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A portrait of Jimmy Mistry, a man with dark hair, wearing a light-colored suit jacket over a white shirt. He is sitting in a black office chair and has his hand resting on his chin, looking directly at the camera with a slight smile.

**JIMMY MISTRY,
MANAGING DIRECTOR,
DELLA TECNICA.**

As India Inc. globalises,
Indian architects are
creating a new, world-
class aesthetic standard
for business

Redesigning Corporate India

T O P O F T H E M O N T H



JIMMY MISTRY: REDESIGNING CORPORAETE INDIA.

F E A T U R E S

- 26: COVER STORY: Della Tecnica: Redesigning Corporate India
- 36: INTERVIEW: Lexmark: The Mark Of Quality
- 40: CORPORATE PROFILE: Ingenico: Jumping Into An Ingenious Alliance

B O A R D R O O M

- 8 Germany – Frugality Enforced In ProSiebenSat.1 – However, Relook At Programmes Needed
Global Restructuring – Transport Sector In For Better Times – Demand And Prices Up
- 10 Russia – GM On Overdrive – Plans Massive Hike In Production
E-Line – Visa, MasterCard Under Threat – First Data Moves In For The Kill
- 12 United States – Business Travel Picks Up Worldwide – Happier Times Forecast For Travel,
Leisure Cos.
Fast Track – Khatri, The Chosen One For BoB – Brings In Years Of Experience
- 14 *International Banking – Bad Loans, A Nightmare To China’s Bankers – Tough Measures
Needed To Stem Rot*
- 16 Japan – Economy Recovers – Rising Yen And Deflation Are Worries
CEO Pick – Pooja Tyagi – CEO, BSEL Infrastructure Realty Ltd.
- 18 *CEOs In The News – Infosys, Reliance Net Profit Soars – Nilekani, Ambani In FT-PwC Survey*



NANDAN NILEKANI: A WORLD-CLASS BUSINESS LEADER.

Redesigning Corporate India

The Rs. 60-crore architecture and corporate interior design firm Della Tecnica, headed by its young managing director Jimmy Mistry, is being transformed into a powerhouse that will offer an entire gamut of building services including construction, real estate and real estate consultancy, turning the relatively small company into an all-round player, writes Principal Correspondent **Jai Shankara**.

DELLA TECNICA'S HEADQUARTERS AT TARDEO in central Mumbai is sharply different from run-of-the-mill corporate offices. It exudes an air of informality as well as an old-world charm. Located on the ground floor of a colonial-style building, away from the hustle and bustle of Mumbai's frenetic traffic, the office of Della Tecnica combines elegance and comfort with functionality. The personal touch of Jimmy Mistry, sports buff-turned-entrepreneur-turned-corporate hotshot, is visible in every aspect of his office design. Says the 32-year-old managing director of Della Tecnica: "I wanted this office to be a creative hub and the aesthetics and ergonomics are so designed as to encourage this."

It is this creativity and a refreshingly innovative approach towards designing that catapulted Della Tecnica to the top echelons of the Indian architecture and corporate interior design segment within less than a decade of its inception. The Rs. 2 lakh start-up of 1995 has today evolved into a Rs. 60-crore design solutions powerhouse and has a blue-riband list of clients. The YoY growth for the company has been stunning at between 80-100 per cent.

Geometric growth from inception has been the hallmark of Mr. Mistry's leadership. Says he: "Right from the outset, we have focused on offering innovative, yet functional designs. We have imbibed the best of international practices and the latest trends and our clients are a highly satisfied lot." In an intensely competitive business in which customer satisfaction is a critical driver of growth, this strategy has proved successful for Della Tecnica. Today even as its client base has expanded rapidly, it enjoys an exceptional 80 per cent client retention record (repeat customers).

The company's financial performance has been equally outstanding. Turnover vaulted by more than one hundred per cent from Rs. 12 crore in FY 02 to Rs. 30 crore in FY 03, and this fiscal (FY 04) will hit Rs. 60 crore. Similarly, PAT has risen sharply —

from Rs. 60 lakh in FY 03 to nearly Rs. 3 crore in FY 04, making Della Tecnica one of India's fastest growing companies in a still virgin, but potentially large business segment.

