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**LEARN, ADAPT &
OUT-INNOVATE**

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Editor's Note



Dear Readers,

Learn, Adapt, and Out-Innovate:

In today's business world, survival is no longer about size or scale—it is about speed and sensibility. The organizations that thrive are not the ones that resist change, but the ones that learn from it, adapt swiftly, and ultimately out-innovate the rest.

Learning is the first step. Every disruption, every failure, every unexpected challenge hides within it a lesson. Companies that create cultures of curiosity, openness, and reflection transform mistakes into stepping stones. They don't fear being wrong; they fear not learning fast enough.

But learning without adaptation is half a journey. The power lies in the ability to recalibrate—whether it's shifting strategies in response to market trends, rethinking leadership structures, or aligning with evolving customer values. Adaptability is the bridge between knowledge and relevance.

And then comes the differentiator: out-innovation. True innovation is not about shiny technology alone; it is about imagination in service of impact. It is about asking: How do we do better than yesterday? How do we add value that competitors cannot? Those who continuously reimagine themselves do not merely respond to change—they create the very waves that others must learn to ride.

At TransGanization, we believe that business is a living organism. To remain alive, it must breathe knowledge, flow with adaptability, and expand through innovation. In this rhythm lies the future of every family business, SME, and entrepreneurial venture that seeks not just to survive, but to flourish.

Learn. Adapt. Out-Innovate. This is not just a mantra—it is the new compass for growth, resilience, and legacy in the 21st century.

Rohit Arora

Rohit Arora

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THE CEO OFFICE

Empowering Your Growth Like A Trusted Saarthi

BUILDING FUTURE-READY BUSINESSES: SUSTAINING GROWTH AMID DISRUPTION

When the CEO of a southern India-based medical equipment manufacturing SME looked at the rapidly shifting healthcare landscape, he felt both pride and unease. His company had built a reputation for reliable equipment that served hospitals and clinics across the region. But beneath the surface, a storm was brewing.

Global giants were entering the market, compliance norms were tightening, and customers were beginning to demand smarter, more integrated solutions. The CEO realized that what had brought the company this far might not take it forward. “If we continue as we are,” he reflected, “we will survive—but survival is not the vision. We need to build a future-ready enterprise.”

That is when he turned to the TransGanization CEO’s office for guidance.

The Turning Point: Learning to Anticipate

The first breakthrough came from a simple but profound shift: learning to anticipate.

Through strategy interventions with the TransGanization team, the CEO and his leadership group began looking beyond quarterly sales and immediate operational hurdles. They started scanning the

horizon—spotting signals of change in healthcare technology, shifting customer expectations, and regulatory landscapes.

This exercise was an awakening. For the first time, the CEO realized that instead of waiting for disruption to arrive, his company could prepare for it in advance. He often described this as moving from “firefighting mode” to “future-shaping mode.”

Building a Factory That Spoke of the Future

Armed with foresight, the CEO made a bold, and to some, risky decision—investing in a state-of-the-art manufacturing facility.

It wasn't easy. Colleagues questioned the scale of investment. But the CEO held firm to his vision:

we want to be seen as a global player tomorrow, we must build like one today.”

The new facility embodied that conviction. Automation brought efficiency, lean processes improved scalability, and every system was designed to meet international standards. Even sustainability was woven into the design—because the CEO believed the healthcare industry of the future would demand responsibility, not just reliability.

What had once been a small regional factory now stood as a symbol of ambition and confidence.

Reimagining Sales: From Sellers to Partners

But the CEO knew factories don't build futures alone—customers do. The next challenge was transforming how the company engaged the market.

Here, the TransGanization CEO's office helped him reimagine the sales system. No longer would his team simply pitch equipment and chase orders. Instead, they began engaging customers as partners in innovation.

The sales team was trained to understand hospitals' long-term goals, anticipate emerging diagnostic needs, and offer solutions that would keep customers future-ready. Digital tools like CRM systems gave the company deeper insight into client behavior.

The result? Clients began to see the SME not just as a vendor, but as a strategic ally who could grow with them.

The Breakthrough: Growth Amid Disruption

Looking back, the CEO often says the biggest transformation wasn't in machines, buildings, or systems—it was in mindset.

By embracing anticipation, investing boldly in infrastructure, and creating a sales culture rooted in trust, the company shifted from surviving disruption to thriving because of it. Today, it is not only growing steadily in India but also preparing to enter new global markets.

This story of a southern India-based SME shows that future-readiness is not about reacting faster than others—it's about seeing tomorrow before it arrives. And with the right guidance, even a small business can step into the future with confidence.

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LEARN, ADAPT & OUT-INNOVATE



“Why did we fail?”

The question hangs in the air of a dimly lit boardroom. A once-dominant brand is watching newer, nimbler rivals overtake it. The market didn't change overnight—what changed was the pace of change. While competitors learned, adapted, and innovated, this much admired and trusted company stood still. And in a world moving faster than ever, standing still is the fastest way to fall behind.

Meanwhile, a remarkable trend is quietly taking shape across India. Success is no longer reserved for those with the biggest budgets or longest legacies. Instead, outpacing the competition and building businesses for tomorrow now rests on a simple, potent idea: to learn, to adapt, and to out-innovate.

When new players and fresh ideas reshape the landscape overnight, clinging to old ways is a recipe for ruthless obsolescence. If you want to thrive, you need not just resilience—but a restless hunger for change.

Exponential Mindset Matters

Why does all this matter for you and your business?

Because **the pace of change isn't just fast, it's accelerating, and it directly impacts your business.** India isn't just adopting digital; it's a hotbed of innovation. Consider this: Nasscom reports that **over 1,300 tech startups** emerged in India in 2022 alone. This incredible dynamism is mirrored in digital payments, which aren't just growing, they are exploding. The value of digital payment transactions in India **skyrocketed from ₹1,962 lakh crore in FY 2017-18 to a remarkable ₹3,659 lakh crore by FY 2023-24.** This isn't just a statistic; it's a clear signal of a deeply ingrained digital economy. For your business, this means unparalleled opportunities for innovation, market reach, and operational efficiency if you embrace the tide.

But for every unicorn, there are dozens of once-promising ventures that fizzled. The difference? The ones that win think exponentially. They are constantly asking:

How can we grow ten times, not 10%?

How do we solve a problem that really matters?

What must we do today so we are not disrupted tomorrow?

Woven into this mindset is the willingness to challenge every assumption. Why should it take two weeks to deliver steel? Who says farming can't empower women and double rural incomes? Ahead in this article we shall see how bold questions like these, when answered, can spark remarkable transformation.

Standing Still Is A Threat

Across industries, one thing is certain: disruption isn't going away. Markets in India and across the world are being remade by technology, endless consumer shifts, and the arrival of agile startups who don't play by yesterday's rulebook. You can see it everywhere—from fintech to farming.

At the heart of this new wave are exponential organizations—mission-driven enterprises that dare to leap beyond incremental progress. These are the businesses rewriting rules, led by a purpose so grand it inspires not just the board but every employee and customer. And they are thriving, even as they face down relentless disruption, technological revolutions, and shifting leadership.

So what's the risk? The threat isn't that change will derail your business. The danger is believing you don't need to change at all. Companies anchored to tradition, hesitant to experiment or scale new heights, find themselves outpaced—sometimes overnight. Think of once-mighty brands gone quiet and former market leaders hollowed out by a refusal to evolve.

Lessons From Those Who Failed To Adapt & Innovate

Mighty brands that once reigned supreme but have since gone quiet offer sobering lessons in the perils of failing to learn, adapt, and innovate.

Nokia, for example, was a global mobile phone giant through the 1990s and early 2000s, celebrated for durable handsets and dominant market share. Yet it stumbled dramatically with the advent of the smartphone era. While Apple introduced the iPhone and Samsung embraced Android-based touchscreens, Nokia clung to its outdated Symbian software and feature phones, underestimating the power of the emerging smartphone ecosystem. Its reluctance to adapt to

touchscreen technology and evolving consumer expectations led to a market share collapse from 50% in 2007 to less than 5% within a few years. Despite attempts to catch up, Nokia's slow pivot and internal missteps led to its acquisition by Microsoft and near disappearance from the handset market.

Similarly, BlackBerry's fall is rooted in clinging too long to its niche of secure email devices with physical keyboards. It overlooked the shift toward touchscreen smartphones with rich app ecosystems pioneered by Apple and Android manufacturers. Its failure to anticipate and adapt to changing consumer needs saw BlackBerry rapidly lose its foothold in both enterprise and consumer markets.

