



L&T VALVES BUSINESS UNIT NEWSLETTER • JUL-SEP 2003

From the desk of MCP

Dear Friends,

We all can have a sense of achievement for a very successful 2002-03. But the real test of success is not whether we can win today, but whether we can win tomorrow and the day after.

How do we do it? The secret of walking on water is knowing where the stones are.

In our parlance, it is information – about customers, consultants, competition, business associates and so on. In a competitive market, information is the heart of the matter. Armed with strategic information we can unlock the door to the vault called success.

Best of luck.

Regards.

A handwritten signature in black ink, appearing to read "M. C. Pillai", with a horizontal line underneath.

M. C. Pillai

Customer Comments



“We are extremely happy in being associated with L&T Valves Business Unit for the past ten years. The response of both the sales & manufacturing teams have been very good. They have been extremely co-operative and amenable to our specific requirements.

The quality of valves & services offered by them have been good.”

Mr. Lokenath Ratho
Managing Director



“We have been with L&T - Audco Valves since our inception and even with all the alternatives in the market, we have not yet found a reason to look at anybody else.

The responsiveness of the sales and manufacturing teams at L&T and Audco - in addition to the assured quality - has enhanced our relationship.”

Mr. S. Mani
VP (Engineering Projects & EHS)

Valves Business Unit spreads its wings

In recent years, Indian EPC contractors have been making an impact in the international arena. Indian contractors like Aban, Dodsai, Enmas, IOTL, Punj Lloyd, as well as L&T, today executes critical projects in oil & gas exploration, refining, pipeline, petrochemical, chemical and power sectors in South Asia, Middle East and the erstwhile USSR.

The success of Indian EPC contractors abroad has presented L&T Valves Business Unit (VBU) with an opportunity to expand the operations. And to the contractors who procure valves for international projects from L&T VBU, the advantages are:

- World-class quality & reliability
- Established track record in a wide variety of applications
- End-customer approvals and
- Reliable after-sales support

VBU's major successes in the international market are:

Contractor	Customer	Destination	Products
Snamprogetti	OMIFCO Fertiliser Plant	Oman	GGC
Punj Lloyd	PGN Panaran-Pemping Pipeline	Indonesia	TMBV & Plug
ECC	Songas Songo-Songo Pipeline	Tanzania	TMBV & Plug
Mitsui Babcock	Taiwan Power Co., Taichung	Taiwan	All Products
IOTL	Purebond/NIPCO Terminal	Nigeria	GGC & Ball

The total value of orders secured from abroad has crossed Rs. 12 crores. And today, with many global EPC majors opening their sourcing bases in India, the prospects for VBU are very bright.

Creating Customer Loyalty

Meeting or exceeding customer expectations is not as simple as it first appears. For a start, many of your customers or prospective customers are not sure what they should expect, and many will not tell you because they expect you to know...after all, you're the expert at what YOU do.

To understand customer behaviour better, we can use The Customer Loyalty Grid. The grid is divided into four zones, as depicted in the diagram below:

ask (or negotiate) for it. It is an expectation, simply because other organizations that the customer deals with provide this benefit.

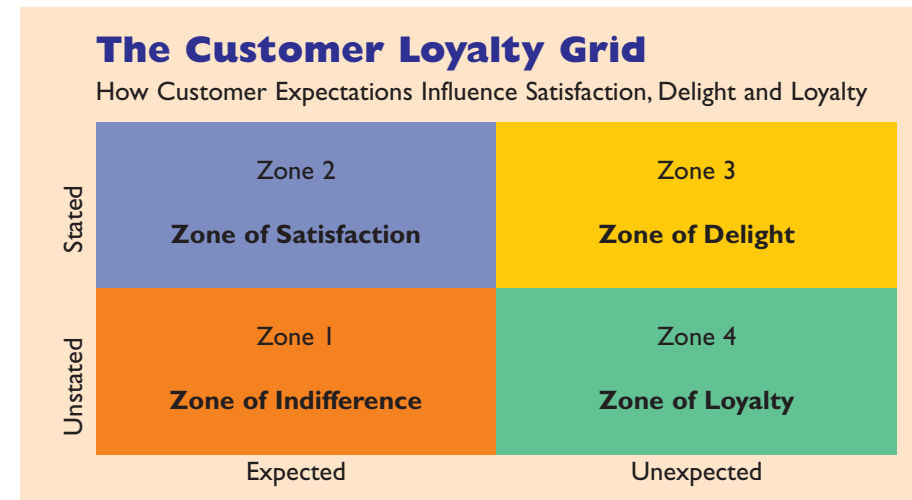
Zone 3: Stated/Unexpected - The Zone of Delight

This is where your customer HOPES for something, ASKS for it, but really does not expect you to provide it. This is your opportunity to provide something beyond their expectations and by doing so will create DELIGHT.

customers had no way of asking for this innovation, or expecting it, before it became known to them.