Corporate interior designing in India has still to acquire the status of an organised industry. But with more and more MNCs entering the Indian market and having to maintain international standards of ergonomics in their offices, this segment is now on the threshold of explosive growth. With the economy too on an upward curve, the fortunes of the real estate and construction sectors looking up and capital investments burgeoning, business potential in the interior designing segment, says Mr. Mistry, "could not be better".

It is this wave that Mr. Mistry hopes to ride in the coming days. So buoyant is he about his company's future prospects that he confidently forecasts a compounded annual growth rate (CAGR) of 70 per cent, parlaying into a Rs. 500 crore turnover and a PAT of Rs. 70 crore for Della Tecnica by 2008. On the anvil are ambitious diversifications into real estate and construction along with a plunge into real estate consultancy. These twin initiatives plus the existing interior designing business, which by the next fiscal (FY 05) is expected to contribute Rs. 150 crore, will constitute the two main pillars of the company's growth in the medium term.

Mr. Mistry is now fine-tuning his strategies for his real estate diversification. Plans for the first property to be developed in Mumbai, are expected to be finalised by end of March 2004. Reveals Mr. Mistry: "I am planning a new-age, fully residential construction that will add value in terms of design and amenities to its buyers."

The proposed initiative is a result of thorough planning and strategising. Recognising a niche customer segment willing to pay a premium for buying an apartment in a designer tower, Mr. Mistry has swiftly moved to tap this segment. Says he: "There is a dearth of custom-made or well-designed multi-storeyed towers in Mumbai. My tower, directed at the premium customer segment, will be a blend of aesthetics and functionality. My aim is to make



Jimmy Mistry, Managing Director, Della Tecnica.

this building a trademark in its area — something for which customers will pay a premium to own.”

A PART FROM IDENTIFYING A niche customer segment, the initiative also forms a natural part of Della Tecnica’s evolution into a fully-integrated building and building-related offerings powerhouse. Explains Mr. Mistry: “Our foray into real estate is an extension of our organisation’s business. We are already into designing and execution, but now, instead of doing it for others, we will do it ourselves. This will give us greater flexibility in designing.”

Della Tecnica has also been contemplating a joint venture for its real estate foray and is already in negotiations with a few likely partners. The company is further negotiating funding requirements with two banks, which may also take up equity in the project.

Its other diversification — into real estate consultancy — for which a separate business unit will be set up by May 2004, is expected to fructify into another high-yielding revenue stream in the coming years. This will be more in the nature of a



THE ELEVATED MEETING ROOM OF PERCEPT D MARK, DESIGNED BY MR. MISTRY.

commercial and residential properties brokerage business and here Mr. Mistry’s plan is to tap Della Tecnica’s existing corporate clients.

For example, Della Tecnica has

designed the interiors of blue-chips such as Star TV and Nokia (for its retail outlets) among others, and will now add real estate consultancy to its gamut of services, thereby acquiring an added leverage in the

The elegant exterior of Shalina Laboratories, Navi Mumbai.





AT WORK AND ON THE ROAD: A NEED FOR SPEED.

market. Points out Mr. Mistry: "We cater to these clients and several other MNCs on an all-India basis. Now many of them are on the lookout for properties all over the country. Since we are already doing business with them, it is but natural that they will prefer to deal with us if we offer them real estate consultancy. A large pool of existing clients will come in handy for us in this new initiative."

Another diversification, albeit small in dimension, is a planned entry into corporate interiors in the Gulf. This too will take the form of a JV and is likely to fructify by end-2004. The initiative has been prompted by the fact that the economy is booming in the United Arab Emirates (UAE) and consequently a huge, high-potential market has opened up for turnkey interior designing. Further, investment requirements are limited as interiors are mainly financed by customers themselves and this diversification will help complement Della Tecnica's Indian operations. Besides, as Mr. Mistry points

out, Della Tecnica's focus in the UAE will be on MNCs, with the intention of attracting them to the Indian market.