Kodak presents another iconic tale of missed opportunity. Although it invented the first digital camera as early as 1975, Kodak suppressed this technology fearing it would cannibalize its profitable film business. When digital photography became mainstream, Kodak was caught flat-footed, losing relevance to competitors who embraced digital imaging early. This failure to embrace disruptive innovation culminated in the company's bankruptcy in 2012.

Other well-known exemplars abound: MySpace, once king of social media, lost ground to Facebook by failing to innovate user experience and refine its platform; Toys "R" Us stalled in e-commerce adoption and relied too heavily on physical stores; Borders doubled down on large physical presence rather than investing in online sales and e-books, conceding to Amazon; Polaroid stuck to instant-film cameras as digital photography soared; Blockbuster ignored the streaming transformation that Netflix led; RadioShack neglected evolving retail and digital trends and shuttered stores.

These stories form a stark archive of business decline precipitated by the refusal or inability to evolve amid market and technological upheaval. The common thread is clear: dominant firms, no matter their size or legacy, can be hollowed out by complacency, ignoring early signals, or dodging disruptive change. The lesson is compelling—businesses must continually learn, quickly adapt, and aggressively innovate or risk becoming relics of their own past.

Six Keys To Exponential Growth

The good news: there is a playbook. It doesn't require billion-rupee budgets or a heritage name. It calls for grit, clarity, and an unshakeable commitment to learning. Here's how you can start:

1. **Define Your Purpose—And Make It Massive:** Begin not with a product, but with a cause. Exponential organizations are powered by a massive transformational purpose (MTP)—something that wakes you up in the morning and rallies customers and teams. Dhirubhai Ambani understood this power. He wasn't just in the textile business; he was on a mission to make affordable, world-class products accessible to every Indian. That unwavering vision attracted partners, inspired employees, and built trust with millions.
2. **Cultivate Relentless Learning:** Don't just sit back and let change happen to you. Go out and look for it. Listen to your customers, watch for new tech, and teach your team new skills. This keeps your business ahead of the game. When Dr. Kamini Singh, formerly a scientist, left the secure walls of Central Institute for Subtropical Horticulture (CISH) in Lucknow to work with farmers, she faced a world she didn't fully know. But she listened, learned the rhythms of the field, and turned moringa—a little-known power plant—into a thriving, life-changing enterprise—Doctor Moringa, for thousands.
3. **Adapt Fast—Even When It's Uncomfortable:** Learning by itself isn't enough; a business has to pivot quickly when something isn't working. Tata Steel, a century-old pillar in the industry, could have simply relied on its reputation. Instead, it embarked on a digital transformation, building over 600 artificial intelligence models to fine-tune everything from procurement to delivery. Now the company confidently promises steel delivery in just 72 hours. That's adaptation—turning technology into a promise fulfilled.
4. **Out-Innovate Relentlessly:** It's not enough to match your competition—you need to leap

The common thread is clear: dominant firms, no matter their size or legacy, can be hollowed out by complacency, ignoring early signals, or dodging disruptive change. The lesson is compelling—businesses must continually learn, quickly adapt, and aggressively innovate or risk becoming relics of their own past.

ahead. Blinkit, once simply the grocer of the quick-commerce world, spotted the need for timely emergency medical care. Their “Blinkit Ambulances” now aim to deliver not groceries, but lifesaving care in 10 minutes. This isn’t just “new for the sake of new.” It’s solving real pain points, and customers notice.

5. **Build for Scalability:** Exponential growth isn’t just about bold ideas. It demands systems that scale. Automation, data analytics, and digital tools are your allies. Tata Steel’s journey with AI wasn’t an experiment for a single department—it was about infusing intelligent decisions across every layer, multiplying results as the company grew.
6. **Nurture Adaptable Leadership:** Leadership transitions often trip up promising organizations. The secret is not holding onto one “great leader” but building a culture that welcomes new ideas, supports risk-taking, and learns from honest failure. Dhirubhai

Ambani’s legacy outlived him because he built a system where relentless innovation was expected. Tata Sons, too, have navigated succession with resilience by staying rooted in values while inviting fresh thinking.

Disruption Is The Future



The message is clear: **disruption isn’t a threat. It’s your strongest tool, if you have the courage to harness it.**

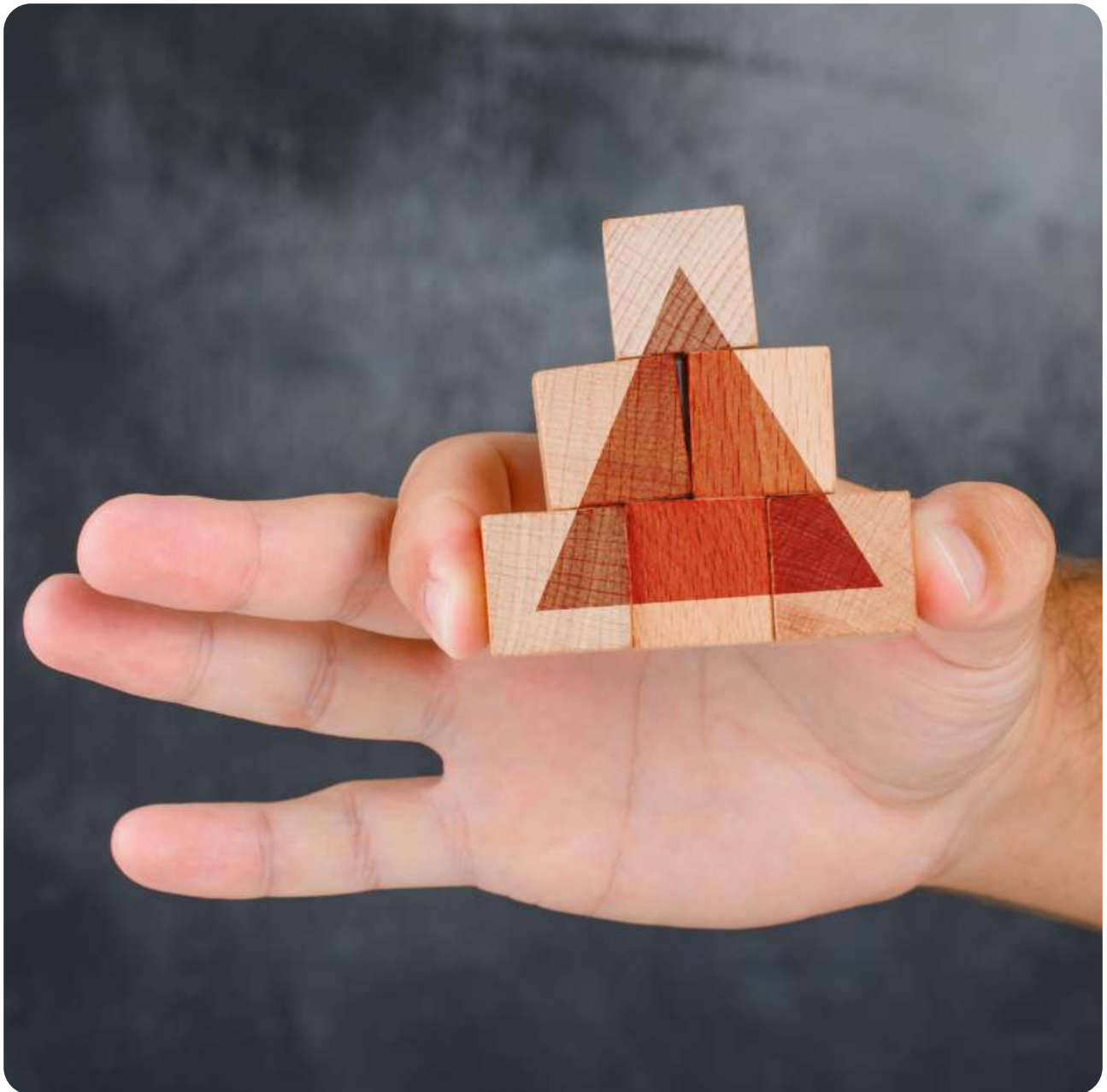
In a world where change is the only constant, yesterday’s methods are today’s risks. But for those who seize opportunity in every shift, thriving isn’t just possible—it’s inevitable. The future belongs to those who act, adapt, and dream without limits.

Conclusion

In an era characterized by volatility, uncertainty, complexity and ambiguity, success no longer necessarily belongs to the largest players. It belongs to the fastest learners, the bravest adapters, and the most relentless innovators.

