



CONDUCTING PUBLIC AFFAIRS IN INDIA

INDIA ON THE WORLD MAP



- ❑ Despite a turbulent global economy, the Indian government throws its weight behind enhancing the competitiveness of its economy with a combination of fiscal prudence, rural and infrastructure investment, tax and financial reforms
- ❑ Focus areas: streamlining processes in the ease of doing business in India and creating an atmosphere conducive to economic growth, new investments and new jobs
- ❑ Unprecedented number of rounds of consultation with experts and business leaders to push ambitious projects like *Make in India, Smart Cities, Digital India*
- ❑ Critical juncture for organizations to assess their advocacy capabilities and business strategies to cope with the changing times



WHAT PUBLIC AFFAIRS IN INDIA MEANS

- ❑ Understand the complexities of doing business in India and their impact on your business plans
- ❑ Ground realities of why ‘the wheels turn slowly’ in a democracy like India’s
- ❑ Importance of interplay between government, politics, business & society



WHY PA STRATEGY IS CRITICAL

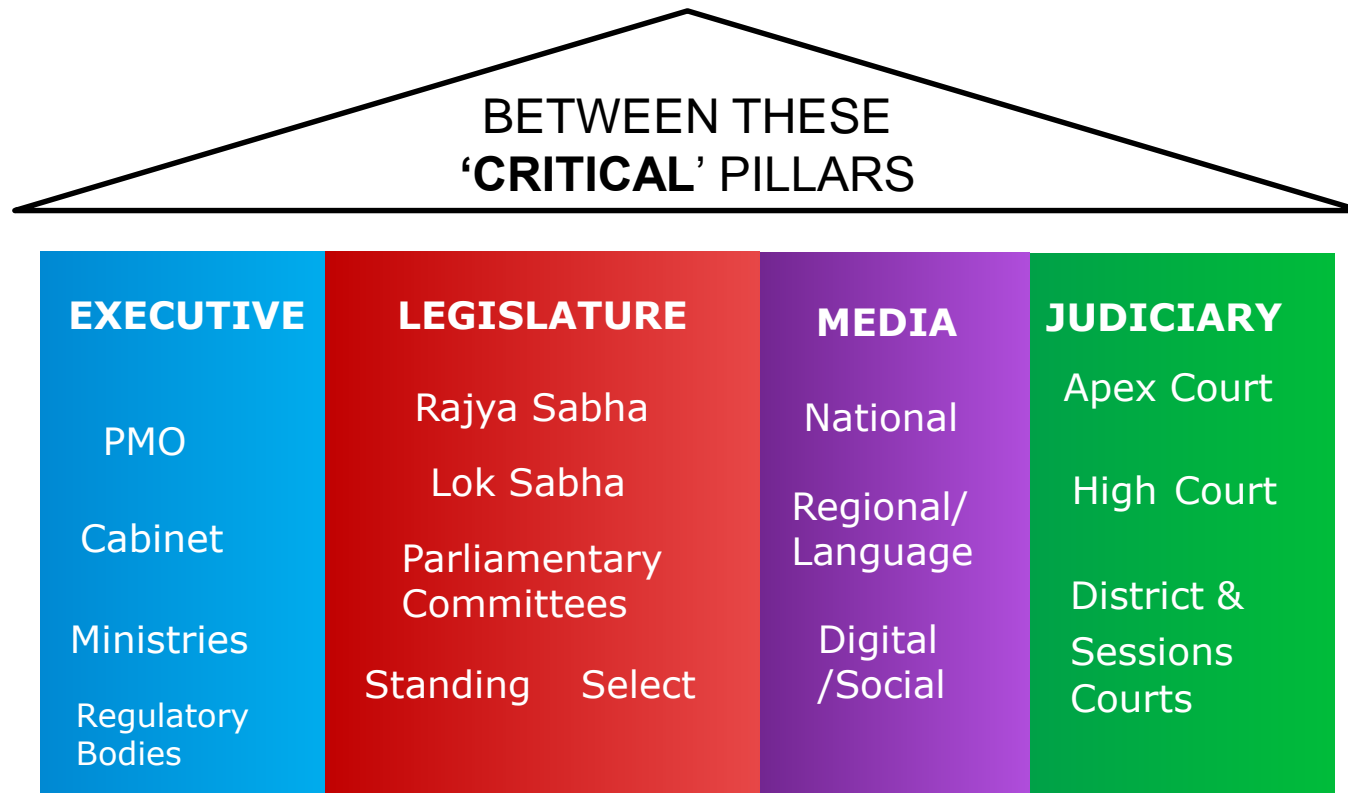
- ❑ Helps you transform your business ideas into reality through a better understanding of bureaucratic and regulatory processes
- ❑ Equips you with the tools to create an effective 360 degree public affairs strategy and sharpen engagement with government
- ❑ Do's and don'ts – protocol for engaging critical stakeholders

HOW INDIA IS DIFFERENT...

- 1. Knowing the ‘top’ guy isn’t enough**
 - ✓ India has a ‘bottom up’ or consensus approach to decision making
- 2. Only a 360 degree engagement strategy can give you insights on staying engaged with the process**
 - ✓ Map relevant stakeholders, prioritize, know when and where to intervene
- 3. Government officials do have a sense of issues and demarcation of protocols**
 - ✓ Clear presentation of knowledge of the industry, issues involved and precedent is key
- 4. Ask Yourself**
 - ✓ “Do we have our people in place and trained, who understand and can engage with government in India?”



EFFECTIVE 'PUBLIC AFFAIRS' INVOLVES INTERPLAY



DEALING WITH GOVERNMENT IS A BEHAVIOURAL SCIENCE

- Insight
- Persuading people
- Negotiating compromises



- Stakeholder Mapping
- Advocacy
- Stakeholder management

‘It is 24/7 or round the clock management of government relations, advocacy, persuasion & PATIENCE’

Our Experience

CHALLENGES

ENTRY

- Neo-Nationalist Groups ; Strong nationalistic views against foreign entrant
- Pressure Groups, Political hostility, Unviable entry terms, Resistance from local domestic players
- Skepticism to operations, expansion, and acquisition
- Adverse perception ; Monopolistic environment

OPERATIONS

- Regulatory issues regarding duties, bottle sizes
- Continuous tirade from multiple quarters – ‘soft target’
- Allegations of pesticide content in products

SOLUTIONS

- Facilitated company's entry without brand dilution; had to enter as a tie up with Punjab Agro Ind. Corpn & Voltas India

OUTCOMES

- 100% equity was allowed for the first time in the FMCG sector through company's entry
- Approval for acquiring 100% stake in bottling companies
- Removal of Special Excise Duty on Carbonated Beverages
- Successfully resolved issue of pesticide in product with the government

QUESTIONS

