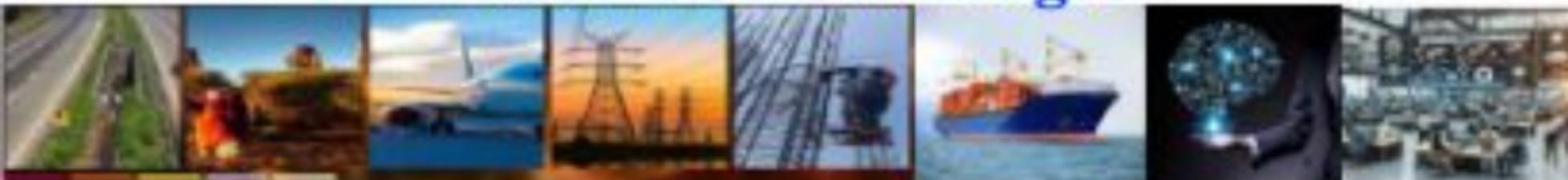




# Building Large Organisation

And

## Associated Challenges



**Dr. Emandi Sankara Rao**

**Chairman Vizag Profiles Pvt Ltd**

*Former Chairman & MD IFCI Group, Min. of Finance, Govt of India, New Delhi*

*Former Chairman Board of Governors - MDI Gurgaon & MDI Muzhifabad and ILD (Skill Development Institute) Jaipur*

*Director : Delhi International Airport Ltd, GMR Group Airports & Power Ltd, Visakha Pharma City Ltd, Patel Engg Ltd, Edelweiss InVTI*

# Discussion Elements

➤ Indian Economy Landscape & Digital Economy

## Large Organisation Growth Model:

➤ Broad based Strategic Board & Senior Management

➤ Business Planning & Finance Modelling

➤ Strategy & Innovation

➤ HR & Happiness Indexation

## Challenges :

➤ Quality & Delivery Management

➤ Risk & Compliance Management

➤ Way Forward & Conclusion

# IMF: Countries GDP Projections

## World Output Projection 2023

Real GDP, annual percent change



For India, China and Singapore the projected 2023 growth rates include a provisionally anticipated 2022 decline of 0.3% for 2023. Source: IMF, 2022. For more information, visit [www.imf.org](https://www.imf.org).

Source: IMF, 2022. For more information, visit [www.imf.org](https://www.imf.org).

2022  
2023

World Output Projection: IMF

# BHARAT – THE LEADING & EMERGING ECONOMY



Manufacturing

Services

Agriculture

2025 GDP \$ 4.18 Tn

By

2030 Likely GDP \$5.00 Tn

# INDIA MARCHING TOWARDS DIGITAL TRANSFORMATION AGE

Leading To

## NEW DIGITAL AI ECONOMY & GREEN SUSTAINABILITY



# LEADERS ON DIGITAL INDIA



Shri Narendra Modi  
Hon'ble Prime Minister of India

*"Digital India is an enterprise for India's transformation on a scale that is perhaps unmatched in human history."*



Sundar Pichai  
CEO, Google

*"We've learned that that when we solve for a place like India, we solve for everyone around the world.  
#Digital Unlocked"*