HOWEVER, EVEN AS THE PLATFORM FOR launching these businesses is being rapidly built, it is clear that corporate interior designing on which Della Tecnica has cut its teeth will continue to remain its bread-and-butter business. "There is immense scope for growth in interiors — we have not even scratched the tip of the ice berg," says Mr. Mistry. The industry is expected to grow at around 15 per cent annually over the next three years and Della Tecnica, the first ISO 9001:2000 interiors company in India and also the only fully-integrated company in the country to offer the entire gamut of interiors solutions to its clients, is well-poised to exploit the emerging market opportunities advantageously.

Della Tecnica's advantage stems from the fact that unlike its competitors who design and then contract out other

functions, it offers all services in-house, ultimately proving more cost-effective to its clients. And again, unlike its competitors who make all purchases through the architect working on that project, Della Tecnica handles its purchases through a separate department set up for the purpose. This also lends economies of scale to the company's operations.

The interiors powerhouse also possesses a high-tech manufacturing facility in Daman on which over Rs. 2 crore has been invested (all through internal accruals) over the years. This 32,000 sq.ft. facility has all requirements for modular furniture manufacturing, in-house powder-coating plant, metals division and fabricating machines, besides its own logistics apparatus, packaging and dispatch lines and a fleet of trucks. Personnel turnaround here has been less than two per cent, an achievement of which Mr. Mistry is understandably proud.

With the foray into real estate and construction high on its agenda, Della



A FUNCTIONALLY EFFECTIVE WORKPLACE: THE DIANUM GOLD JEWELRY FACTORY IN MUMBAI.

Tecnica's think-tank also plans to import interior-related products such as ready-made doors and windows. Mr. Mistry avers that these products will be highly technology-driven and that their imports will bestow upon his company, a price advantage and faster turnaround time.

With over 650 personnel including 35 top-notch professionals in architecture and designing, Mr. Mistry's big projects include Star TV's corporate office building and news studios spread over 1,00,000 sq. ft., Radio

City's radio stations in Mumbai, Delhi and Lucknow, AC Nielsen-ORG Marg's corporate offices in Mumbai, Baroda and Delhi covering 68,000 sq. ft., Nokia retail stores and Bajaj Allianz insurance branches across India, Dianum Gold factory, Shalina and Nerolac paints laboratories in Navi Mumbai, Pan Parag's residential towers and the offices of BPL Mobile, GlobeOp and Moneyline Telerate, etc.

Mr. Mistry's current favourite project is designing the duplex suite and executing

the corporate wing and chairman's suite at Sahara Hospitality Hotel at the airport (belonging to his corporate idol Mr. Subroto Roy of the Sahara Group).

Says Mr. Mistry: "I wish I can imbibe even a fraction of his business acumen, farsighted approach, leadership qualities, corporate ethos and values into my organisation. It is out of love and respect for Mr. Roy that I ventured into the hospitality segment even though corporate office interiors remain our main forte."

Thus, within a short span of eight years, Della Tecnica has achieved rapid growth in the critical parameters of turnover, profit and a blue-chip client base. Today it is the market leader in the Indian corporate interior designing segment. Once its ambitious, but well-planned diversifications into real estate, construction and consultancy take off, Della Tecnica will get transformed into a fully-integrated player offering the entire gamut of services — from manufacturing, designing, contracting and project management to real estate and construction. It is no wonder then that Della Tecnica's nerve-centre at south Mumbai's Tardeo is currently throbbing with energy as Mr. Mistry and his young team (average age: 25) burn midnight oil, fine-tuning their plans to transform the company into a diversified design and realty powerhouse.



STAR TV'S OFFICE IN MUMBAI: STIMULATING THE CREATIVE JUICES.

Man On A Mission

JIMMY MISTRY IS UNCOMFORTABLE WITH the conventional. And this is evident right from his office décor to the plush, comfortable and avante-garde interiors he has designed for his highly demanding clients. His eye-catching and aesthetic designs have helped catapult his eight-year-old entrepreneurial set-up, Della Tecnica, into a rapidly growing Rs. 60-crore corporate interior designing powerhouse.

