

BW BUSINESSWORLD

INTERVIEW: BHAGWAT KARAD,
Minister of State, Finance

BW BUSINESSWORLD

www.businessworld.in

ISSUE: FEBRUARY 2022 | 109

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By Sanjeev Gupta,
CEO, Realization
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MUST BUCKLE DOWN BEFORE WE BUCKLE UP

The country's public and private sector organisations now need to rise to the execution challenge

THE LATEST Union Budget promises to take India on an exhilarating ride. We can debate ad nauseum what more the Budget could have done but then we risk missing a more crucial point, that fiscal policy alone is not sufficient to achieve its ambitions. The country's public and private sector organisations now need to rise to the execution challenge. Whether they engage in construction projects, healthcare, or manufacturing and distribution, the time has come for them to substantially speed up their execution.

For example, construction industry will get a spike of Rs 1 lakh crore in capital expenditure. But how can it build 80 lakh new houses; 25,000 km of new roads; four ambitious river-links; and more cargo terminals and airports when current projects are already plagued by a shortage of skills, availability of cash, and even equipment and supply chain constraints? None of these limitations can be removed overnight; in fact, adding more projects into the pipeline could make them worse. The only way out is executing projects in less time. Faster completion will not only help in achieving goals but also free up capacity to undertake more projects. Most importantly, it will make projects the generators of cash flow rather than being money pits.

Or consider healthcare. India does not have enough resources to provide the same level of healthcare to its entire population that is available to its middle class. It is imperative for healthcare providers to do more with less: serve four times more patients with out a proportionate increase in healthcare facilities and workforce. Again, as Aravind Eye Care system has shown, the solution lies in reducing the time a patient spends in a healthcare facility, in speeding up patient flow. Even the "Make in India" campaign cannot succeed unless Indian manufacturers can increase the demand for their goods. Yes, the government can use its procurement policies to kickstart defence, and tax incentives to spur investment in other industries. But how will

the industry generate an additional 100 million jobs (on a baseline of 128 million) without a sustained doubling of demand for Indian goods? Quality and costs that are at par with rest of the world will not provide a decisive competitive edge; they are just a threshold to cross. Perhaps the solution lies in making Indian supply chains the fastest, so that Indian manufacturers can be the best at responding to fast changing demand patterns.

Speeding up execution quickly by a factor of two, three or four might seem like a tall order but is very much possible. Several organisations, even in India, have successfully adopted methodologies like the Theory of Constraints, Focus Factories and Pull Systems to increase the speed at which they execute projects, treat patients, and fulfill customer orders. Now India's businesses and bureaucracies need to buckle down and adopt them across the board, quickly, and swiftly.

While the responsibility for management methods lies with leaders of respective organisations, a Central government task force can help. Such a task force can evangelise both the need and the means for faster execution; corral management institutes and leverage edtech to provide the necessary training on mass scale; and collaborate with organisations like CHI to identify and publicly recognise success stories. No nation has achieved greatness without its industry excelling in a certain dimension of execution. Whether it was the mass production revolution in USA or the Total Quality Movement

in Japan, those countries would not have become economic powerhouses without producing goods that were substantially cheaper and better. India's calling lies in being substantially faster. Speeding up execution is a prerequisite for speeding up our economic growth. ■