The choice facing India’s business leaders, startup founders, and entrepreneurs is stark: **learn fast, adapt faster, and keep innovating.** Build around a purpose that attracts talent and ignites innovation. Make adaptability a reflex, not a reaction. Transform disruption into your strongest competitive edge.

Will your organization seize the opportunity—or risk being outpaced?



CRACKING THE PRODUCT TRIANGLE

In the summer of 2014, Jeff Bezos stood before a packed room of journalists to unveil the Amazon Fire Phone—a sleek, high-tech device that promised to reshape the smartphone market. Just a year later, the phone was discontinued, costing Amazon nearly \$170 million. Why did it flop? Not because it lacked features—but because it failed a test most businesses overlook: **the product triangle**. We shall return to what went wrong with the Fire Phone later—but first, let's unpack the simple test it failed, and why every business leader should take it seriously.

In today's business landscape—where disruption comes from every direction—what separates the enduring successes from expensive missteps? Whether you are a startup visionary in Bengaluru, a midsize manufacturer in Coimbatore, or a seasoned business leader in Mumbai, the answer lies in mastering three words: **desirability, viability, and feasibility**. This trio, often called the 'Product Triangle', is the ultimate litmus test for building business models that don't just launch, but last, scale, and thrive.

Growth Gets Tough Amid Uncertainty

India's growth story is one of relentless ambition meets relentless challenge. Consumer preferences shift overnight. Technology cycles shrink. Leadership turnover can unsettle growth just as it gains momentum. The real danger? Ambitious businesses too often chase growth without thoroughly testing if their core idea passes the Product Triangle test. The result: innovation graveyards littered with products that nobody truly wanted, models that weren't sustainable, or ambitions that ran out of fuel before payback.

So, how do you bulletproof your business for the long haul? Start by taking a simple test.

Product Triangle: Test For Scalable Success

In a world where new competitors, shifting technologies, and uncertain markets can shake even the most well-funded ventures, every business idea must pass **three essential tests**:

1. **Desirability** – Do customers want it?
2. **Viability** – Can you deliver it sustainably?
3. **Feasibility** – Do you have the resources to make it real?

When all three—desirability, viability, and feasibility—are in place, a business can grow and succeed. But if even one is missing, the entire model can fall apart.

Let's now explore how this triangle works—and what it takes to pass it.

Will Customers Want What You Are Building

Too many businesses start with what they can build, not what customers crave. Desirability is about solving an urgent, unmet need—and crafting a product or service that's not just useful, but irresistible.

What Happens If You Get It Wrong?

We don't have to look further than Apple's Newton and Amazon's Fire Phone.

Back in the early '90s, Apple dreamed up the Newton—a personal digital assistant with handwriting recognition. It was visionary. The technology, however, was clunky. Customers were intrigued but ultimately disappointed. The market didn't bite. Years later, Apple revisited the idea, this time with the iPhone—an elegantly designed, highly intuitive product that people loved from day one. The difference? The iPhone passed the desirability test. Newton didn't.

Amazon faced a similar failure with the Fire Phone—a flashy device with 3D display and object recognition, but few takers. Despite the hype and Amazon's brand power, the phone failed to connect with customers. It focused on gimmicks and Amazon shopping features, but missed what users really wanted: a reliable, affordable smartphone with a strong app ecosystem. Instead, the Fire Phone was expensive, lacked popular apps, and entered a market dominated by loyal Apple and Android users. Simply put, it flunked the desirability test. The cost? A \$170 million write-down and \$83 million worth of unsold phones.

Lesson? If people aren't excited about your product—or worse, confused by it—you are building for yourself, not your customers.

Desirability goes beyond features. It includes the **entire customer experience**—from discovery to delivery to delight. People should want it enough to pay for it, recommend it, and come back for more.

Ask yourself:

- ▶ What pain point are you addressing?
- ▶ Is it painful enough that people are actively looking for solutions?
- ▶ Is your offering significantly better than what's already out there?
- ▶ And, whether there is enough demand to justify the scale you are aiming for?

Can You Deliver - Today & Tomorrow

Let's say your idea is desirable. **The next question is viability: can your business run tight operations while adapting to consumer preferences?** Viability is the acid test for long-term survival. It asks: **Do you have the people, know-how, and systems to deliver on your promise—consistently, today and at scale?**

Viability is not just about the first sale. Can you repeat the value proposition, at scale, across new markets, channels, or customer groups? Do you have a pricing model that's robust enough to cover costs and return a profit? Are your operations lean enough to weather lean years or competitive storms? Many Indian startups stumble here—growing too fast, hiring too aggressively, or failing to spot that the margins are wafer-thin.

Apple's Newton shows that innovation isn't enough—success also needs solid execution. In the 1990s, Apple invested heavily in what was meant to be a revolutionary device. But the Newton's key feature—handwriting recognition—simply didn't work well. The idea looked great on paper, but the technology couldn't meet user expectations. Customers were frustrated, and the product flopped. It became an expensive reminder that even desirable ideas fail without the operational readiness to deliver. Like the Newton, many innovations don't fail because they are bad ideas—but because they're poorly executed.

On the other hand, few businesses show scalable execution better than **Wow! Momo**. What started in Kolkata as a simple idea—turning the humble momo into a national brand—quickly became a lesson in operational excellence. It wasn't just about selling a popular snack. The founders

had to standardize recipes, set up centralized production with cold chain logistics, train staff for consistent quality, and manage rapid expansion in high-rent, high-traffic locations. They tested formats—from kiosks to cloud kitchens—to see what could scale. What made Wow! Momo viable wasn't just the product's popularity, but their ability to run tight operations across diverse markets, while navigating real estate, logistics, and consumer preferences. That's how a dream grew into a multi-crore business.

Lesson? A desirable product without a workable delivery model is like a fancy car with no engine. Viability is about the engine: the people, systems, and structures that let you serve your customers again and again—at scale. This includes:

- ▶ Skilled talent
- ▶ Robust processes
- ▶ Intellectual property
- ▶ Operational readiness

Viability also demands adaptability. Teams evolve. Markets shift. Startups that rely solely on founder hustle burn out fast. Long-term viability requires systems that run with or without the original team.

Ask:

- ▶ Can we deliver the promise without burning out?
- ▶ What processes will break at 10x scale?
- ▶ Are we building something replicable—or does it only work when conditions are perfect?

Feasibility: Can You Afford To Get There

Even the most brilliant, desirable, and viable product can fail if it runs out of cash too soon.

Feasibility is about *access to resources*—especially capital. Can your business survive the long runway it often takes to break even? Are your funding and cash flow projections realistic through break-even?

Consider:

- ▶ Cost of production and delivery
- ▶ Fundraising plans or internal reserves
- ▶ Burn rate vs. revenue growth
- ▶ Buffer for setbacks or slowdowns

Many founders underestimate how long it takes to go from launch to liquidity. Worse, they miscalculate how much money they will need to get there. **Without clear financial feasibility, even great businesses stall.**

Ask:

- ▶ How long will we need to fund losses?
- ▶ Where will that money come from?
- ▶ What's Plan B if fundraising takes longer?

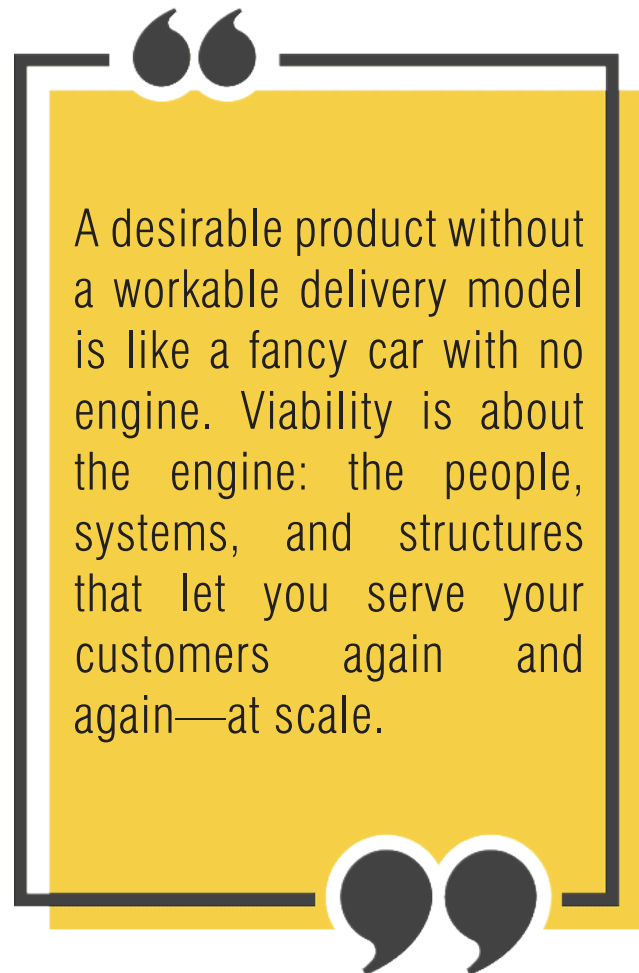
In India's startup ecosystem, where enthusiasm often outruns economics, too many promising ventures die in the "valley of death"—caught between product-market fit and financial sustainability.