Della Tecnica's rapid journey from a small start-up in 1995 to its present leadership status in the interior designing industry makes for interesting reading. Mr. Mistry started his operations with a staff of six; today Della Tecnica employs over 650 personnel and is the only ISO 9001:2000 certified company in the corporate interior designing segment in the country. His client roster reads like a Who's Who of India Inc. — amongst his clients are blue-chips such as Star India Pvt. Ltd., AC Nielsen-ORG Marg, Bajaj Allianz, Sahara Hospitality, Reuters, Moneyline Telerate, Shalina Laboratories, Dianum Diamond Jewellery, BPL Mobile and Nokia.

The 32-year-old founder and managing director of Della Tecnica harbours ambitious plans for his company. On the anvil are two diversifications — into real estate consultancy and real estate development, both of which are expected to become huge revenue streams by 2008. The target: turbo-boost turnover from Rs. 60 crore (FY 04) to Rs. 500 crore (FY 08).

A multifaceted personality with a keen love for sports and owner of an eclectic collection of fast motorbikes and luxury cars, Mr. Mistry also discharges his social responsibilities with diligence. He has undertaken several community service projects including renovating an old agiary at Dadar, Mumbai and upgrading and enhancing the ambience of a police station

opposite the Cricket Club of India located in the same city.

In this exclusive interview with **BUSINESS BARONS**, Mr. Mistry recounts how the Indian corporate interior designing industry has evolved over the years and forecasts geometric growth for it in the next three years. Excerpts:

■ **How do you assess the business potential of interior designing in India?**



MISTRY: ACHIEVING EXPONENTIAL GROWTH.

JIMMY MISTRY: The business potential is huge and the environment for growth cannot be better. The last two years have witnessed rapid growth and I am buoyant about the future prospects of this industry. There are several reasons for this huge growth, the most important being the economic liberalisation programme initiated by the government.

As a result of government initiatives, several MNCs and domestic players have invested large sums in India across multiple

growth sectors such as IT, call centres, automobiles, telecommunications and infrastructure. Now, these companies need to have their own offices and factories. More importantly, these companies, especially MNCs and new-age businesses need to adhere to international standards and norms with regard to office ergonomics. This is where designers such as us play an important role, serving clients on an all India basis.

Almost all major international brands are present in India as compared to just a handful about three years ago. This has fuelled a boom in corporate interior designing and with more international companies slated to enter the Indian market in the near future, growth potential in this segment is a given.

■ **Do you agree with the view that this business is still unorganised in nature? If yes, how long do you think it will take for this sector to get corporatised?**

MISTRY: There are two aspects to this and you are right when you say that this industry still has some distance to cover before it can consider itself an organised and corporatised sector. However, at the designing level — a very important parameter in our industry — we are on par with the best internationally. It is only at the execution level that we are still unorganised as an industry. But here again, I want to

emphasise the fact that there are individual players like Della Tecnica, which offer the best in both.

■ **Why do we lag behind at the execution level?**

MISTRY: In the past and to some extent even now, execution is still highly compartmentalised because of low volumes of business. However, in the last couple of years, volumes have shot up and with an increasing number of international designers entering the Indian market,

quality and efficiency of our offerings have also been enhanced. An important requisite of this industry is adherence to time schedules and this is increasingly being accorded priority by Indian players.

Higher volumes of business will automatically result in greater pressure on players to professionalise themselves. This trend is already visible in the Indian corporate designing sector and I am confident that within the next five years our industry will get transformed into a highly professional and organised sector.

■ **What factors will propel growth in this business over the next three years?**

MISTRY: The sterling successes achieved by India in the BPO and IT sectors, high growth in the new-generation businesses of telecom and bio-technology and the general buoyancy on the stock market have all contributed to our industry faring well in the last couple of years. These same factors will continue to propel growth in the coming years as well.

As the stock market booms, several IPOs will hit the market. The government's PSU disinvestment programme is also gathering momentum. In this scenario, organisations will want to portray their growth in a physical form as well. Another important fact is that the real estate and construction sectors are presently on an upward curve. The more the size of real estate developed, the higher the number of interiors that will need to be done up. Complementing this is the sudden spurt of construction in the commercial segment.