Satya Nadella  
CEO, Microsoft

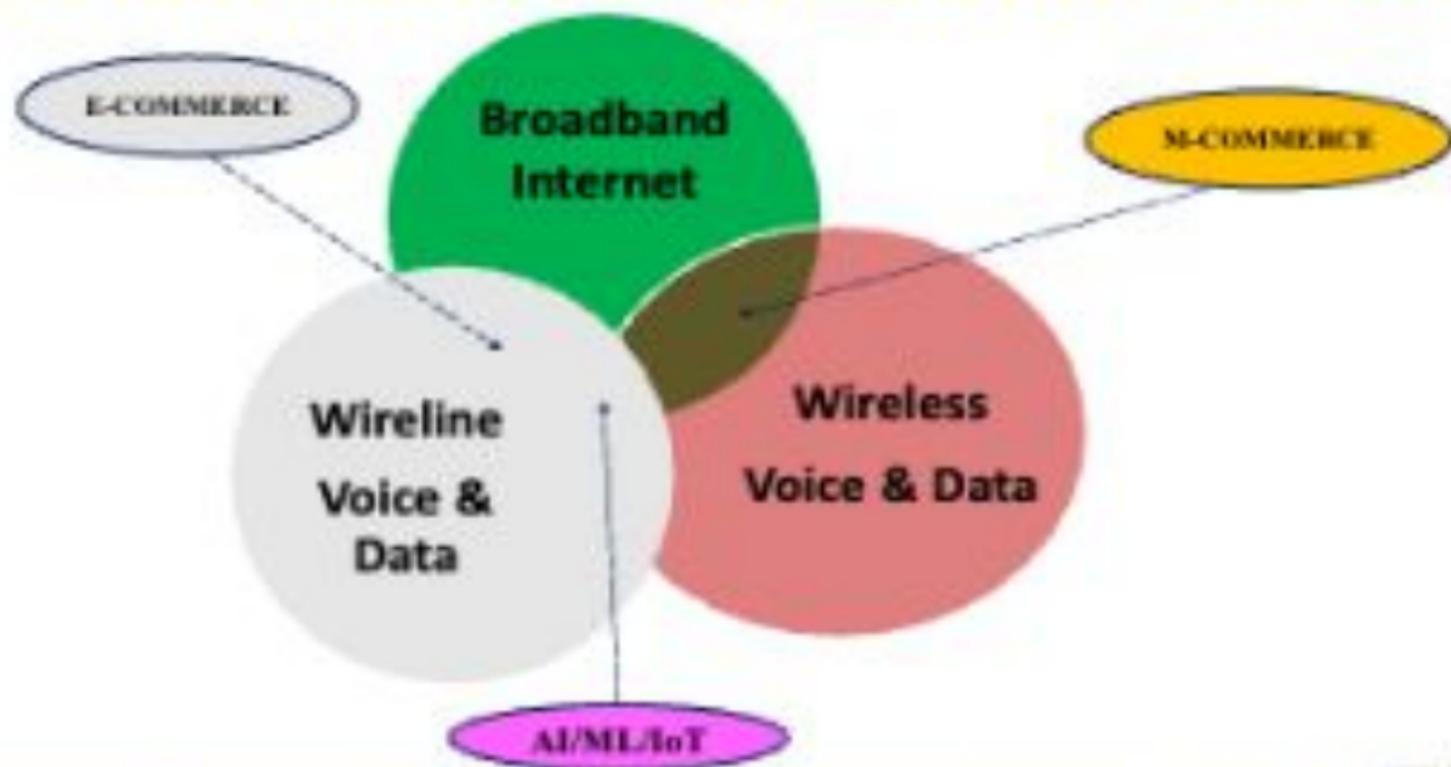
*"Everything that's happening in marketing is digitised. Everything that's happening in finance is digitised. So Pretty much every function in every industry, has a huge element that's driven by information technology. Its no longer discreet."*



Anand Sankar  
CEO, LIC  
First Chairman of LIC

*"The new trifecta of a bank account, digital identity and smartphone for everyone will drive economic change."*

# DIGITAL TRANSFORMATION & CONVERGENCE AND NEW BUSINESSES



The Telecom and Quantum AI will compliment businesses opportunities in E&M-Commerce, Fintech, SCM & Logistics, Banking in a big way in the next 5 years in India

# Traditional And Modern Industry & Infrastructure Services



## Core Manufacturing

- Steel & Cement
- Petrochemical
- Capital Goods & Heavy Engineering
- Electrical Machines
- Electronics & IoT
- Semiconductors & FAB

## Agriculture & Traditional

- Textiles
- Sugar & Ethanol
- Chemical
- Paper
- Fertilizer
- Food Processing
- Pharma

## Infrastructure & Services

- Energy & Power Sector
- Road Sector
- Port & Logistics
- Airport Sector
- Logistics
- Telecom & Space Sector
- Cyber Security, AI & ML, Quantum
- Hospitals & Tourism

