Prashanth Achar,
CEO

> When **one** works with **passion**, **work** becomes **play** and the **output** will be an **act of art**.

GP Petroleums

passion for growth!

Growing sustainably in a declining industry!

The automobile industry is metamorphosing. The drive train is mutating. The drive fuel and the drive range are all transforming akin to a spaceship in a sci-fi movie and are driven by non-humans! The Internal Combustion Engine (ICE) is slowly vacating the driver seat! As the batteries, hydrogen cells etc start replacing the engines, the lubricants start vanishing.

If we are to restrict the narrative to ICE alone, the impact of the newer technology of engines designed to ensure our children breathe easily to put a tremendous onus on the lubricant technology. Newer engines are smaller but deliver more zing. Hence, you need to buy a smaller can of lubricant and need to make fewer visits to the workshops to change it.

Where does that leave the lubricant marketers?

India is the world's third-largest lubricants market after the USA and China with approximately 2.8 MMT (US$ 2.7B) of annual consumption and has been growing at 3% over the past decade prior to the pandemic. The lubricants market is highly competitive and fragmented with National Oil Companies, several international majors, and a plethora of local companies vying for a piece of the pie.

With the proliferation of green number plates on Indian roads, the early signs of shrinkage of the lubricant industry have started showing. The same is further accentuated by the pandemic. One of the few Companies that is bucking this trend is GP Petroleums Ltd.

GP Petroleums Ltd (GPPL) has had a rare distinction of a long history of being a trusted lubricant solution provider since 1973. Being there even before the automobile revolution, triggered by the advent of Japanese OEMs, GPPL grew alongside by providing manufacturing solutions.

Most of the automobile components encounter GPPL's wide varied products while being machined, tempered, drilled, honed, coated, processed, or serviced.

Prashanth Achar, CEO is at the helm of affairs at GP Petroleums Ltd (GPPL) for the past two years. The company has drafted a growth strategy and is growing in an otherwise declining industry.

GPPL is recognised as the number one private player in rubber process oils and goes into the manufacture of one in every 15 tyres. GPPL is also a pioneer in low PCA rubber processing oils and has forged a partnership with most of the leading tyre manufacturers.

The company has an efficient manufacturing facility at Vasai spread across 9000 plus sq. m, with an annual capacity of 80,000MT. The in-house base oil storage facility of 15,000 MT is one of the largest in the Indian industry. GPPL's R&D facility continuously engages the stakeholders and delivers bespoke solutions. GPPL is associated with the test houses like AVL, ARAI and ICAT for the product performance studies for automotive lubricants.

Being agile and customer centric, GPPL's turnaround time is the shortest in anticipating and responding to customers' needs.

Driving the Innovations

GP Petroleums caters through 4 major verticals – Industrial, Rubber Process Oils, Automotive, and Trading.

The company exports its products to over nine countries and is accorded a star export house status by the Directorate of Foreign Trade (DFT).

In the industrial segment, GPPL holds a distinct advantage as a 'one-stop solution provider' with the whole gamut of the quality portfolio. The vintage partnerships with customers and distributors create a moat and provide a competitive advantage.

Over the years, GPPL has developed expertise to run the lubricant facility management delivering peace of mind to customers, cost savings, and protection of the environment.

GP Petroleums has an exclusive partnership with Repsol SA – Spain's global energy company, to manufacture and market REPSOL branded lubricants in India and Southeast Asia. Repsol is well known for its association with Moto GP – the premier motorcycling championship with Honda for the past 27 years.

The HRC (Honda Racing Corporation) team has won the World Championship title a record nine times.

Closer home, in 2020, GPPL entered a tri-partite agreement with Repsol and Honda Motors and Scooters India Ltd (HMSI) for manufacturing and marketing Repsol-Honda Co-branded Lubricants.

To stand out, in this age of cut-throat competition, a brand needs to be trusted and well accepted in the market. Amidst competition from enormous sized MNC's, IPOL the *made-in-India* brand has top of mind recall among customers for the last 48 years and is now *vocal for locals.*

A Proficient Leadership

Prashanth Achar is well oiled with over 25 years of experience and specialization in the automotive and lubricant industry within the Asia & Pacific landscape. The man in a hurry, he has been revamping the business at GP Petroleums and driving the cultural change to build a contemporary organisation that is open, transparent, and respectful.

"The best outcome is when one is playful and enthusiastic, hence, it is necessary to create an organization which is a serious-fun-place," he says. "Play for Profits with Passion! is the simple mantra," he adds.

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Revisiting the vision through the new strategy and underpinning the strategy with the right culture through a transformation journey he has put GPPL on a fast track in a slowing down industry. During the pandemic, grassroots innovation to quickly address the changing demands kept the counters healthy. The 'back to basics' strategy was swiftly transformed into 'Efficiency for Survival' programs.

A plethora of initiatives underpinned the strategy. To give an example, the 'tank to bank velocity', aligned the whole organization on liquidity. It encompassed inventory management, lean manufacturing, value engineering, standardization, responsible sales, and accounts receivables.

Leader speak

Are you passionate enough?

Lubricants is not a glamorous industry like digital, IoT etc. It is one of least involvement. But for those who are interested in the brick-and-mortar industry, lubricants provide a great learning ground. One can master b2b, b2c, and b2b2c segments of the business. It has all the learnings that are possible in FMCG and more. More because you are building your business skills on a solid foundation of technical skills. I am not aware of another industry where you have to learn to survive amidst 200 established players and three times that number of fragmented-regional player.

