and observing the simple yet important tenet of promising only what can be delivered and delivering what is promised. "There is no culture of making a quick buck and there is a high degree of alignment."

Importantly, Shreevar Kheruka has pioneered the introduction of a different approach to employee involvement in the creation of a shared company vision and the adoption of a more 'bottom up' rather than 'top down' decision-making process. "The way the company operates has changed dramatically in the last 10 years" he confirms. "The world is changing... we have to be more flexible and move with the times to meet expectations and recruit and keep the best people. It is our responsibility to continue to evolve with the times."

Staff training and development is an important aspect of the management style adopted by Borosil and a strong performance management process has been devised, where the company's vision and deliverables are created and regularly assessed. Shreevar Kheruka is strongly committed to this approach, personally devoting in excess of 30% of his time to HR and organisational development related to



Solar glass production at the Borosil Renewables factory.



Borosil's Classic Delite ware.



people. "It's time well spent" he contends. "It's simply not always possible for us to make the best decisions from top down; the market is evolving rapidly and new product ideas need to come from our people on the ground, who are talking to customers every day. What we need to do in terms of investing in the plant should come from the people at the plant, rather than head office as it often was in the past. Our employees need to feel part of the organisation for the company to continue to move in the right direction."

Sales and product development practices are consistent across the company, observing a customer-centric focus. This embraces the concept of teams setting goals together in a room and people buying into those goals for the medium and short term. "The openness of discussion that we have across our teams, the transparency of data sharing is absolute across the company" Shreevar Kheruka confirms.

Including contract workers, the group currently employs 2500 people, 1500 of whom work for the consumer and scientific division and 1000 for the solar division. These numbers reflect the lower labour costs in India compared to many other parts of the world, where automated production practices are increasingly more cost-competitive.


Investing in the future

Like every forward-looking glassmaker around the world, Borosil is investing strongly in digital technology to optimise production efficiencies. While all equipment is already linked to the internet and data is

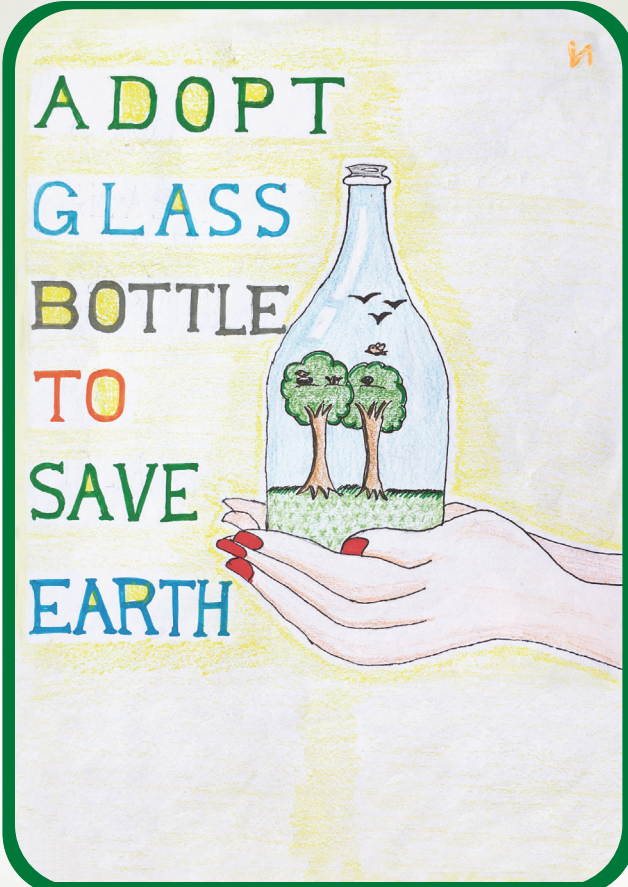
gathered from every operation, however, the company recognises that opportunities exist to use this data in a more meaningful way. For example, Shreevar Kheruka believes that the level of autonomous or predictive maintenance algorithms adopted can be increased to reduce downtimes. A pilot project has been budgeted for 2020 to illustrate the benefits that could be realised.


Separately, a pilot on-line production monitoring project was initiated last year to show the yields of operating machines. Although further analysis of the data generated has still to be undertaken, this project is considered a step in the right direction.