## HOMOGENEOUS & HETEROGENEOUS CONVERGENCE OF INDUSTRIES IN MARKETS

Country/Company

UK, France, Germany, Chile

Brazil

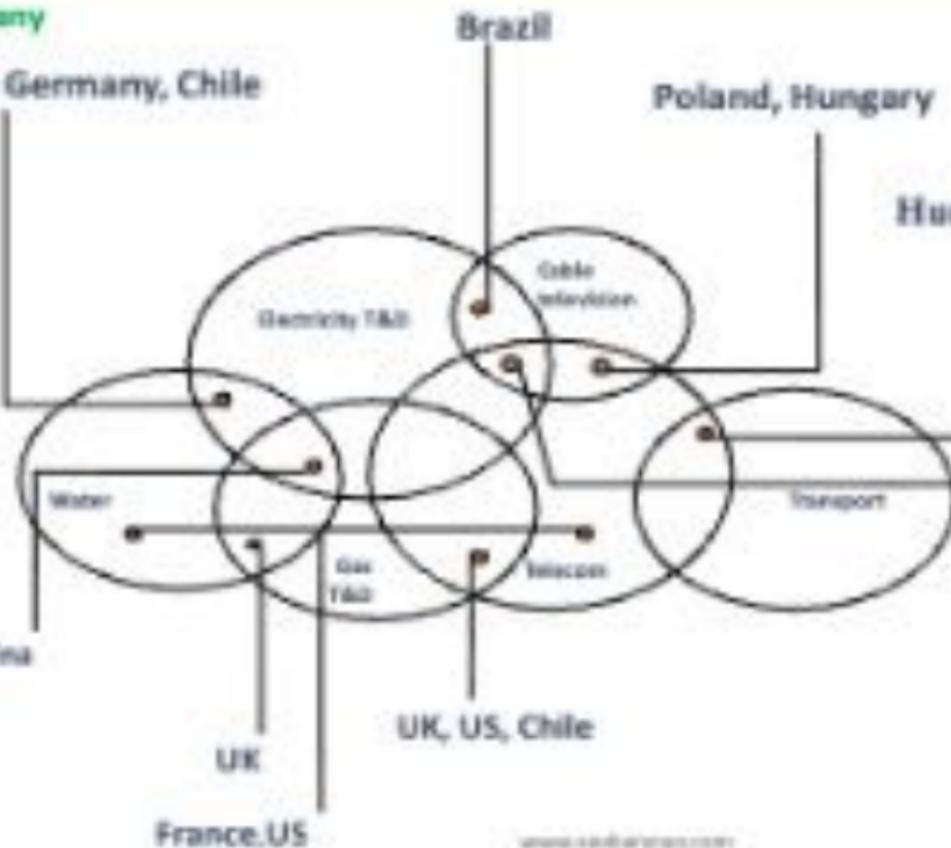
Poland, Hungary

Hungary, Slovenia, Russia

- Service Bundling
- Diversified Business
- Revenue Enhancement
- QoS and VAS

Australia, Argentina

Brazil, **INDIA**, South Korea



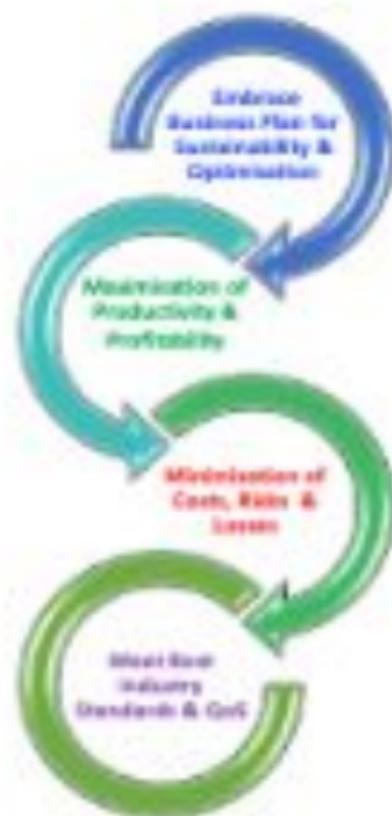
# Dynamic Industry Eco-system



- Industry 4.0 = Fourth Industrial Revolution
- Fusion of physical, digital, and biological systems
- **Processes must adapt and equip professionals with digital-first skills**
- Focus: AI, 5G, IIoT, Digital Twins, Quantum Computing, GPUS

# **TYPICAL ELEMENTS FOR BUILDING LARGE BUSINESS MODEL**

# Organisation Business Growth Strategy Eco-system



# Broad based Strategic Board & Senior Management

## Key components for the Effective Board Management

- ❖ Qualified, Experienced and Expertise Diversified Board Members
- ❖ Independent Directors with Expertise & Global Experience
- ❖ Sub Board Level Committees
- ❖ Vision & Mission of the Company (C1)
- ❖ Strategy , Compliance and Governance Frame work
- ❖ SOP's & Policies for all the Business functions
- ❖ Approval of Business Plans aligning with the Vision of the Founder and Long term Sustainability

## Group Vision

**“GMR Group will be an Institution in perpetuity that will build Entrepreneurial Organizations, making a difference to Society through creation of Value”**

### Values & Beliefs



# Corporate Business Structuring

Corporate Finance

Airports Infra Ltd

Project Finance

Delhi Airport Ltd

Hyderabad Airport

Project Finance

Duty Free

Car Parking

Duty Free

VPL Pvt Ltd  
[Corporate Finance]

SEIL  
(Project Finance)