The Trap Of False Positives

Passing one or two sides of the triangle is tempting—but dangerous.

- ▶ A desirable product that's not viable? It delights early users but can't scale. A highly desirable product with no operational plan becomes a PR disaster.
- ▶ A viable operation that no one wants leads to warehouses of unsold inventory.
- ▶ A feasible model with no emotional customer connection dies on the vine.

That's what happened to Amazon's Fire Phone. It was feasible (Amazon had the money), and viable (tech worked), but it failed the desirability test. Consumers didn't need another phone—they needed a *better reason* to switch. The device felt more like a shopping tool for Amazon than a phone built for users.



What Gets In The Way

Often, founders fall in love with their idea and stop listening to the market. Or they overbuild before understanding their unit economics. Some assume funding will always be available. Others ignore team dynamics, outgrow their own leadership, or delay tough decisions.

Even growth can mask problems. Scaling too fast without passing the triangle test is like flooring a car with one flat tire.

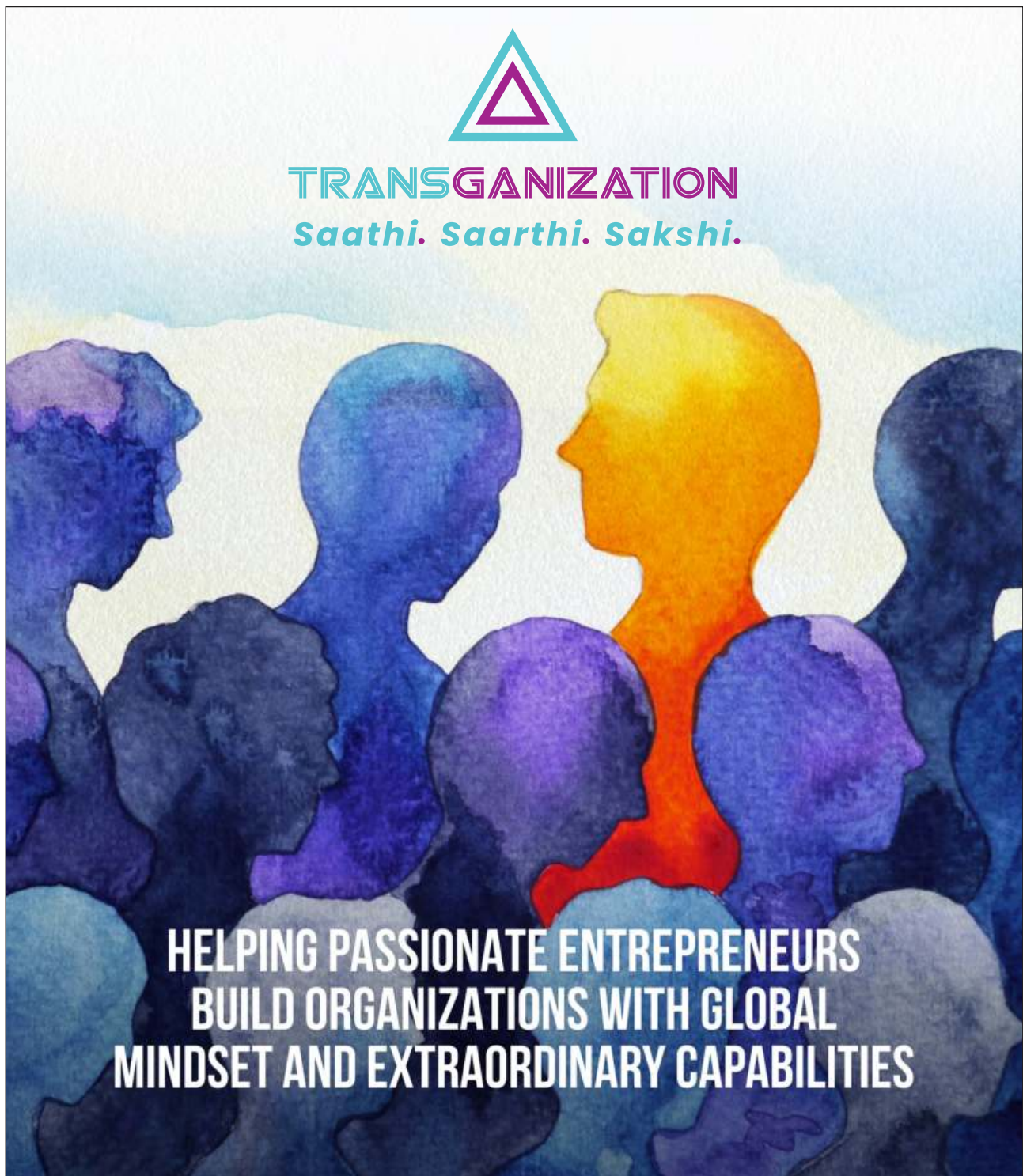
Building A Future-Ready Business: Your Checklist

Here's a step-by-step filter:

1. **Identify a real, unfulfilled need.** Validate it. Don't guess—ask, observe, and test.
2. **Build a solution** that makes people's lives better—and that they will pay for.
3. **Check if your team, processes, and systems can deliver at scale.** Fix gaps early.

4. **Map out funding needs accurately.** Secure the runway to get through uncertainty. So before your next pitch, product launch, or pivot, pause and ask:
 - ▶ Is this truly desirable?
 - ▶ Is it operationally viable?
 - ▶ Is it financially feasible?
5. **Track market shifts.** Indian consumers evolve fast. Adapt even faster.
6. **Plan for leadership transitions.** From founder to CEO to scale-up specialist—know when to bring in new capabilities.

Get those three right—and you shall build not just a business, but a legacy.





CRISIS TO COMPETITIVENESS

Picture a small business owner, Prakash. He sits at his desk long after the staff have gone, staring at spreadsheets. Orders are lumpy after a year of unpredictable lockdowns, his machines keep breaking down at the wrong moment, and his biggest client just asked for faster customisation or threatened to leave. Sound familiar? Across India, thousands of business leaders, founders, and entrepreneurs share his struggle—how do you transform crisis into lasting competitiveness, when chaos seems the new normal?

What separates those who merely survive disruption from those who thrive? Increasingly, the answer lies in one powerful phrase: **Industry 4.0 technologies.**

New Reality: Disruption, Demand Shifts & Digital Expectations

Indian businesses have long been resilient—but today, the ground is shifting faster than ever. Consumer tastes evolve by the month. They want speed, quality, and personalisation—not just low prices. Supply chains are disrupted weekly. Policy shifts and regulatory surprises keep coming.

Then came the pandemic. COVID-19 wasn't just a health crisis—it triggered an economic reckoning. Lockdowns forced even the most traditional businesses to view technology not as a luxury, but as a lifeline. It was a massive stress test, and those already using digital tools—cloud systems, online platforms, remote collaboration—recovered faster.

Studies confirm this: Indian small and mid-sized enterprises (SMEs) that had embraced digital tools were more agile, retained customers, and protected cash flows better than those relying on outdated systems. Businesses that had adopted Industry 4.0 technologies didn't just survive—they are now more likely to grow in the post-pandemic world.

One Indian study found that SMEs under pressure from customers were quickest to adopt new tech. Another showed that entrepreneur-led firms were fastest to seize digital opportunities. The message was clear: digital adoption wasn't optional. It was the only way forward.

What Is Industry 4.0?

You might be wondering, “What exactly is Industry 4.0, and how is it relevant to my business?” Think of Industry 4.0 as a toolkit for businesses to become “smarter” and more connected. It includes:

- ▶ **IoT (Internet of Things):** Machines and devices talking to each other in real time.
- ▶ **Big Data & Analytics:** Mining gold from your data to find trends, predict demand, and make sharper decisions.
- ▶ **Cloud Computing:** Running your business from anywhere, anytime, with secure storage and flexible workflows.