All Zones are equally important

To get to the Zone of Loyalty, you must first conquer the other zones - there are no short-cuts. If your organization is really good at innovations (the key factor in creating Loyalty), but struggles at reliability (the key factor in creating Satisfaction), then it will end up struggling in all four zones.



Zone 1: Unstated/Expected - The Zone of Indifference

Literally, this includes all those customer needs and wants that are basic to fulfilling the contract between you and them. If you don't meet this need, you will cause DISSATISFACTION. If you meet this basic and obvious need, the best you can hope for is INDIFFERENCE.

Zone 2: Stated/Expected - The Zone of Satisfaction

This is where your customer actually TELLS you what is important to them. Listen carefully here, as this is a key stepping-stone to customer loyalty. Meeting a customer's needs here will cause SATISFACTION, whereas not meeting them will cause DISSATISFACTION.

For example, a customer might expect a volume discount on a purchase, but knows that they have to specifically

ask for something that is usually available only in a premium priced product. Not providing it will not cause dissatisfaction. Therefore this is an area for particular attention in building a LOYAL customer base.

Zone 4: Unstated/Unexpected - The Zone of Loyalty

This is an area where your expertise in whatever product or service you provide and the customer's lack of expertise can really pay off! Providing benefits above and beyond what the customer is even aware of can create a LOYAL customer. This requires you to be really proactive in suggesting to customers new innovations that they can really benefit from. Many customers will be even willing to pay extra for this.

For example, airbags in automobiles when first introduced were an innovation that saved lives, but

Loyalty creating innovations are time limited

What was once an unstated/unexpected innovation will eventually become unstated/expected. Would you now purchase a car without a CD player? Would you even ask the salesperson if it is installed? So maintaining a rate of innovation that matches or exceeds what the market demands is crucial to maintaining customer loyalty.

Innovations - What to look for

Any innovation targeted at increasing customer loyalty should satisfy the following performance dimensions (conveniently remembered by the acronym 'RATER'):

- Reliability
- Assurance
- Tangibles
- Empathy
- Responsiveness

Conclusion

If all parts of your organization - those who design new offerings, those who manufacture the products as well as those who provide customer service - are involved in creating loyal customers you will reap the benefits well into the future.

Adapted from an article by Brian Ward, Affinity Consulting.

AIL R&D Centre - Meeting the Challenges of the Future..



AIL R&D Centre

Thrust Areas

- New products
- Product Innovation
- Customisation
- Faster Response to Customer Needs
- Cost Reduction

Approvals & Certifications



World-class Test & Qualification Facilities



Seismic Test

- Cryogenic Test
- Fire Test
- Fugitive Emission & Helium Leak Tests
- Hot & Cold Cyclic Tests
- Seismic Test
- Natural Frequency Test
- Static Load Simulation
- Pipe End Reaction Test



Fire Test



Cryogenic Test

State-of-the-art Technology

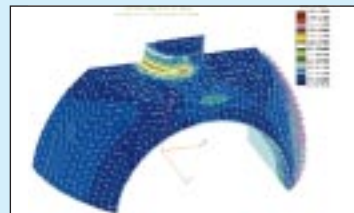
- Pro/ENGINEER - 3D Modelling
- Pro/MECHANICA - Finite Element Analysis
- COSMOS/M - Finite Element Analysis



24" Class 1500 Super -H Valve

Benefits to Customers:

- Faster Deliveries
- Customised & Optimised Products
- Enhanced Reliability
- Reduced Costs



Cosmos/M FEA - TMBV Ball Stress Plot



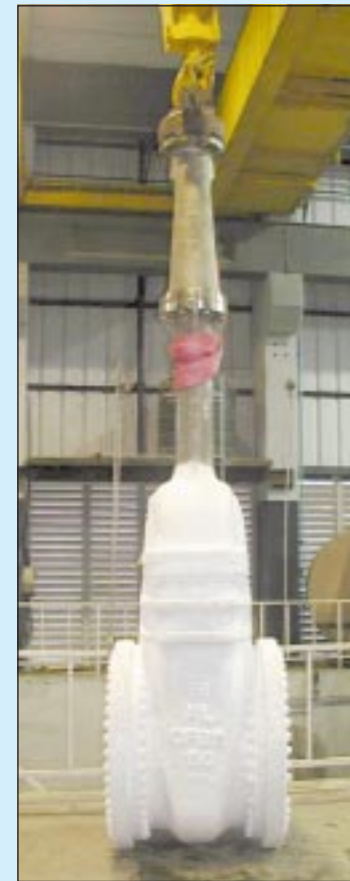
48" Class 150 Gate Valve - Pro/E Model & Actual Valve