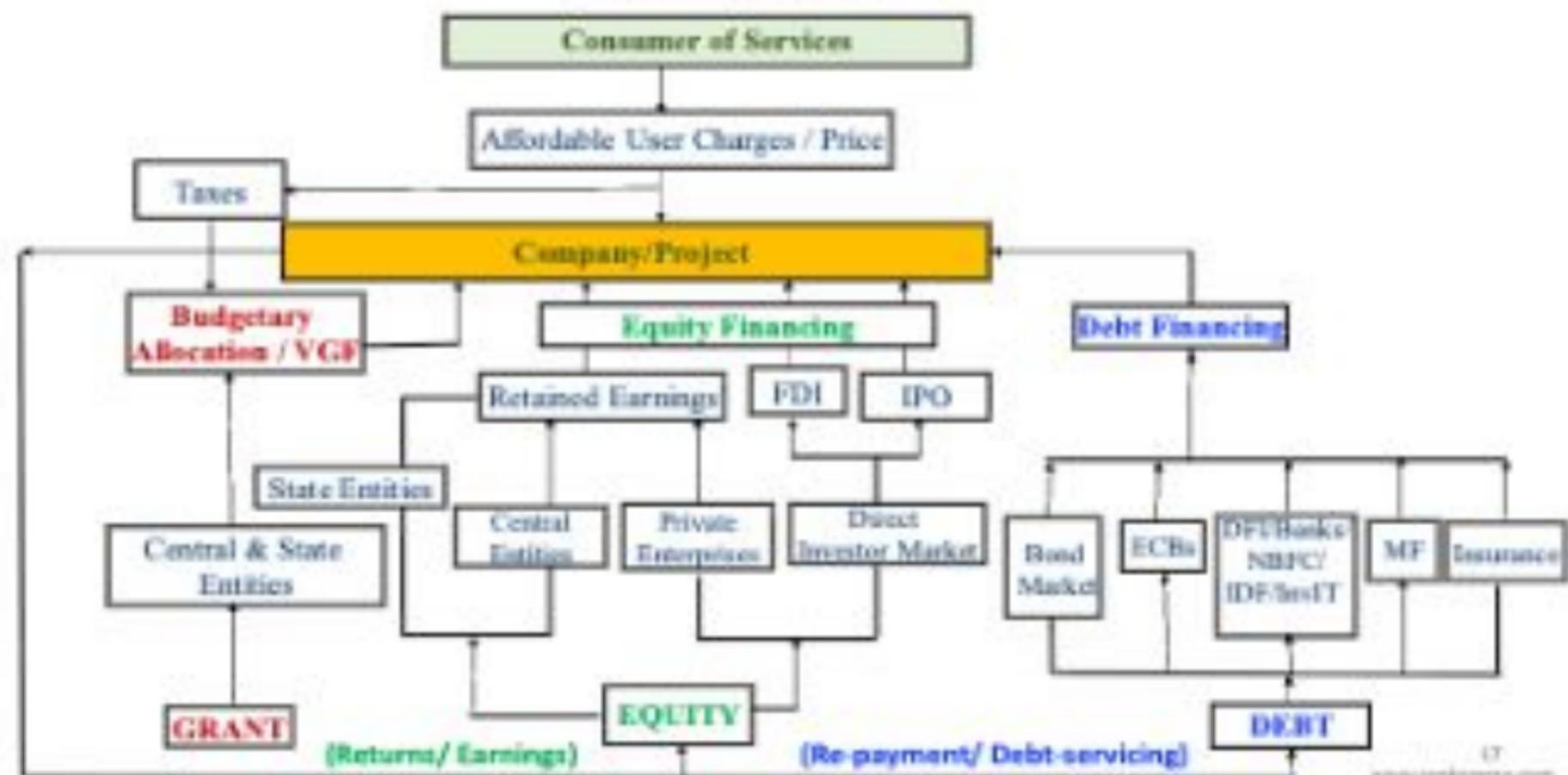
SAWP Ltd  
(Project Finance)

VPL Logistics Ltd  
(Project Finance)

## Business Modelling & Financing Plan

- Identification of appropriate **Products & Services and Product mix for sustainance** in the dynamic markets
- **Realistic Assumptions** of revenues, expenses, costs and taxes
- Projects Capex and Opex **Estimations** and Means Of Finance
- Aligning with the Policies, Regulations, Taxations & Compliances
- Selection of Capital Domestic & Forex Funds and Cost of Funds
- Five Years Projections of proper P&L, B/S and Cash Flows
- **Risk Mitigation with Sensitivity Analysis**

# FINANCING MODES



## COMPANY ASSETS & LIABILITIES MANAGEMENT (A LONG TERM ASSETS SUSTAINABILITY)



Equity: Domestic & Multilateral FI's, PE's, Strategic & Financial Investors and Funds may be offered Structured Financial Products in the existing Companies as per the needs of the Growth

Debt: Domestic Debt, ECB and Bonds as per the needs of the Growth

# HR Talent Management & Happiness Indexation

- Strong HR Policies, Culture and Ethics
- Organisation staffing , Career Paths and Specialised Roles
- Talent Retention and Up Skilling
- Entrepreneurship in each employee

**Happiness Index : Overall Employee Happiness for well-being, mental health, and life satisfaction over purely economic metrics.**

© 2017 McKinsey & Company

# Product Quality and Operations & Delivery

## Products & Services - Operations & Delivery :

- ❖ Product, Products Diversification & Service Design meeting the QA
- ❖ Production, Installation, Testing & Commissioning as per the QA
- ❖ Delivery and CRM as per the SLA 's and time lines as per the EPC and O&M
- ❖ Strong Legal & Arbitration process to minimise losses

## Quality :

- ❖ Bench mark to the Product Spec and Standards (ISO, IEC, IEEE, CMM)
- ❖ Quality Circles & Value Engineering



# STRATEGY & INNOVATION CRUCIAL COMPONENT OF LEADERSHIP MANAGEMENT



**World Economic Forum says 10 Futuristic Skills needed:**

Analytical thinking & Innovation, Active Learning & Strategies, Complex problem Solving, Critical Thinking, Creativity, Originality, Leadership, Technology, Monitoring & control, Reasoning and Ideation