- ▶ **AI & Automation:** Letting computers take over routine decisions and repetitive jobs, so people can focus on what matters most.
- ▶ **3D Printing, Advanced Robotics:** Creative, affordable ways to manufacture on demand.
- ▶ **Cyber-Physical Systems:** Merging the physical and digital worlds for real-time control and insight.

Imagine a shop floor where machines warn you before they break down. Or a marketing dashboard that spots which products your customers will want next month. Or a business where your team works as flexibly during a lockdown as they do in the office. That's Industry 4.0 in action.

Industry 4.0 refers to the next era of business transformation—one where machines, people, and systems are digitally connected. It includes a range of technologies like artificial intelligence (AI), Internet of Things (IoT), cloud computing, data analytics, and automation. Think of it as building a “smart business”—where decisions are data-driven, operations are streamlined, and customers are better served through faster, more personalized experiences.

Betting On Industry 4.0 Makes Business Sense

Here's the blunt truth: Small and midsized businesses in India ignore Industry 4.0 at their own risk. Here's why:

- ▶ **Efficiency Gains:** Automation and IoT cut down waste, speed up production, and reduce costly errors. Prakash, our business owner, could tighten margins and grow even when volumes dip.
- ▶ **Customer-Centricity:** AI and big data let you spot—and even anticipate—what your customers want, enabling faster innovation and personalised offers.

- ▶ **Resilience & Agility:** Cloud and digital supply chains help you bounce back from shocks, whether it's a pandemic, market change, or supplier problem.
- ▶ **Expand Markets:** Digital platforms and online payment tools open up global customers. You are not confined by geography anymore.
- ▶ **Turning Data Into Decisions:** When you know what's happening in real time, adjusting becomes second nature. Faster decisions mean faster results.
- ▶ **Resource Optimisation:** Sensors and smart analytics catch small problems before they become big costs—whether it's a misbehaving machine or a surge in energy use.
- ▶ **Sustainable Growth:** Industry 4.0 slashes waste and streamlines processes, earning you green credentials and future-proofing your enterprise.

Real-world success stories show that when done right, Industry 4.0 technologies can unlock massive gains in efficiency, reliability, and cost savings—even for traditional and resource-intensive businesses:

- ▶ **Take Alloy Precision Technologies.** This industrial bellow-maker adopted Industry 4.0 tools like machine monitoring, scheduling, automation, and optical inspection. The result? Better machine utilization and a double-digit boost in both production rate and man-to-machine ratio.
- ▶ **Siemens offers a bigger example.** Its smart factory in Amberg, Germany (EWA), won the Industry 4.0 award in 2018. The plant uses AI, machine learning, digital twins, lightweight robots, and 3D printing. People and machines work in sync, guided by real-time dashboards that track performance and spot quality issues instantly. The outcome: greater productivity, flexibility, and reliability.
- ▶ **Amazon shows how predictive maintenance pays off.** Using IIoT and machine learning, it tracks factory floor data like temperature

and vibration by the hour. This lets the team fix issues before they turn into failures. The payoff? A 69% cut in unplanned downtime and \$22.75 million saved.

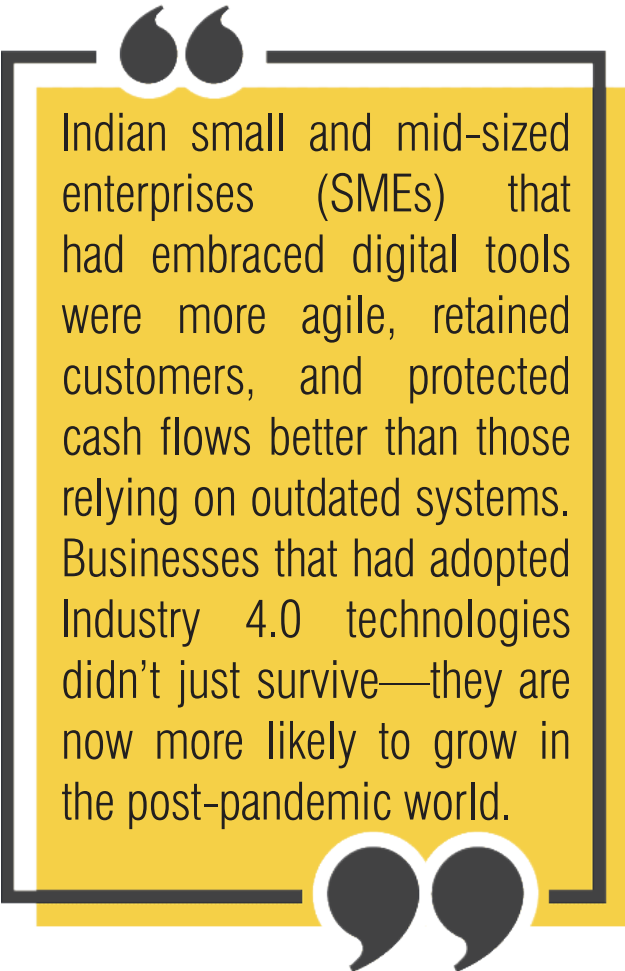
Step-By-Step Playbook For Smart Digital Adoption

So, where should you start? Here's a practical, no-nonsense guide for Indian entrepreneurs:

1. **Begin with the Business Problem:** Don't buy shiny tech just to keep up. Is downtime hurting you? Are you missing sales opportunities? Pinpoint where technology can solve a nagging pain.
2. **Set Clear, Measurable Goals:** Want to cut order-processing time by half? Aim for zero machine failures? Put the target in writing.
3. **Choose the Right Technology: Take small steps.** Maybe start with cloud accounting. Or put smart sensors on your machines. Test, measure, adjust.
4. **Get the Team Involved:** Upskill staff. Bring people on the journey. Change feels less scary when everyone gets a voice and a stake in success.
5. **Plan for Integration:** Does your new system 'talk' to your old one? Close the data gaps. Ask suppliers and IT experts for help if needed.
6. **Measure and Adapt:** Track progress relentlessly. Celebrate small wins. If something's not working, tweak it or try a different approach.
7. **Scale What Works:** Once you see value, expand gradually. Let new systems pay for themselves with the efficiencies they create.

Not Every Tech Fits Every Business

Amid the excitement, a word of caution. Smart tech can trip you up if you chase trends, not solutions. Let's be clear: not every tech fits every business. A poorly planned digital push—without the right people, processes, or support—can backfire.



Indian small and mid-sized enterprises (SMEs) that had embraced digital tools were more agile, retained customers, and protected cash flows better than those relying on outdated systems. Businesses that had adopted Industry 4.0 technologies didn't just survive—they are now more likely to grow in the post-pandemic world.

One cautionary tale comes from a Czech SME that began its Industry 4.0 transition enthusiastically but failed to plan for the complexity. The effort fizzled out, bleeding time and money. Their lesson? Keep ambitions realistic, seek professional help, and execute in phases.

But before you dive in, watch out for these common pitfalls that can derail your digital transition.

- ▶ **Ambiguity and Misalignment:** Don't adopt digital tools without a plan. Without clear goals, you get lost—and so does your ROI.
- ▶ **System Integration Issues:** Legacy systems may not play nice with newcomers. Integration support is non-negotiable.
- ▶ **Costs and Capital:** Tech burns cash upfront. Make disciplined investments, and avoid taking on more than you can financially or operationally handle.

- ▶ **Employee Pushback:** Upskilling is key. If the team isn't onboard, even the best system will fail.

Here are some actionable insights for overcoming the challenges:

- ▶ **Align Tech With Real Needs:** If it doesn't solve a pain point or create value, skip it.
- ▶ **Start Small. Scale Smart:** Tackle one process at a time. Prove the benefits. Then move to the next.
- ▶ **Secure Your Digital Future:** Cyber risks grow with digital adoption. Invest in data protection, strong passwords, and staff training on basic cybersecurity.
- ▶ **Invest in People:** Upskill, motivate, and involve your workforce every step of the way. Celebrate champions and early adopters. Fear subsides when people understand and own the change.

Remember, **tech is not the goal—competitiveness is.**

Conclusion

Disruption will keep knocking. Consumer habits will keep changing. The next crisis could be around the corner. But, challenges aren't roadblocks. They are triggers for reinvention. The businesses that thrive in the next decade will be those that embrace change with a clear strategy and a willingness to learn.

Businesses need to bet on the right smart techs—not the flashy ones, but those that solve real problems. As an Indian business leader, founder, or entrepreneur, your responsibility is not just to manage chaos, but to build for the future. If you are wondering whether now is the right time to go digital—the answer is yes. But don't leap blindly. Walk steadily. Build capability. Focus on what matters most to your customers and your business. Digital tools are just that: Tools! The vision, courage, and discipline to use them wisely? That's what creates legacies.