Pro/Mechanica - Thermal Analysis - Cryogenic Gate Valve

A New Approach to Design

- Migration from 2D to 3D Design Environment
- Concurrent Engineering Principle
- Parametric Design Approach using Pro/E Templates, Library of Standard Parts & Accessories.
- Efficient Product Data Management



36" Class 150 Gate Valve after -196°C Cryogenic Test



28" Class 600 MSIV



42" Class 600 TMBV

Major Successes

- Large Size Gate Valves - Up to 60"
- Cryogenic Valves - Up to 60"
- Trunnion-mounted Ball Valves - Up to 56"
- Super-H Plug Valves - Up to 30"
- Special Valves for Nuclear Power
- Low Emission Valves compliant to US Clean Air Act
- Collaborative Design with Group Companies Abroad



Bhama Suresh



Bhama was born on April 15, 1964 in Mannargudi, Tanjore District, Tamilnadu, to Mrs. Ranganayaki and Mr. Parthasarathy Iyengar.

Mr. Iyengar was an eminent vedic scholar and a composer of Carnatic songs. His compositions find a place in the repertoire of leading vocalists like Mr. K. J. Yesudas and Ms. Nithyashree. The multitalented Mr. Iyengar was the subject of a 'Mirror' cover story in 1979.

Bhama, after completing her

schooling, acquired a B.Com degree, a PG diploma in Marketing Management and a National Certificate of Supervision from National Productivity Council. She is currently doing MBA from Symbiosis, Pune.

Bhama started her career in '82 with Yelchur Agencies, Chennai, as a typist clerk. From '84 to '88 she worked as a stenographer in MIC Cements, Chennai and in '88 joined International Software, Chennai, as secretary to the MD.

Bhama Suresh became an L&T-ite on April 20, 1989, to quote Bhama, 'that was one of the proudest moments in my life'. After two years as secretary to the RM, she moved to Data Products as secretary to the Divisional Manager. In 1997, Bhama joined the Valves family as secretary to Mr. M. C. Pillai, JGM, Valves Business Unit. Today she handles the Personnel & HR functions of VBU.

In 2002 Bhama was adjudged first runner-up in the 'Best Secretary of the Year' contest organised by the National Institute of Professional Secretaries, Tamilnadu chapter, and won a family vacation in Colombo.

She has a passion for Carnatic music. Even with her hectic schedule she still finds time to practice Carnatic music and organise cultural programmes.

Bhama got married to Mr. P. S. Suresh on November 26, 1986. Mr. Suresh is with the Southern Railways. According to Bhama, the support and encouragement provided by her husband is the main driving force behind her achievements.

The couple has two daughters, Suganya and Supriya, twins born on June 22, 1988.

New Horizons, New Hopes ...

We wish the following all the best in their new assignments / locations:

Sanjay Chowdhury, Mumbai
M. Venugopal, Baroda
Sanjay Roa, Baroda
S. M. Arora, AIL

Adieu!

On June 16, 2003, Valves Business Unit bade farewell to:

Ratan Poddar, Baroda
Ms. B. P. Joshi, Powai &
A. K. Sanwal, Delhi
who had opted for early retirement.

Just Born

To Pratima & Sandeep Dhoble, Baroda, a son, Rishi, on April 17, 2003

Long Service Award



Mr. R. Viswanathan, Chennai, completed 25 years with L&T on May 31, '03. In the picture, RV being felicitated by Mr. N.V. Venkatasubramanian, DGM, Valves Business Unit. Also in the picture is Mr. V. Sriram, Section Head, South and Mr. S. K. Bansal, then Area Manager, Chennai.

Stockists profile - Argus India, Kota



Mr Deepak Babel

Argus India, Kota was established by Mr. Deepak Babel, with the blessings of his father, Mr G. C. Babel, in 1984. The Babels had a well-established trading company called Hindustan Traders, and Argus was set up to manage their forays into new markets.

Argus started their operation as regional distributor for Kirloskar Oil Engines Ltd., Pune. The team, led by Deepak, a gold-medallist MBA from IMT, spent the first two years picking up the threads and learning how things work in the real world, organising the

business on modern lines and putting systems in place. Initially the concentration was on the agricultural sector, but by 1987, the focus shifted to the industrial sector, in view of the large potential and the sea change on in the marketplace.