# STRATEGY – CINEMA



## BACKGROUND

- Strong Telugu Media Market
- High Competition

# CINEMA- INNOVATIVE & STRATEGY MODELS



**Cinema Innovation – With AI & Animation**

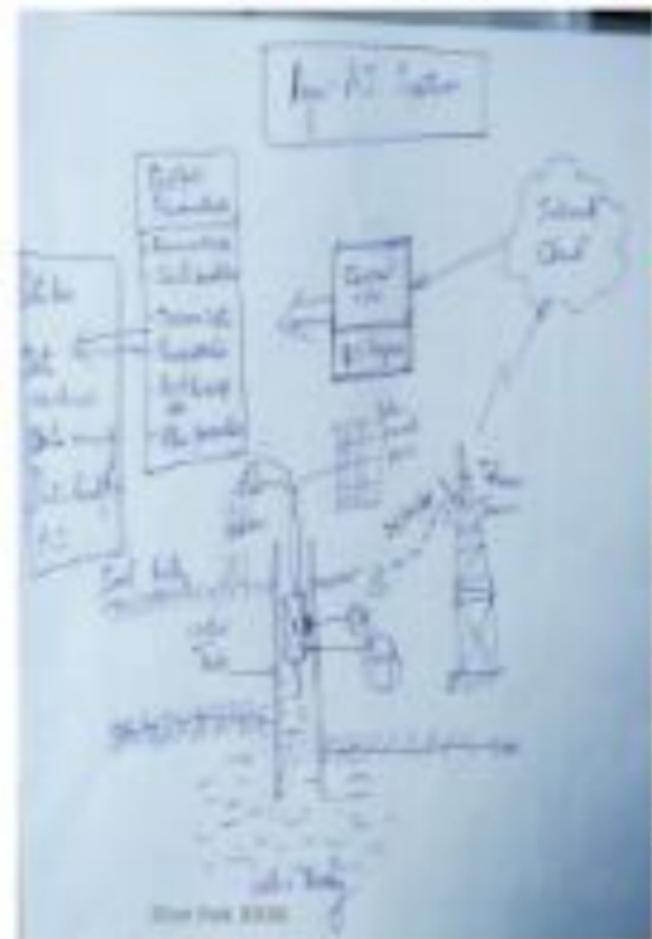
*Independent Biopic Movies are Success and Non-Independent Movies are a Failure*

## GMR Airports Strategy : Focusing on Five Themes



Earlier GMR Constructed Airports

# ARTIFICIAL INTELLIGENCE IN AGRICULTURE



# Unlocking Human Potential Through Artificial Intelligence

**Strategic Imperative:** AI in HR is not just about automation; it's about enabling a more strategic, data-driven approach to managing people and enhancing the employee experience.

**Sector-Specific Value:** The implementation and focus of AI in HR should be tailored to industry-specific needs, challenges, and opportunities.

**Human-AI Collaboration:** The most successful organizations will be those that effectively combine human expertise with AI capabilities, leveraging the strengths of both.

**Continuous Evolution:** As AI technologies evolve, their potential to transform HR practices continues to expand, offering opportunities for innovation and improvement across all aspects of human resources management.

**Competitive Advantage:** Organizations that effectively implement AI in HR will outperform their competitors in attracting, developing, and retaining talent across all sectors.