So, are you ready to lead your business out of crisis and into competitiveness? Smart tech is knocking. Answer the call.



IMPORTANCE OF PROCESS DOCUMENTATION

“If I am not here, will this business still run?”

It’s a question many of us have avoided for years, telling ourselves we shall deal with it someday — perhaps because we are afraid of the answer. In fact, it’s probably the most important question any founder can ask — yet we shy away from it. Because deep down, we know we aren’t ready for the answer.

The thought usually creeps in during quiet moments: while travelling, when illness forces a day off, or in the uneasy hours between midnight and dawn. *If I am not here tomorrow — not in the meeting room, not on calls, not replying to emails — will this business still run?*

The answer, if we are honest, is uncomfortable. The reality often is that our presence is the oil that keeps the machine running. Remove us, and the gears are likely to jam. And that’s when it hits many of us — *“What I had built wasn’t truly a business. It was a job. My job. The organisation might have my name on the door, but it didn’t yet have a life of its own.”*

Illusion Of Control

Founders like to believe we are indispensable. It’s flattering to think that nothing moves without our input, that we are the heartbeat of the enterprise. In the early days, this is often true — we negotiate the first contracts, close the first sales, hire the first people, and solve the first crises.

But what begins as necessity can quickly turn into dependency. The team waits for your nod before making decisions. Customers expect your personal attention. Suppliers bypass departments to deal directly with you. Your absence feels like a risk the business can’t afford. That isn’t leadership. That’s bottlenecking.

Sobering Realisation

One evening at an industry conclave, a seasoned leader I deeply respect put it bluntly:

“For a business to be truly immortal, it must sustain growth through disruption, technology shifts, evolving consumer preferences, and leadership transitions. And for that, documenting processes isn’t optional — it’s survival. Well-written processes allow the business to function beyond the founder’s

personal involvement. Even when you are no longer around, the system carries on.”

The word immortality caught my attention. I had never thought of processes in those terms before. Immortality wasn’t about me being remembered — it was about the business outliving my presence. It was about legacy, not ego.

Founder Becomes Dispensable

In healthy organisations, the founder eventually becomes dispensable. And that’s a good thing. It’s a sign that the enterprise has matured into an asset — something that can grow, scale, and survive beyond the person who started it.

When this happens, succession becomes viable. Leadership transitions don’t trigger panic. Investors gain confidence. Customers experience consistency. The founder can step away — for a month, a year, or forever — and the gears keep turning. This doesn’t happen by accident. It happens through **institutionalising knowledge** — the deliberate act of capturing how things are done, not just what is done.

Founders who document processes often describe the experience as transformative. Some liken it to cleaning house: moving from confusion (darkness) to clarity (light). It becomes a form of self-reflection. You are forced to confront assumptions and admit what you don’t know.

Power Of Documented Systems

Documented systems are the backbone of an immortal organisation. They preserve institutional memory, ensure consistency, and make training new people easier. They turn tacit knowledge — the stuff locked in someone's head — into explicit knowledge that anyone can use.

It's the difference between:

- ▶ A star employee knowing how to handle a client crisis.
- ▶ And a team having a step-by-step protocol that any trained member can follow.

Without documentation, the departure of one person — especially the founder — can feel like losing the recipe to the secret sauce. With documentation, the recipe belongs to the organisation, not the individual.

Examples That Prove The Point

Consider the **Ramakrishna Math and Ramakrishna Mission (RKM)**. Founded in 1897 by Swami Vivekananda to carry forward the ideals of his guru, Ramakrishna, the organisation has endured for over a century. Its educational, medical, and relief work spans continents. The founder has been gone for more than a hundred years, yet the massive transformative purpose envisioned by the founder thrives — not because of one charismatic leader, but because the ideals were institutionalised into a governing framework, a body of processes, and a culture that transcends individuals.

The **Tata Group** is another example. Established in 1868 by Jamsetji Nusserwanji Tata, this Indian multinational group of companies has survived world wars, independence movements, market crashes, and leadership changes. Successive generations have carried forward the ethos because systems of governance, professional management, and strategic vision were embedded early. As of August 2025, the Tata Group's 29 publicly listed companies have a combined market capitalisation of ₹37.84 trillion.

Decades after its founding, **Infosys**, one of India's IT giants, stands tall—a reminder that process maturity, once built, can carry a company through market storms and shifting times. Co-founded in 1981, the company made process

discipline a core strength, earning SEI-CMM Level 5 certification when few Indian firms even thought in those terms. This allowed its founders to step back, confident that decision-making and delivery excellence were hardwired into the system. In 2021, Infosys became the fourth Indian company to cross the US\$100 billion mark in market capitalization.

Emotional Shift

Here's the part founders often struggle with: letting go. Documenting processes isn't just a technical exercise — it's an emotional one. It means acknowledging that you won't always be the centre of things. It means trading the thrill of being the daily problem-solver for the quieter satisfaction of watching others solve problems without you.

At first, it can feel like diminishing your role. But over time, you realise it's the opposite — you are expanding your impact. You are no longer the engine; you are the architect of the engine.

Spiritual Side Of Systems

Founders who document processes often describe the experience as transformative. Some liken it to cleaning house: moving from confusion (darkness) to clarity (light). It becomes a form of self-reflection. You are forced to confront assumptions and admit what you don't know.

Others say it's a spiritual exercise. It humbles you. You stop thinking you are indispensable. And that's where real leadership begins—**when you design something that can thrive without you.**

From Reflection To Action

If you have built something worth preserving, the real test isn't revenue growth, market share, or even brand equity. The real test is whether it will survive without you.

Start with the essentials:

1. **Map the core processes** — sales, customer service, product development, finance.
2. **Write them down** — step-by-step, in a language anyone can understand.
3. **Test the documentation** — let someone else follow it without your intervention.

Step-By-Step: Making Documentation Stick

1. **Start Small:** Choose a single, repetitive task you do often. Write down how you do it. Be clear, be detailed, and keep it simple.
2. **Get Feedback:** Have someone else (your co-founder or a process owner) use your document. Where do they stumble? What's unclear? Refine as needed.
3. **Create a Library:** As you document more tasks—sales, customer service, hiring, even crisis response—organize them in a shared location everyone can access.
4. **Update Often:** Processes aren't static. Encourage feedback. Revisit your library after major changes, technology upgrades, or business pivots.
5. **Train and Delegate:** Use these documents for onboarding new recruits. Empower team members to improve, update, and use the documents as they go.
6. **Celebrate Wins:** Highlight cases where a documented process saved the day—a seamless handoff, faster customer resolution, or smooth crisis management.

4. **Refine continuously** — processes evolve; so should your documentation.

5. **Embed it in culture** — make “following the system” a shared value.

What Gets In The Way (And How To Beat It)

The biggest barriers to documenting systems are more about mindset and habits than actual difficulty—once you take small, consistent steps and involve others, the process becomes achievable and essential.

Listed below are common barriers to documenting processes, along with practical ways to overcome them:

1. **Perfectionism** — Don't wait to write the perfect process. Start with a rough draft.
2. **Time constraints** — Schedule 1 hour a week. Tackle one process at a time.
3. **Resistance from team** — Involve them. Let them co-create processes.
4. **Fear of change** — Change is inevitable. Not preparing for it is optional.

The Quiet Reward

There's a quiet peace in knowing your business can run without you. It frees you to think bigger, explore new ventures, or finally take that month-long yoga retreat in Rishikesh you have been promising yourself for years. More importantly, it gives your team the confidence that they are part of something enduring. Someday, whether by choice or by circumstance, you will step away. The question is — will the lights stay on? The answer depends on what you do today.

Document your processes and systems. Make yourself dispensable. In doing so, you give your business the gift of life beyond you. That's not just good leadership. That's legacy.

Conclusion

If you want your business to live beyond you, start writing. Not tomorrow. Not when you are “less busy.” Now. Start with one process. Then another. Keep going. Because the real legacy of a founder isn't revenue growth, market share, or even brand equity, or the hours they worked, but the systems they built. So ask yourself:

Will your business survive you?

Or will it depend on you forever?

The answer lies in your willingness to document. **Your systems are your legacy.** Build them well — and document them even better.