Pandemic has brought a seismic shift in the job market. Scope for micro entrepreneurs as well as new job opportunities is ample in rural areas. Digital is yet another opportunity area as there will be a demand for specialists.

200 million vehicles ply on the six million km of Indian roads and 40% of this fleet is less than five years old. India will continue to add 20 million vehicles year after year. All these vehicles will require to be lubricated – through their entire life cycle - from production through end-of-service life. So, the industry will shrink but outlive the ICE and has a life span of another 15 years at the minimum.

When you browse through the jobs that are advertised nowadays, you know that 60% of those jobs did not exist a decade ago. The work sphere is changing. Salary levels have risen steeply and will continue further not only in oil and gas but in all industries.

Skills and competencies are changing amazingly fast further accentuated by the newer ways of working. Adaptability and multi-skilling will be necessary to keep oneself afloat. Agility in approach to picking up the signals on changing weather and quickly altering the course will be necessary.

It all boils down to just one single word - PASSION – the industry, nature of role etc does not really matter. When one works with passion, work becomes play and the output will be an act of art. Choose a line of career that aligns with one's interest. Interest could be stemming from one's inner calling. It is important to keep nurturing it and have the patience. Enjoying the moment and learning as you grow will make one a good leader. The first decade at work could be dedicated to the core competency / technical competency development. Subsequently, it is all about softer skills – how impactful you are as a leader. It is futile to target a particular seat of a CXO etc as the destination. That should be the outcome, a consequence. For one who has passion, the industry is not a limiting factor. They could thrive in any industry. If you want to be successful, chase happiness, as passion and happiness go hand in hand!

> Human beings are feelers first and then thinkers as the evolution of the brain also confirms – from limbic to cortex. In situations like this foremost important leadership traits are empathy, fairn ess, and transparency

GPPL widened the footprint beyond the frontiers with exports while in the domestic market the brand IPOL with its legacy of 48 years was repositioned and GP Petroleums was given a new identity.

"I have carefully chosen my Leadership team who are better than me by far in their sphere of operation. I spend time building teams and they, in turn, build the business!" he claims.

Interaction with his teammates revealed the unique management style he brings to GPPL. He relies on motivating than control, principles than policies, heart than head, innovation than routine, informality over formality and thereby excites the team.

WhatsApp is the formal mode of communication and has replaced emails, predominantly. One-to- all and All-to-one modes of communication such as town halls and roadshows are preferred for speed.

Surmounting the Adversities of the Pandemic

Life is not going to be the same again that, in short, is the impact of COVID-19. None of the happenings in the last 50 years has had an impact of this magnitude. Leading by maximizing empathy and minimizing anxiety – has helped GPPL overcome adversity.

Agility ensured that the right recipe unfolded as the days progressed and are a good case study in hindsight. GP Petroleums evolved through four key stages of ABCD: Anxiety addressal, Business sustenance, Cash generation and Driving growth.

The Thrust for the Innovations in Future

The lubricant industry will consolidate and grow by a fraction of a percentage point on a tonnage basis as the technology further evolves. However, it will grow substantially in value terms. For GPPL, growth will come from entry into newer segments.

GPPL's motto "Passion for growth" is ingrained in every employee. The headroom for growth exists in all verticals as the market share varies up to 10% in different verticals. However, GPPL is one of the fastest-growing as it keeps targeting the different quadrants of the Ansoff Matrix with the four verticals. Being a fighter brand, GPPL is not directly governed by market growth but by its ability to eat into another's share. As consumer awareness improves, products with honest price tags get picked up in place of premium Brands.

The brand stood on a good 48 years of legacy and enjoyed the trust of customers amidst competition from MNC rivals. In 2021, the IPOL brand got a facelift to stand out in the clutter. The packs started boldly bragging – 'Trusted Since 1973', as a tribute to the trust and confidence reposed on the Brand by the customers.

While that gave credibility, the 'quality seal' provided the commitment to excellence and the product promise was made right on the pack label.

The B2C growth of GPPL hinges on doubling the retail footprint with the weighted distribution model and RTM interventions like the D2D (direct to dealer) model and Omni-channel workforce that the Company has embarked upon. New growth drivers are the new-age tractors, SUVs & Scooter segment, with immense potential.

The industrial business vertical continues to de-risk the business with entry into new segments such as Injection moulding, Thermic fluids, Sugar, Steel tube mills, and Sponge iron. The launch of a range of high-performance greases targeted at the steel and sponge iron sector has been the last missing piece in the jigsaw puzzle.

Exhibiting Excellence

GPPL is synonymous with bespoke customer solutions. Notwithstanding the pandemic triggered lockdown, the company had resumed operations at the Vasai plant and had prioritized supplies to essential services such as sugar and power generation industries to keep the wheels of the nation rolling.

The company had to manage the daily functioning as per government guidelines with a 50 per cent headcount.

GPPL has a long-standing association with many leading business houses. To name a few, Tata Motors, Eicher Tractors, Ramakrishna Forgings, BKT, Lear Auto, BFW Machines, JK Tyre, CEAT, MRF and Global Rubber Sri Lanka. GPPL has feathers in its cap from each of these partners who have rated them as top rung suppliers, the rating ranging from 85 – 100.

> GP Petroleums is counted among the top ten in metalworking oils and is the number one private player in soluble cutting oils with its generic Brand – 'Aqua cut'.