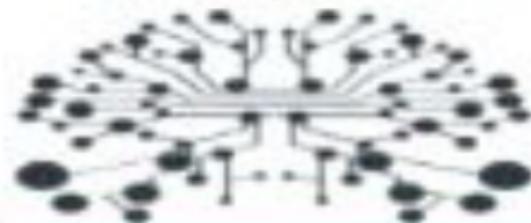
**Artificial  
Intelligence**



**Human  
Intelligence**



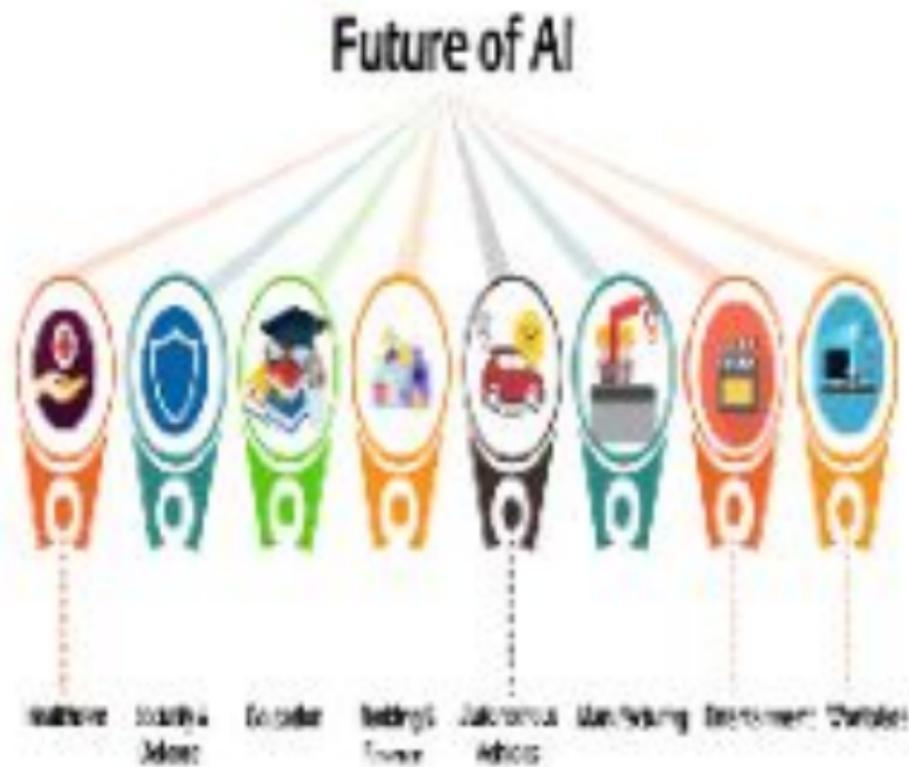
**Augmented  
Intelligence**



# The Impact of AI in Future Businesses

## What's Next for Indian Enterprises

- ✓ Hyper-automation and Intelligent process orchestration IND 4.0
- ✓ AI-driven sustainability and ESG reporting
- ✓ Integration with IoT and edge computing
- ✓ Ethical AI and regulatory frameworks
- ✓ Upskilling workforce for AI-readiness

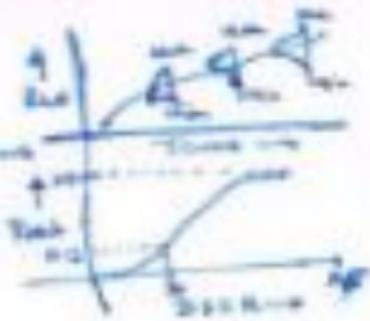
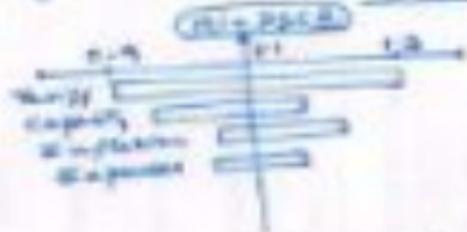


# AI - Eco System

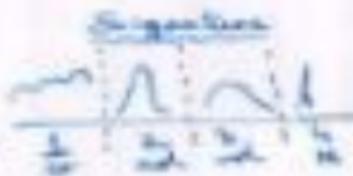
DSC  $\Rightarrow$



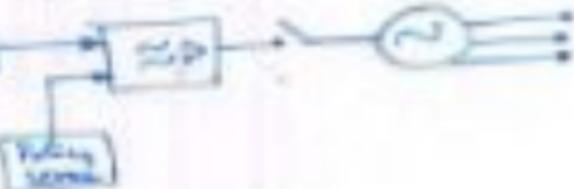
Project Frame 1



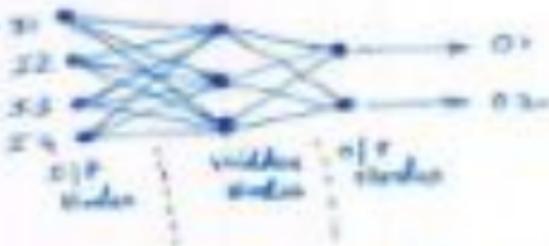
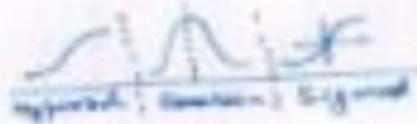
ESS  $\Rightarrow$