Kundan Gurav
Co-Founder, TransGanization

Monthly Blog



Systematic Management: The Remedy For Inefficiency In SMEs And Why Human Resource Management Is At The Core Of It

Fredric Winslow Taylor, often regarded as the father of scientific management, once profoundly observed that *“the remedy for inefficiency lies in systematic management, not in searching for some unusual or extraordinary individual.”* This principle, introduced over a century ago, holds timeless relevance—particularly for Indian SMEs today, where scalability and efficiency often fall prey to people-dependency and informal systems.

Myth Of The Superhuman Employee

In many small and medium-sized enterprises (SMEs), the common reaction to operational struggles is to look for a “hero” employee—someone who can juggle everything from sales to finance to delivery. This tendency stems from a belief that the right person will *fix the system*.

However, this approach is not only risky, but also unsustainable:

- ▶ **Human Limitations:** No individual, however skilled, can compensate for a broken or missing system.
- ▶ **Scalability Issues:** A people-dependent model collapses when key individuals exit or burn out.
- ▶ **Inconsistent Results:** Without defined processes, outcomes vary with personalities, not planning.

Here's where systematic management comes in—not just as a tool for process improvement, but as a philosophy of building business around replicable systems and empowered teams.

Why Systematic Management Is The Key

Systematic management refers to creating **clear, replicable, and measurable systems** that ensure consistent performance. Taylor's scientific management framework emphasized:

- ▶ **Standardized Processes:** Repeatable methods that ensure consistent quality.
- ▶ **Defined Roles and Responsibilities:** Clarity in accountability, reducing overlap and inefficiencies.
- ▶ **Measurement & Feedback Loops:** Metrics that help identify, analyze, and improve bottlenecks.

But there's one modern element Taylor couldn't fully anticipate—**human resource management**. In today's world, HRM is the strategic arm that enables systematic management to succeed. It is not merely an administrative function, but a **core lever for operational excellence**.

Integrating Human Resource Management Into Systematic Management

For systematic management to work in SMEs, **human resource management** must play an enabling role at every level:

1. **Process Documentation through HR Support:** HR can lead the initiative to document SOPs (Standard Operating Procedures), job descriptions, workflows, and KRAs. When employees have access to documented clarity, productivity naturally improves.
2. **Structured Delegation and Role Design:** HR ensures that roles are not just filled, but also **well-designed and strategically aligned** with business goals. Clear roles reduce conflict, duplication, and dependence on individuals.
3. **Training and Capability Building:** One of the biggest hurdles in implementing systems is lack of skill. HRM plays a pivotal role in **upskilling employees to align with systematic processes, tools, and technologies**.
4. **Driving a Culture of Continuous Improvement:** Beyond policies, modern HR practices promote feedback, collaboration, and learning. A strong HRM function institutionalizes a growth mindset across teams.

How SMEs Can Implement Systematic Management (With HR At The Core)

- ▶ **Document Your Processes:** HR teams should work with business heads to formalize operational SOPs and onboarding manuals.
- ▶ **Delegate with Clarity:** Use HR tools like role matrices and KPIs to eliminate ambiguity in execution.
- ▶ **Leverage Technology:** HR tech, like performance management systems or skill trackers, integrates seamlessly into process workflows.
- ▶ **Train and Coach:** Schedule regular learning sessions, led or coordinated by HR, to develop adaptive and process-aligned teams.
- ▶ **Audit and Review:** HR can anchor quarterly performance and process reviews for better alignment and accountability.

Benefits Of A System-Driven SME With HR As The Enabler

When systematic management is combined with strong human resource management, SMEs can:

- ▶ Minimize people dependency and increase team autonomy
- ▶ Scale operations without losing control
- ▶ Institutionalize culture, discipline, and ownership
- ▶ Attract and retain talent with clarity and growth pathways
- ▶ Build high-performing teams ready for future challenges

Taylor's Legacy Meets Today's HRM

Fredric Winslow Taylor's insight—that **inefficiency stems from system failure, not people failure**—could not be more relevant today. But in the context of 21st-century SMEs, we now know that **people systems are the heart of business systems**. And that's where **human resource management** becomes your greatest asset.

Talent is essential—but with great HR practices and systematic thinking, even ordinary people can produce extraordinary outcomes.

Final Thought

“The next time you feel tempted to hire a ‘superhuman’ to fix your SME, ask instead—can my systems, supported by great human resource management, empower ordinary people to deliver extraordinary results?”

TRANSGANIZATION IMPACT

FROM DELAYS TO DELIGHT

HOW TRANSFORMING SERVICE INTO A COMMITMENT
BUILT TRUST, SPEED, AND
LASTING CUSTOMER RELATIONSHIPS

Matheshwaran Chettiyar
Analyst, TransGanization Creation Pvt. Ltd.



At TransGanization, we believe that trust is not demanded—it is earned. It is not built by products alone but through consistent, meaningful service experiences. Every interaction is an opportunity to honor a promise, and when that promise is fulfilled, relationships deepen.

One of our recent believer journeys beautifully reflects this philosophy. Our believer, a leading organization based in Ambernath, Thane district, brings with it 28 years of expertise in electronic device manufacturing and over two

decades of specialization in medical devices. Despite offering world-class medical equipment, the organization faced growing challenges in its service operations. Turnaround Time (TAT) for machine servicing had stretched to 12–15 days, leading to sales partner escalations and customer dissatisfaction.

Service could no longer remain a back-end activity - it had to become a reflection of the brand's values and its commitment to customers.

Where Service Becomes a Commitment

Together, we created a new service model rooted in speed, accountability, and purpose. This transformation was anchored on six guiding pillars:

- ▶ **Process Discipline** – Mapping workflows, identifying bottlenecks, and reimagining processes so every step moves with clarity and ease.
- ▶ **Technology Enablement** – Integrating CRM for real-time visibility and proactive alerts, ensuring transparency for both sales partners and customers.
- ▶ **Speed at the Core** – Embedding a sense of urgency with same-day diagnosis and instant quotations, reducing waiting times from weeks to just days.
- ▶ **Capability Building** – Strengthening and upskilling the service team to remove single-point dependencies, create shared ownership, and build long-term service excellence capabilities by creating Component level service manual.
- ▶ **Seamless Inventory Support** – Establishing a dedicated service store so that servicing flows without interruptions.
- ▶ **Quality Assurance** – Setting up a specialized quality team to ensure every serviced machine consistently meets the highest standards.

Impact Delivered

The transformation delivered tangible results and restored trust across the ecosystem.

- ▶ TAT reduced from 12–15 days to just 2–3 days through a sustainably rooted effort, delivering over 20 months of optimized performance and achieving record TATs of under 2 days at times.
- ▶ **Customer satisfaction deepened** through faster, transparent servicing

- ▶ **Operational resilience strengthened** by expanding team capacity and removing dependencies
- ▶ **Scalability achieved** through a **replicable service model** across multiple regions

And the most telling outcome?

All our sales partners shared the same sentiment:

“Earlier, we had to wait weeks, call repeatedly, and chase updates. Now, we receive machines back before we even expect them.”

From Fixing Problems to Creating Possibilities

- ▶ This journey is a reminder of what happens when strategy flows from intent and execution aligns with purpose. Service, once seen as a challenge, has now become a brand-strengthening differentiator.
- ▶ At TransGanization, we see this as **Companionship Creation**-walking alongside our believers, sharing their aspirations, and shaping possibilities together.
- ▶ Operational excellence, for us, is about more than efficiency. It is about honoring commitments, earning trust, and building relationships that last.

And we’re not stopping here. Looking at the evolving needs of end customers, we aim to optimize this service model even further - bringing TAT down from days to just a few hours, ensuring unparalleled customer delight.

At TransGanization, we believe that service excellence is not an achievement to reach, but a way of being to live - an ongoing journey where purpose and performance walk hand in hand. Through our **companionship creation** with believers, we are not just solving today’s challenges; we are nurturing trust, accelerating service, creating customer joy, and building sustainable solutions that strengthen relationships and inspire growth for years to come.

When service becomes a commitment, the promise becomes unshakable.

TRANSGANIZATION FEATURED ON NDTV MARATHI

SUCCESS MANTRA WITH KUNDAN GURAV: BUILDING BUSINESSES WITH PURPOSE



In a special feature of *Yashacha Kanmantra* on NDTV Marathi, Mr. Kundan Gurav, Co-Founder of TransGanization, shared his journey and philosophy of entrepreneurship. From a foundation in electronics and communication to co-founding TransGanization, his path reflects a deep passion for understanding businesses at their core.

Mr. Kundan Gurav emphasized that TransGanization is not a conventional consultancy but a partner in creating purpose-led, sustainable enterprises. By focusing on employees, customers, and promoters simultaneously, the firm enables organizations to grow with clarity, discipline, and long-term vision.