Leading suppliers of production and processing technologies are playing an equally important role in the company's recent resurgence. "Working with the correct supplier for machinery and technology can make all the difference between being a low performance company and a high performance company" says the Borosil Managing Director. "We are not in the business of saving money in terms of using




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Mr B L Kheruka was announced winner of the AIGMF's C K Somany Award for Innovation and Technology in 2019.

the cheapest equipment. We invest in the best equipment to make the best quality glass, with the highest efficiency, so we always prefer to buy the best machinery and technology available for a specific purpose and that is the case for all Borosil business units."

Last October's glasspex INDIA 2019 exhibition in Mumbai was recognised as a valuable opportunity to meet international suppliers in one place and is prioritised for attendance, along with glasstec in Germany. "A lot of discussion is undertaken in a short period of time and many things can be resolved in terms of cross checks and functionality, because we select suppliers on a project by project basis" says Shreevar Kheruka. "The 13th International Conference of the All India Glass Manufacturers' Federation that was staged alongside glasspex INDIA with the support of *Glass Worldwide* was also a great opportunity to see and hear from international suppliers. We don't have tie-ups with individual suppliers but if their previous work with us has been successful and we are well connected with them, we will strongly consider them again, of course."

Strongly performing acquisitions

Since their acquisition in 2016, Hopewell Tableware (manufacturer of tempered opal glass tableware) and Klasspack (manufacturer of glass ampoules and tubular glass vials) have been successfully integrated within the group. And according to Shreevar Kheruka, both companies have grown substantially in the intervening period.

By 2019, Hopewell's revenue had tripled and continues to increase. European melting and forming technology has been introduced, while the product portfolio has been upgraded via investments in new shapes and moulds. In addition, sales and marketing functions have been integrated within Borosil, as the brand continues to successfully benchmark its opal products against leading European manufacturers.

Since Borosil acquired an approximately 80% interest in the pharmaceutical packaging producer Klasspack in 2016, sales have increased from approximately \$4 million to some \$8.5 million in 2019. Investments have been made in the latest forming lines, camera inspection systems and clean room technologies to satisfy the demanding requirements of the pharmaceutical sector.



Performing a bending test on 2mm solar glass.

Having now stabilised the business as a whole and witnessed the benefits of its latest acquisitions, Borosil is constantly on the lookout for further possible acquisitions that are considered 'a good fit' with the existing portfolio. "Acquisitions can be a risk from a cultural and disruption perspective, so the reward has to be commensurate" says Shreevar Kheruka. "We have a fantastic franchise here in India in terms of our brand name, distribution strengths and the teams that have been built up and go out to see customers... and we should be looking to push as many quality products as possible through that pipeline. We have a good vehicle for acquisitions and if we find something interesting then we will review it; our progress in the last decade and the position of the company now means we are able to do that."

Solar glass investments

In 2019, approximately \$37 million was invested to double solar glass production at the Bharuch manufacturing site in Gujarat. The

original 180 tonnes/day line has been repaired and its capacity has been increased to 210 tonnes/day, while a second line of the same size has been added.

This significant production capacity expansion was undertaken in an effort to keep up with fast expanding local demand for solar glasses but another doubling of capacity could soon be on the cards. Sufficient space at the site exists to increase manufacturing capacity to some 840 tonnes/day and another fast track investment is currently the subject of evaluation.

"Our solar company is extremely innovative in terms of cost cutting and achieving higher efficiencies" Mr Kheruka explains. "The team is strong and the very high levels of efficiency achieved allow us to be competitive with Chinese suppliers. The quality of glass and our energy consumption per tonne is world beating, as are other areas of the business."

Focus on customer value

While acknowledging that the glass industry has been boosted by the prevailing anti-plastic sentiment throughout the world, Shreevar Kheruka warns that greater innovation is necessary if the industry is to solve the challenges of reducing weight and increasing strength at a viable cost. "There is a huge growth opportunity in the field of glass but increased innovation and technology are key" he stresses. "At Borosil, we are constantly trying to find new ways to deliver this value to the customer." ●

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Borosil's Vision glasses range.



Examples of calibrated laboratory glassware.