All these factors will provide the impetus needed for our industry to forge ahead in the next three years.

■ **In terms of money, how much is this industry worth currently and what is your estimation of its growth over the next three years?**

MISTRY: I estimate its present size at around Rs. 1,000-1,200 crore, while growth should be a healthy 12-15 per cent per annum over the next three years.

■ **Can you describe the evolution of interior designing in India over the last five years?**

MISTRY: The IT boom in the late 1990s saw Indian corporate interior designing come into its own. A few foreign consultants entered the Indian market and brought with them international practices which Indian players were quick to assimilate. However, our industry was not equipped to handle

businesses of large sizes as required by foreign clients. Our architects and consultants were used to handling small projects of 5,000-10,000 sq.ft., but new-age businesses required handling space of 1-1.5 lakh sq.ft. which was beyond their scope then. They lacked the infrastructure, skill-sets and project management capabilities to handle a high volumes business. Besides, in larger projects, standards of economies of scale are radically different from those in smaller ones. All this had proved a handicap for Indian players in the past.

Indians were good at basic designing, but lagged behind in creative designing and mega-project management capabilities. In today's competitive and tech-savvy world, it is no longer enough to be a fantastic individual designer. One must also be able to interface with hardware, possess presentation skills, etc. Human-related skills will no longer ensure business success; it must be supplemented with business acumen and technology.

Indian players also need to incorporate specialised functions within interior

architects look after these aspects whereas internationally, designers employ experts to look after these various facets of interior designing. Each segment requires specialisation and therefore it is incumbent to have specialists to cater to them.

Indian players are now imbibing these features and as the industry evolves, we will get more and more mature. I am giving a five-year timeframe for our industry to get corporatised and come on par with its international peers.

■ **Eco-friendliness is today an important facet of construction and building-related businesses. How is the Indian designing industry placed on this front?**

MISTRY: There is an ample availability of new-age and eco-friendly materials in India. These have been tried and tested successfully and foreign and Indian designers are increasingly beginning to use them. For example, architects now increasingly prefer wood from sustainable forests and vinyls and veneers to mask rather than natural wood. In painting, water-based paints are rapidly replacing solvent-based ones, while