He highlighted the dual reality of entrepreneurship: “When a business succeeds, thousands are inspired; when it fails, thousands get demoralized.” According to him, true

entrepreneurs embrace both success and failure, staying rooted while adapting to challenges.

Unlike models that chase only short-term revenues, TransGanization encourages businesses to build strong internal systems, nurture leadership pipelines, and embed values into culture, ensuring that success lasts across generations.

At the heart of his message lies a simple mantra:

1. Build clarity before scaling.
2. Balance ambition with discipline.
3. Accept success and failure equally.

Through this philosophy, Mr. Kundan Gurav offers entrepreneurs a refreshing path—one where profit meets purpose, and business becomes a force for lasting impact.



ORGANIZATION WITH HIGHEST QUALITY ORIENTATION



10th July, 2025 | Taj Lands End, Mumbai

We recently received the award for organization with the highest quality orientation from World Quality Congress & Awards.

It's a meaningful moment, not just because of the recognition, but because of what it quietly affirms:

That the way we've been working, the standards we've held, and the care we've brought to each engagement actually matter.

When we started TransGanization, quality wasn't a separate goal.

It was built into how we listen, how we problem-solve, and how we show up for our clients, especially when things get messy or uncertain.

To us, quality has always meant this:

- Clear thinking over quick answers.
- Systems that serve people, not just performance.
- Doing the right thing, even when no one's keeping score.

This award isn't a finish line. It's a reminder to stay consistent. To keep choosing long-term trust over short-term wins.

INDUSTRIAL HAPPENINGS

India's export impacted by 50% US tariff

Reports suggest that India's exports to the US could be slashed to \$49.6 billion in FY2026, a 43% decline from the previous year's \$86.5 billion. The imposition of higher tariffs by the US will significantly impact micro, small, and medium enterprises (MSMEs), which account for as much as 45% of India's total exports. The textiles, gems and jewellery, and seafood industries, which account for 25% of India's total exports to the US, are likely to be the most affected, as MSMEs have more than a 70% share in these sectors. The chemicals sector, where MSMEs have a 40% share, is also likely to face difficulties.

Several sectors that will be most severely impacted due to their heavy dependence on the US market.

- **Textiles and Apparel:** The Tirupur cluster, which accounts for over 30% of India's ready-made garment (RMG) exports, will be severely impacted. Tariffs on RMG will increase to 61% from the previous 13.9%, making Indian products uncompetitive against rivals in Bangladesh and Vietnam. Pushan Sharma, Director, Crisil Intelligence, states, "Partial absorption of the increased product prices due to higher tariffs will put pressure on MSMEs, squeeze their already-slim margins and pose a material challenge to their competitiveness. For instance, those into readymade garments (RMG) are expected to lose ground in the US as the tariff increases to 61%, including 50% additional ad valorem duty, compared with peers in Bangladesh and Vietnam tariffed at 31%."
- **Diamonds and Jewellery:** Exports to the US, which comprise 40% of India's global exports in this sector, will face a tariff surge from 2.1% to 52.1%. MSMEs in Surat, which dominate diamond exports with over 80% share, will feel the shock, as the U.S. is a major consumer of Indian diamonds.
- **Shrimp:** India's top market for farmed shrimp, the US is imposing a 50% tariff on top of the existing 10% countervailing duty,

bringing the total tariff to 60%. This will disadvantage seafood MSMEs, which already face severe competition from countries like Ecuador, which is levied a much lower tariff of 15%.

- **Auto components:** The auto components sector is expected to be only marginally affected, though MSME suppliers of gearbox and transmission equipment will be impacted. The pharmaceutical sector remains unscathed for now, as it is currently exempt from tariffs. In the steel industry, the US tariffs are expected to have a negligible impact on MSMEs, as they are mainly engaged in producing long products, while the US primarily imports flat products from India.

Central Bank To Leverage KredX's DTX For MSME Funding

Central Bank of India has partnered with KredX's newly licensed TReDS platform, DTX (Domestic Trade Exchange), with an eye towards super-charging liquidity for micro, small, and medium enterprises (MSMEs) and bring hassle-free invoice discounting to the country. By this collaboration, Central Bank of India (NSE: CENTRALBK) will partner with DTX to facilitate seamless and transparent invoice discounting. The move not only widens digital reach for MSME availability of credit but also enhances financial inclusion—especially as RBI and IFSCA-approved KredX provides rigorous compliance and sophisticated automation to the solution.

KredX's TReDS platform, branded DTX, recently secured RBI's final nod – making it the fifth player to receive such approval. The platform is also backed by a license from IFSCA, enabling seamless trade receivables financing domestically and globally. The RBI mandate now requiring businesses with ₹250 crore+ turnover to register on a TReDS platform has dramatically increased institutional onboarding — positioning DTX for rapid adoption.

This partnership enables the Central Bank of India with the capability to offer MSMEs advanced invoice discounting on a fully digital

end-to-end platform. With volume goals for TReDS ramping up from USD 30 billion to USD 50 billion by 2026, the bank and its SME clients stand to gain from improved workflow, improved compliance, and increased access to working capital.

GST Parity Sought For MSME Pharma

Bhavin Mehta, Vice Chairman of Pharmexcil, highlights how addressing GST inversion challenges through rate alignment and targeted relief measures can support MSMEs, safeguard medicine supply, and reinforce India's role as the 'Pharmacy of the World'.

India is preparing for the most significant GST reform since its launch in 2017. The move towards a simpler two-slab structure—5 per cent and 18 per cent—is a bold step to reduce complexity, improve compliance, and boost consumption. For pharmaceuticals, however, it raises an important question: how do we ensure this reform supports both patients and manufacturers?

Currently, finished medicines (formulations) are taxed at 12 per cent, while Active Pharmaceutical Ingredients (APIs) are taxed at 18 per cent. If formulations move into the 5 per cent bracket while APIs stay at 18 per cent, the gap between input and output tax—known as an inverted duty structure—will widen from 6 per cent to 13 per cent. This locks working capital, creates refund backlogs, and adds costs to an industry that operates on thin margins.

DPCO medicines already face price caps, leaving no flexibility to absorb higher costs. A 5 per cent GST on formulations against 18 per cent on APIs would squeeze profitability further, and in some cases could force companies to withdraw essential medicines, risking shortages. For MSMEs, the impact is sharper. They work on tight cash cycles, and blocked credits from paying 18 per cent on APIs while realising just 5 per cent on sales strain liquidity. Refund delays add borrowing costs, while GST on capital goods such as machinery or lab equipment often remains stuck. Larger firms can manage, but for smaller units, this threatens growth and even survival.

The export dimension makes this even more critical. Exports are zero-rated, but manufacturers must first pay 18 per cent GST on APIs and

then wait for refunds. This ties up cash that could instead fund scale-up, R&D, or global commitments. For a country that is among the world's largest suppliers of generics, ensuring timely working capital cycles is essential to remain competitive internationally.

The solution is straightforward: align GST on APIs and formulations. If both are taxed at the same rate, the inverted duty disappears, simplifying compliance and encouraging faster pass-through of benefits to patients. This parity could mean both at 5 per cent to maximise affordability, or both at 12 per cent to protect revenue while maintaining efficiency—either is better than a 5/18 split.

Alongside rate alignment, targeted measures can ease MSME stress. A fast-track refund system with timelines of 15–30 days, interest on delayed refunds, and interim support such as deemed credit or dedicated refund cells would provide much-needed relief. A special refund window for capital goods like machinery and lab equipment would also free up funds for facility upgrades now mandated by revised regulations. These steps would safeguard MSMEs, sustain capacity, and ensure uninterrupted supply of affordable medicines.

Challenges continue to plague MSMEs: Bankers

MSMEs face hurdles beyond the credit gap, including delayed payments, lack of equity, weak data for underwriting, and climate risks. Bankers at FIBAC 2025 call for simpler guarantee schemes, better data-sharing, and new lending frameworks to drive inclusive growth.

The MSME sector, often hailed as the backbone of the economy, continues to grapple with challenges that go far beyond the headline credit gap. "We are looking at the credit gap in isolation, but it is a corollary to deeper structural issues," said Partha Pratim Sengupta, MD & CEO, Bandhan Bank, said at the FIBAC 2025 event.

He identified five critical pain points: Lack of equity infusion, elongated working capital cycles due to delayed payments, limited access to technology and skilling, high utility costs, and vulnerability to climate risks. "If the working capital cycle gets elongated, mainly due to non-receipt of payments from large industries, units become unviable."

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