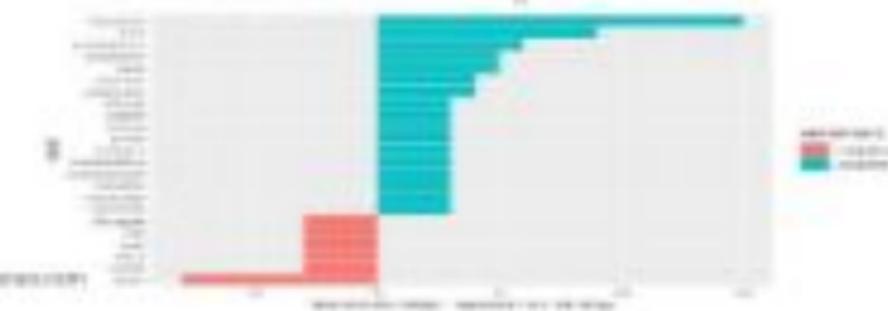
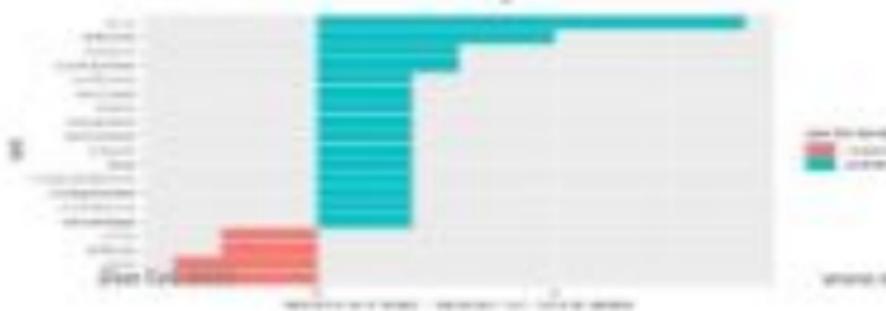
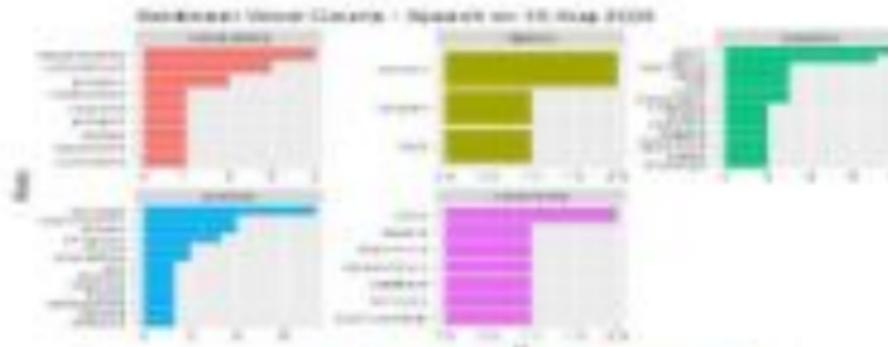
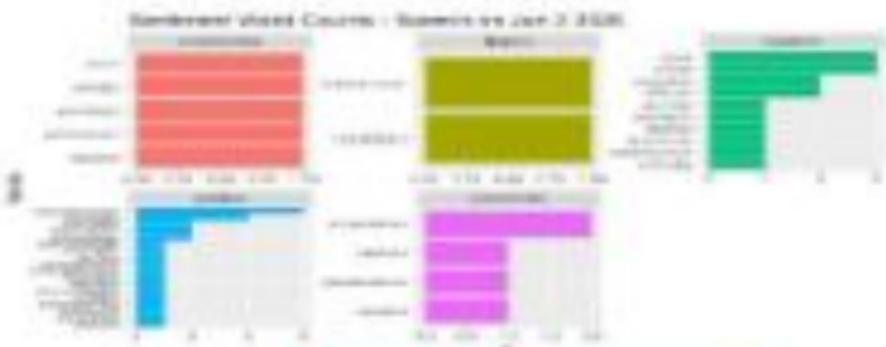
Project



ANN  $\Rightarrow$



# Hon'ble PM's (March –August 2020) 50 Speeches Words Decoded Using AI



# Risk and Uncertainty

*The origins of modern risk management: Renaissance Italy, where seafarers used the term 'rischiare' to describe the challenge of a voyage.*

## Primary source:

*Random acts of nature*

## Secondary source:

*Behavioral uncertainty,  
business transactions*



Rubens, Storm on the Sea of Galilee

# Project Risk Stages

➤ **Development Stage** IC 91 4000001 (PWS)

➤ **Construction Stage**

➤ **Operations Stage**

# Typical Risk Allocation

## Development

- technical feasibility (Sponsor risk)
- commercial / financial feasibility (Sponsor risk)
- project economics (Sponsor risk)
- permits / authorizations (Sponsor risk, Contractor risk)
- third-party intervention (Sponsor risk, Contractor risk)
- political change (Sponsor risk, Contractor risk, Lender risk, Host government / off taker risk)

- (Sponsor risk)
- (Contractor risk)
- (Lender risk)
- (Host government / off taker risk)

## Construction

- schedule (Lender risk)
- cost (Lender risk)
- performance (Lender risk)
- design changes (Lender risk)
- interest rate escalation (Lender risk)
- conceptual design (Lender risk)
- Force Majeure / country risk (Sponsor risk, Contractor risk, Lender risk)
- currency changes (Sponsor risk, Lender risk)
- availability of design package (Sponsor risk, Contractor risk, Lender risk)