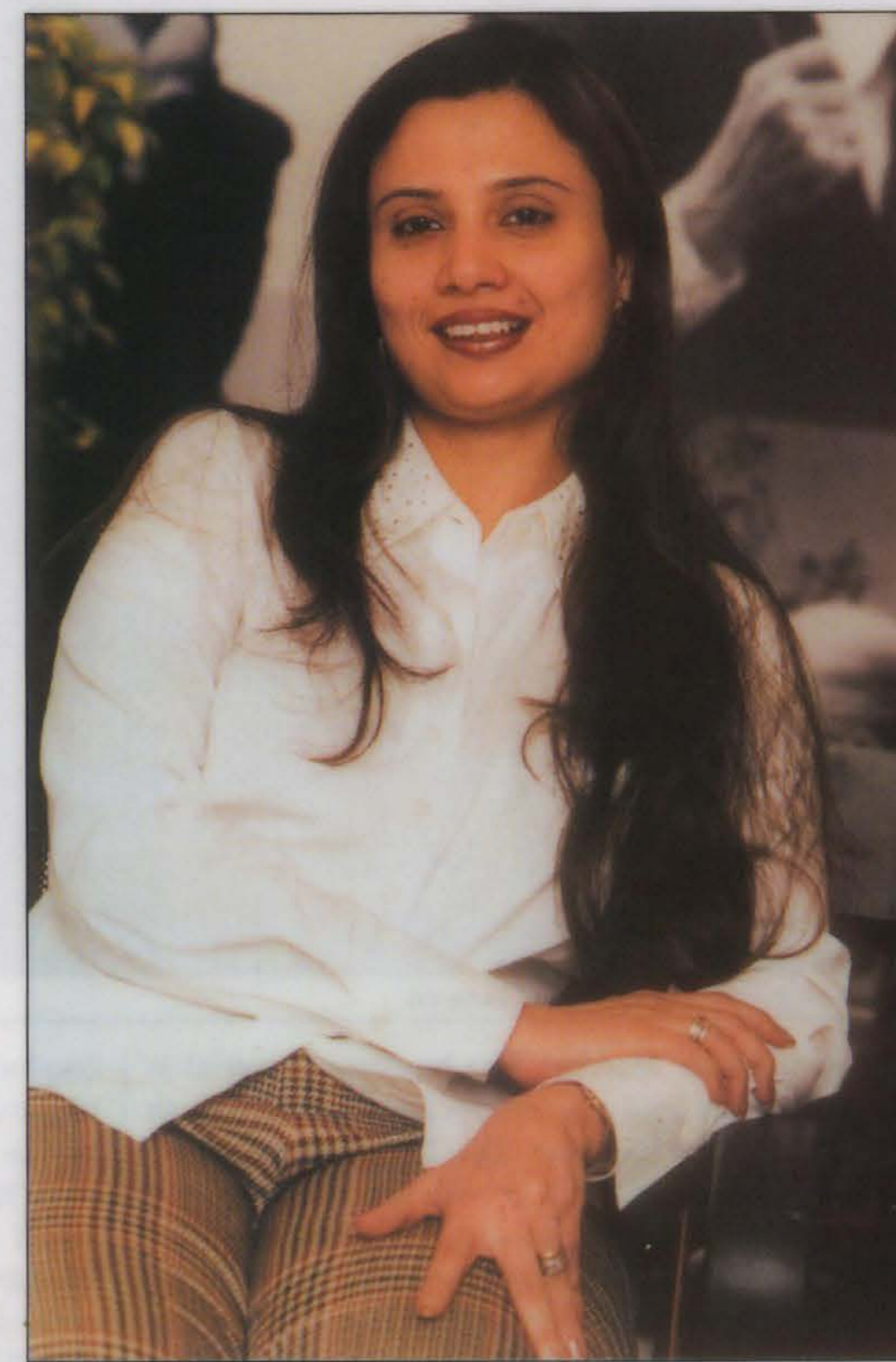
carcinogens have become a strict no-no nowadays. All this clearly indicates that our industry is on the right track and in accordance with international trends.

■ **Do you feel there is a need for fiscal support from the government to further perk up your industry?**

MISTRY: Yes, certainly. It is in the country's interest to boost this industry. For example, there is a lot of ambiguity on the taxation front, especially with regard to service tax. Besides, more clarity is required on WCT and excise, which are currently proving to be heavy burdens on our industry.

Further, there is the problem of entry tax — different states have different norms for entry tax and there is no single, nodal agency in the country to gather data on this. This applies to sales tax as well. There is an urgent need to set up a single central agency to disseminate data on octroi, ST, paper and documentation requirements of various states. It will go a long way in enhancing industry performance.

■ **Coming to Della Tecnica, could you give a brief background of the company — when it was set up, its shareholding pattern, core business**



DELNA MISTRY, DIRECTOR, DELLA TECNICA.

designing. We need to have specialists in different segments such as lighting, fabric, furniture designing, etc. In India, even now,

focus areas, etc.?

MISTRY: Della Tecnica was set up in 1995 at a small investment of Rs. 2 lakh and is a closely held company with the entire equity held by family promoters. We started our business with furniture imports and exports and over the years branched out into manufacturing and sales nationally, followed by a foray into interior designing and architecture.

Our core business focus area is provision of total interior solutions to our clients. Della Tecnica's growth really exploded after our foray into architecture and interior designing. We have also invested in a high-tech, integrated manufacturing facility in Daman, which possesses painting lines, machines and its own fleet of trucks and logistics apparatus. From a small Rs. 2 lakh start-up in 1995, we have today evolved into a Rs. 60-crore corporate interior designing powerhouse.

■ **What made you select interior designing as a business option?**

MISTRY: This has something to do with the way my business and career shaped up in the period between 1991 and 1995, when I was a contractor to various architects in the Mumbai-Pune region. This experience provided me with the exposure to working-skills in various specialised spheres and segments as diverse as designing bungalows, hospitals, office interiors, etc. It was then that I realised that this industry was not progressing anywhere in terms of organisation and professionalism.

