Anand Mahindra: « France has a huge potential »

This document is a non official translation of that article published in Le Figaro on the 20th of Octobre 2014. (C) Le Figaro, 2014

The only changes with respect to the original article that I made (Lilian Besson) are adding some links and a better layout.

A PDF version is also available! Read it in French? (original article)

For the CEO of the eponymous Indian group, France lacks « an ability to undertake ».

Interview by Emmanuel Egloff and Bruno Jacquot (Twitter: @eegloff, bjacquot at leFigaro dot fr).

Mahindra name became more familiar to the French since the Indian group took over in the beginning of the month 51% of Peugeot Scooters.


This high powered meeting is the second of its kind convened by French president Francois Hollande with 25 business leaders, coming from around the world. It should be extended by a notice on the attractiveness of France on Wednesday by the Cabinet.

Anand Mahindra, for his part, seized the opportunity to plead a « grand alliance » between French and Indian companies. He delivers to Le Figaro his vision of France.

— Le Figaro - You participate for the second time after the invitation of François Hollande, the Strategic Council for Attractiveness.

— Anand Mahindra

It is an honor to be invited to participate in such a proceeding which must help to define the strategy of a country. We will not refuse such an opportunity. Mahindra and France, it’s a long story.

The first company of the group in which I worked is Mahindra Ugine Steel. It was a joint venture with Ugine Steel, which became Ugine Kuhlmann, and then Pechiney Ugine Kuhlmann. In this context, my first assignment was Albertville, Savoie (in France). The automobile division of Mahindra has also used for a long time Peugeot diesel engines for its cars.

« There are many examples of French inventions that other countries have taken advantage. » — Anand Mahindra
Recently, Mahindra has forged a partnership with the École Centrale de Paris to train engineers in France and in India. France has a huge potential, even though I know that today, saying it is surprising the French people.

In February, at the last Council of Attractiveness, I said that for a company like ours, which seeks to become global, France is in fact an emerging market.

— How would you rate the attractiveness of France?

The weaknesses of France, you know them even better than the French are very good at self-flagellation. I will only emphasize about the forces of your country, especially its quality of innovation.

I do not mean just technology, but innovation in the broad sense. It is very important for companies because their future competitiveness depends on innovation. For example, behind almost every significant invention regarding the car industry, there is a French!

But France does not always know how to change this innovation into sustainable business, because it lacks the ability to initiate and implement its extraordinary inventions. For example, Renault invented the first MPV called l’Espace, but actually it was Chrysler who won the most money with the Voyager. There are many more examples of French inventions that other countries have taken advantage of.
— Does this can change?

This must change and it will certainly change. Despite the problems that exist in India — there are! — Indian businessmen are able to grow their business because they are entrepreneurs. That is why there is a real potential for a « grand alliance » between the French innovation and the Indian entrepreneurship. That’s what I told to French President François Hollande and the Minister of Economy, Emmanuel Macron, at the Elysée Palace on Sunday (19th of October, 2014).

— Despite the longstanding, Mahindra is not very well known in France. How would you define your business?

I will first explain what we are not. We are not a conglomerate. A conglomerate is one company with several businesses, and investors do not like it because you do not make the most of each activity. Mahindra is a federation of companies, and it is also an entrepreneurial engine.

When Mahindra launches a new activity, the president of the latter is very independent. If he succeeds, he is directly interested in the results Mahindra looks like the Bodhi tree, the famous fig tree found in pagodas: from the trunk can grow aerial roots that will go right back to the soil.

Each of our businesses is bit like those roots. Mahindra was created in 1945 by my grandfather, and today it brings together hundreds of companies distributed in ten major sectors: automobile, our main business, agricultural machinery (we are the largest manufacturer of tractors in the world in terms of volume!), non-banking financial services, IT, hospitality, real estate and, of course, two-wheelers.

— Peugeot Scooters is a company in difficulties. You’re used to such situations as you have already successfully taken the Korean automaker Ssangyong SUV. What is your method?

We are not magicians! When many people see only darkness about Peugeot Scooters, we see the light. Peugeot is a name which is recognized throughout the world, but today is an underutilized brand! We plan to give him access to global markets. With Peugeot Scooters, Mahindra will start to implement this « grand alliance » which is close to my heart.

We have now the opportunity to introduce Peugeot Scooters on the huge Indian market. We will also use the skills of engineers to develop premium Peugeot models. Finally, we will expand the distribution of our models in Africa and Latin America. Mahindra had planned to target these areas, even without Peugeot Scooters. But we will go faster with two marks: a cheap — Mahindra — and other premium — Peugeot.

Finally, remember that in Paris in February, I said that Mahindra was planning investments in France. With this partnership, we keep our word.
— Are you planning already other investments in France or Europe?

Having an acquisition program is not a good idea. Acquisitions should not be a goal, but a mean. I would prefer to develop a new business or a new product alone. But sometimes it is more efficient and faster to go through an acquisition. Then it makes sense.

For the car industry, our goal is to develop us in Africa and Latin America and advance on the value scale. To succeed on this last point, the story of a brand, the origin of its products and their quality are essential. In the case of Peugeot Scooters, we buy a brand, but we also buy a history and a provenance.

It would be pointless to buy Peugeot scooters if it was to stop the manufacture in France! The same logic guided us in the purchase of Ssangyong Motors in Korea, where we have decided to maintain production on site because that is what Ssangyong cars consumers expect. We always invest taking into account local communities and each country own culture.

A small empire

The Mahindra Group led by Anand Mahindra is a small empire based in India. During the 2013-2014 fiscal year (ended March 31) the group made about 15 billion euros of turnover. The group has a total of 180 000 workers in the world, and Mahindra unites seven major subsidiaries, which form a group in industry, services and finance. Mahindra & Mahindra, M & M Financial Services, Mahindra CIE Automotive, Mahindra Holidays & Resorts India, Mahindra Lifespace Developers, Mahindra Ugme Steel, Tech Mahindra.

Other articles on that subject?

- MEC — École Centrale of Paris: an innovative collaboration of excellence for engineering (October 10th 2014, Libération)
- After China and India, the École Centrale of Paris expands in Marocco (October 20th 2014, Le Monde).