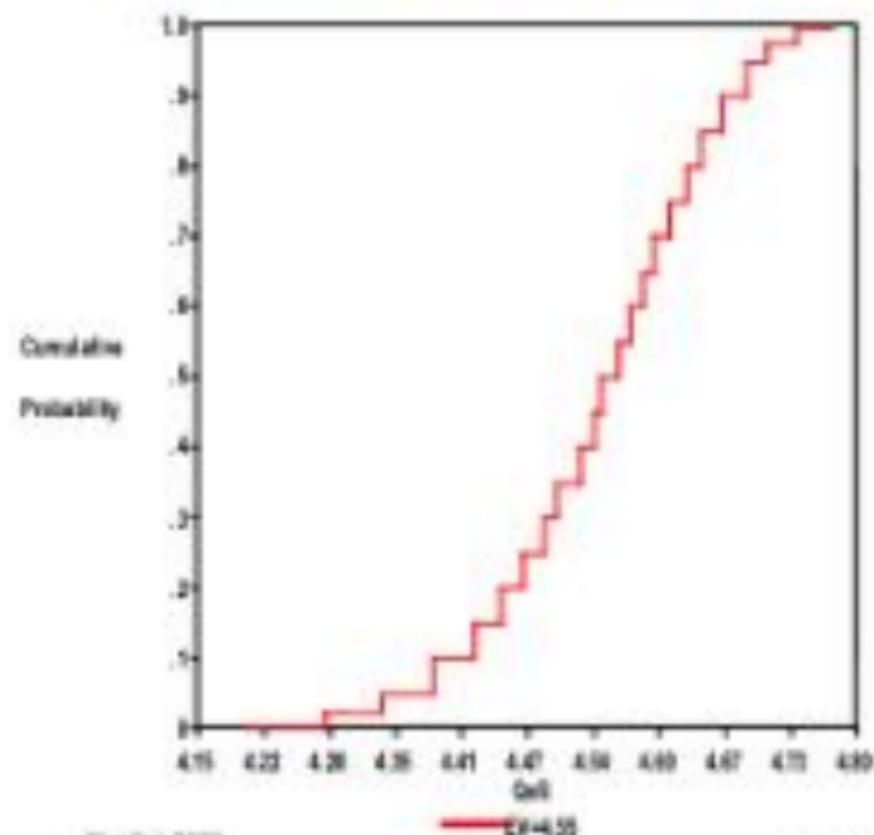
## Operations

- market changes (Sponsor risk, Contractor risk, Lender risk)
- capacity / production shortfalls (Sponsor risk, Contractor risk)
- fuel / materials supply interruption and cost escalation (Sponsor risk, Contractor risk, Lender risk)
- operation and maintenance cost escalation (Sponsor risk, Contractor risk)
- interest rate escalation (Sponsor risk, Contractor risk, Lender risk)
- currency depreciation (Sponsor risk, Contractor risk, Lender risk)
- statutory change / civil unrest / strikes (Sponsor risk, Contractor risk, Lender risk)
- act of God (Sponsor risk, Contractor risk, Lender risk)
- third party liability (Sponsor risk, Contractor risk, Lender risk)
- plant residual value (Sponsor risk, Contractor risk, Lender risk)

## RISK FACTORS - COVER

<b>Political</b>	<b>Insurance, Co-Financing</b>
<b>Market</b>	<b>Offtake Agreements, Market Depth/Traffic, Tradable, Barriers to Entry</b>
<b>Operating : Cost</b>	<b>Competition, Cost Curve</b>
<b>Operating : Technical</b>	<b>Skill, Proven Technology</b>
<b>Operating: Management</b>	<b>Track record</b>
<b>Sponsor/Participant</b>	<b>Credit Review, Checking</b>
<b>Environment</b>	<b>Insurance, Independent Review</b>
<b>Contractor</b>	<b>Backlog, Reputation, Cashflow, Performance</b>
<b>Completion</b>	<b>Supports/Guarantees, standby facilities</b>
<b>Supply/Reserve</b>	<b>Study/Independent Certification</b>
<b>Infrastructure</b>	<b>Adequacy</b>
<b>Force Majeure</b>	<b>Insurance</b>
<b>Engineering</b>	<b>Independent Check</b>
<b>Legal</b>	<b>Opinions</b>
<b>Syndication</b>	<b>Timing, Bank Types</b>
<b>Funding</b>	<b>Swaps</b>
<b>FX</b>	<b>Hedging, Swaps</b>

## Stochastic Verses Deterministic for Accuracy of Decisions Making



S.No	Output Parameter	Units	Deterministic Method	Probabilistic Method
1	Traffic	Min Minutes	835	840
2	Revenue	Rx. Crores	1461	1400
3	EBITDA	Rx. Crores	184	181
4	LCC	Rx. Crores	260	215
5	Capex	Rx. Crores	128	127
6	Opex	Rx. Crores	1276	1503
7	QoS	No.	4.55	4.55
8	NEI	No.	3.87	3.8
9	Availability	No.	.99950	.99945
10	Bandwidth Etc	No.	323	320

## Way Forward & Conclusion

- ❖ *Indian Economy in the Sweet Spot, make use of it*
- ❖ *Concentrate on Sunrise industries and niche areas with innovation*
- ❖ *Collaborate with good Corporates & Institutions*
- ❖ *Build a Strong Balance Sheet with visible Cashflows*
- ❖ *Create a Quality Brand in the market(s)*

What the caterpillar calls  
the end, the rest of the  
world calls a butterfly.



*Its time to move ahead in the dynamic space... its time to push the innovative corporate revolution... its time to metamorphosis into a digitally adept and able economy in all sectors... of a new brighter stronger Bharat which would reinforce India's position on the World Map*



# THANK YOU

(Committed to Brand Visakha Sustainable Development & Growth)

*Dr E. Sankara Rao*

[esr@satishrao.com](mailto:esr@satishrao.com)

[www.satishrao.com](http://www.satishrao.com)