The group had their first major success at a high outlay, multi-product synthetic yarn project. For the project, they supplied a wide range of engineering products like pumps, valves, instrumentation products, electric equipment, power & control electronics and hardware – and gained valuable insight on processes and applications. After that there was no looking back for Argus.

They were then dealers for KSB valves and used to feel cramped because of the limited product range and were on the look out for a product line that would provide them a richer exposure and faster growth.

In 1993, Argus became an L&T Authorised Stockists for Audco valves. The Audco valves operation has witnessed a spectacular ten-fold growth in the last decade. Today they market Audco valves to the most discerning of customers, and for the most difficult of applications.

An application engineering

approach, focus on customer relationship management, financial soundness and principals' whole-hearted support have helped Argus maintain their momentum even in these turbulent times. Deepak, a technology buff, was one of the first stockists to computerise the operations and according to him that continues to be a major strength.

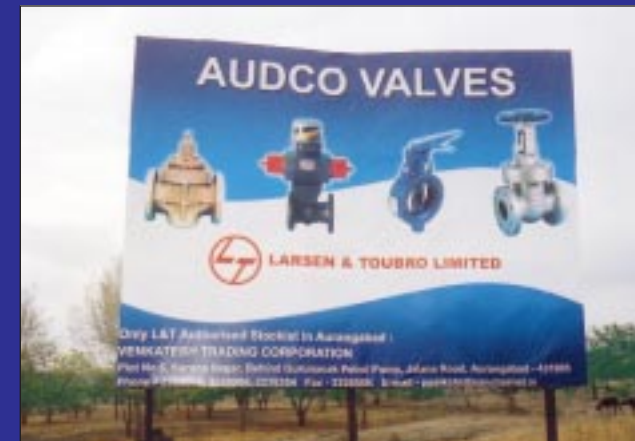
Argus's philosophy has been to build a strong and stable backbone, and at the same time explore new ideas and opportunities. This approach has helped them expand their product offering as well as to learn. Today, the group markets Elecon gears, Powerbuild geared motors, Grasim bulk chemicals, Kirloskar Ebara pumps, Kirloskar electric motors and Kirloskar Copeland compressors.

Deepak has interests in a wide range of topics - from philosophy to technology, reading to travel, movies to writing... Deepak is married to Rachna, and they have two sons, Akhil, aged 16 and Utsav, nine.

Hoardings



Nagpur



Aurangabad



ENGINEERS!

Three men are sentenced to death for various crimes against a mythical and oppressive state. One is a priest, another is a drunkard, and the third is an engineer.

The first to face the executioner is the priest. When asked if he wanted to lie face down or face up on the guillotine, he said, "I'll lie face up! I have nothing to fear. The Lord is on my side!"

So he lay on his back and faced the razor-sharp blade. When it was released, the blade fell half way and stopped. The executioner exclaimed, "This must be divine intervention. You are pardoned, and you may leave."

The next was the drunkard. When asked the same question, he chose to lie face up like the priest, saying, "I'm a drunk, not an idiot." So he lay on his back, too, facing the sharp blade as the sun glinted off its keen edge. Again, the blade fell only half way and stopped. The executioner exclaimed, "The lord is generous today. You are pardoned, and you may also leave."

Finally, it was time for the engineer. He also chose to lie on his back. After all, it seemed that was the lucky thing to do that day. He lay on his back looking up at the heavy blade tensing against the rope. Just before the blade was let loose he shouted, "Wait, I think I see the problem!"

Days to wish on ...

Birthdays

Jul 04	Mithun Das	Delhi
Jul 05	Dinesh Kumar Upadyay	Delhi
Jul 18	Sujeet Williams	Bhopal
Jul 23	A Dasgupta	Kolkata
Aug 04	Jimmy George	Kochi
Aug 14	CP Sridhar	Chennai
Aug 14	MS Parthasarathi	Chennai
Aug 14	N Thiagarajan	Chennai
Aug 15	M Venugopal	Baroda
Aug 15	Sanjay P. Rao	Baroda
Aug 16	Sajeev Menon	Chennai
Aug 16	R Babuliji	Jamshedpur
Aug 25	Mayank Sharma	Delhi

Sep 02	KP Panchal	Powai
Sep 05	Kausik Mukhopadhyay	Vizag
Sep 21	Sanjay Rajwade	Pune
Sep 24	Sadashiv Swaminath	Powai

Anniversaries

Jul 22	KM Mukherjee	Chennai
Aug 18	Sujeet Williams	Bhopal
Aug 24	Babu Kuriakose	Chennai
Sep 03	Sujith Kumar Pai	Powai
Sep 15	B Ramamoorthy	Chennai



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and Manuals
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AUDCO INDIA LIMITED