

A Premium Painting



Partha Sarathi Basu

CFO and Whole Time Director, AkzoNobel

These are exciting times for the paints industry, particularly in India, where AkzoNobel, the world's largest paints and coatings company is colouring up homes, offices, and automobiles. The Dutch company enjoys an enormous presence in India since India ranks very high on its priority list of 'high growth' countries. In India, AkzoNobel has chosen its people well, and among them is its Chief Financial Officer and Whole Time Director Partha Sarathi Basu under whose leadership Spicejet and Whirlpool India had won the national award for cost management when Mr Basu was their CFO in 2008 and 2009, respectively. "Prices are going up everywhere and the key is to manage the costs at this point, so that when the cycle turns, we will already be geared for effective cost management," he says.

Mr Basu describes his immediate task as being two-fold with work on both fronts initiated simultaneously. The first is to strategise on how to earn more revenues from the same growth levels and increase margins. This part falls under the CFO's business strategy function where he will take the business forward in partnership with AkzoNobel's Country Director for India. "In the past, my knowledge of the market and distribution supply chain which I acquired by actively engaging with the trade has held me in good stead," he quips. This part of the task will involve simplifying finance down the line especially to the real finance managers (though the

finance department likes to think that it is the manager), such as the sales personnel who negotiate the right price with the dealers, procurement staff who negotiate the right price with the suppliers; as well as the sales and marketing people who design consumer promotion plans. According to him, "The vision of the company has to reach these people, otherwise we will not have done justice to our jobs." His second task is to manage costs. He believes that there are only two kinds of costs, which are the good cost and the bad cost. To know the bad cost, we have to study the details. "To find out what the ideal cost should be, you need to start from the base and work upwards. The difference between the number that this exercise throws up and your actual existing cost is your inefficiency, or the bad cost. I look at the build-up of the cost and how much of it I can shave off, and what will still remain," he stresses, and adds that its discovery is a journey.

Having straddled different industries, each at a different growth phase in their evolution, he admits that he has acquired a holistic picture of business. He began with IFB Bosch in the durables business in 1990, and was placed in Goa. In the engineering space he was with Tata Man GHH in Kolkata, from 1992-94. From 1994-98, he was at Bangalore as Head-Finance in IFB's sister company Autoliv, an auto ancillary. This was a tremendous responsibility for a 27-year-old he says, and he recalls having said as much to the General Manager who then took him under his wing and became his mentor. His experience in various companies formed the material for his first book which is titled 'Why not...! Racing Ahead With Mentors'. The book is about acquiring the traits required to become successful. "A lot of youngsters who read the book have told me that it changed their lives," he says. While at Coca Cola, he learnt distribution and logistics. During his eight years in that company he was placed in different locations. He be-

gan as a finance manager in various southern cities, and finally shifted to Gurgaon in 2003 as General Manager-Commercial, heading logistics. He subsequently worked for two years at Whirlpool India, and then joined Spicejet (in the aviation space) in 2007, as its CFO, where he led the team in growing the airline, getting leadership in cost management, and helping to raise money by bringing on-board the global private equity firm Wilbur Ross. This was after several road shows in different cities and countries. He then re-joined Whirlpool as its CFO, India operations and was again part of its turnaround story, even winning it the award from the ICWAI in 2009.

Ask him his key learning and he says that business knowledge is to be gained in the market. He interacts regularly with the trade people and the consumers. They are also the material for his books, and he has written two till now. "I have found that when you tell a story, it is much easier for people to relate to it, and they learn much more. I must be a very unconventional CFO," he says, and adds, "With my writing I give back to society."

His latest book *With or Without YOU*, published by Penguin books India is on corporate politics and blind ambition, as Mr Basu says, "The book is for all those people in the corporate world who struggle to keep their job from ruining their lives." The book has got rave reviews from the media.

He believes in a work-life balance, and always makes time to watch a cricket match or the latest movie in the city. In the summer you will find him going either to the gym or for walks with his wife. You will even find him romping with his son and his friends playing cricket or football downstairs in the colony; or for a round of swimming with his daughter. He has travelled widely on business trips but loves to go abroad or within the country on a holiday with his family. Sometimes, they just get into their car and drive up to the mountains, to get away for a few days! ■