I felt the need for organised players in this sector. The immense potential existing in this sector excited me and I felt that only professional and organised players would be able to give an impetus to this fledgling industry. Besides, right from my youth I had always dreamt of doing something big and path breaking in the organised sector. I had reached my peak with contracting in the mid-1990s and whenever I feel I have realised my full potential in anything, I turn my attention to something new. This happened to me in the mid-1990s when I felt the need to do something new, stimulating and creative. Della Tecnica was born out of this creative urge of mine.

■ **How has growth been for Della Tecnica in the last three years? What were your turnover and PAT in FY 03?**

MISTRY: We have been recording phenomenal growth in both our turnover and PAT right from inception. Our turnover vaulted from Rs. 4 lakh in 1996 to Rs. 16

lakh in 1997. Over the years and especially from the beginning of this century, our turnover has zoomed by around 80-100 per cent every year. In FY 03, our turnover and PAT stood at Rs. 30 crore and Rs. 60 lakh respectively, while our turnover and PAT projections for FY 04 are Rs. 60 crore and Rs. 3 crore respectively.

We have expanded our client base tremendously in the last three years and more importantly succeeded in retaining more than 80 per cent of them. Our strong focus on corporates has paid us rich dividends and today we have more than 100



NITIN MEHTA, FINANCIAL ADVISER, DELLA TECNICA.

corporates as our clients.

■ **How many projects have you undertaken since inception and how many do you have on hand currently?**

MISTRY: We have handled over 1,500 projects since inception. Normally in one cycle, which comprises of a 45-day turnaround time, we undertake about 25-30 projects.

■ **How strong is your national marketing network?**

MISTRY: Apart from our headquarters in Mumbai, we have a branch in Pune, a co-ordination office in Delhi and site offices at all our locations. Our plan now is to focus on the south, especially Bangalore, where we see immense business opportunities. We feel that with our current profile of clients, it will be easy for Della Tecnica to penetrate the southern market.

■ **Name the project that you undertook in 2003 that was closest to your heart.**

MISTRY: The project that gave me the greatest satisfaction was the renovation of the 75-year-old, 6,460 sq.ft. Rustom Faramma Agiary at Dadar Parsi Colony for

which we have been nominated for the 11th Urban Heritage Awards 2003 by the Indian Heritage Society, Mumbai. It is a heritage structure and to restore it to its original glory while simultaneously retaining its original old-world charm, was a great challenge for me. The work involved extensive renovation and repairs, new lighting and ventilation systems, besides creation of a Zen-like landscaped garden in the agiary's compound. The existing flooring was replaced with Italian marble, while old cornices and mouldings that had broken off from the ceiling were copied and refitted.

The entire expense was borne by Della Tecnica and I am happy with the results achieved.

■ **Could you tell us how you managed to enhance the ambience of the police station opposite the Cricket Club of India in Mumbai?**

MISTRY: This was again a community service project wherein all costs were borne by Della Tecnica. My aim was to break the monotonous look of a normal police station and replace it with a corporate ambience. I wanted to prove the point that one could break the age-old looks of a government building and replace it with something more modern, comfortable and functional.

The interiors here are clean with piped music and comfortable chairs, while the station itself is entirely glass-partitioned with a reception centre and a

workout area. This transformation has been brought about while retaining the original architectural structure and barrack-style look.

■ **Finally, what do you consider as the USPs of Della Tecnica that have given it the cutting edge in the Indian market?**

MISTRY: Our biggest USP is that we have emerged as a highly creative one-stop interior solutions organisation providing thoroughly professional and innovative services to its customers. My core team of 35 (designers and architects) is one of the best in the industry. The employee turnover rate at Della Tecnica is very low, which testifies to their loyalty and job satisfaction levels. Everybody works here in a family-like environment, which in turn brings out the best in every employee. I am blessed to have such a dedicated team working for me and I say without hesitation that it is entirely their creativity, skill-sets and enthusiasm that have transformed Della Tecnica from a small start-up eight years ago to a Rs. 60 crore corporate in 2004.