

Indian refining: A woman at the top looks back



Interview with Nishi Vasudeva,
Former CEO of Hindustan Petroleum Corporation



What challenges did you face in making it to the top of Hindustan Petroleum?

Since the day I joined Hindustan Petroleum Corporation Limited (HPCL) in July 1979, I have enjoyed each and every responsibility I was entrusted with. My focus has always been on learning, performing with passion and collaborative team-work to achieve excellence. When I look back, the downstream industry has evolved over the years in line with the dynamic changes and complexities of the market, and a number of innovative marketing and technology concepts have been introduced. Employees who performed, had the right attitude and demonstrated leadership capabilities were rewarded with personal promotion. There were job challenges at every stage, which I could overcome, with a firm belief that in order to succeed one has to take on challenges, manage risks and deliver excellence.

One major challenge faced was the roll-out, on a strict timetable, of an enterprise resource planning system, an integrated suite of applications to manage the business effectively and automate processes, at more than 450 locations across India covering over 4,000 users. This completely transformed business processes. Another challenge was to leverage technology for business growth and to transform the IT department from a back office support function to becoming a partner to all the business units. Today, all the financial, business and service delivery processes at HPCL are e-enabled. Challenges on the marketing front centred on growing the business at a time when crude prices hovered around US\$100 per barrel, markets were volatile, the burden of subsidies was increasing and there was a slowdown in the market. Related to this were the challenges of developing supply chain and distribution infrastructure, at a time when there was monetary tightening and resource constraints, while also leveraging scale, nurturing talent, ensuring brand and service standards at distribution partners and building HPCL to be a customer-centric company.

What changes did you make at HPCL?

Given the buoyant market conditions and the increasing competition in the downstream sector business due to deregulation, the focus was on strengthening the company's profitability with sustained growth. With profitability as a key focus area, a central Integrated Margin Management (IMM) system was created at HPCL for maximising the overall margins across the crude-to-customer value chain. A number

of processes were institutionalised under IMM, and this new entity has started making significant savings for HPCL.

Another initiative towards cost optimisation was the centralisation of procurement activities to leverage the economies of scale, which has started yielding substantial savings for the corporation. With the deregulation of the downstream market and a positive outlook for GDP growth, India is expected to be a major destination market for major oil companies, which will result in a highly competitive market landscape in future. To continue to stay ahead of the competition and be a relevant and strong player in the future, we laid out a strong vision for HPCL. A detailed transformational exercise was undertaken at HPCL for

HPCL's refinery in Visakhapatnam (above) feeds the company's retail network (below)





identifying the growth aspirations under different scenarios and a long-term perspective plan up to 2030 was developed with a well-defined implementation process.

To give impetus to growth, strategic expansion and strengthening of infrastructure were identified as key focus areas which saw large capital investment and expansion of distribution and supply chain network. To participate in the emerging business of natural gas, a new business unit was created and processes put in place which helped HPCL foray into retail marketing of LNG for the first time. Technology was identified as a key competitive strength and a number of operational excellence and customer-centric initiatives leveraging technology were launched, and a state of the art R&D centre at Bengaluru was commissioned. Relentless pursuit of excellence and differentiation saw HPCL post its best ever refinery performance and lead the industry in growing market sales.

Employees are the mainstay of any organisation. A number of initiatives were undertaken to align the employees to the organisation's objectives and to instil a culture of high performance. A unique programme, based on experience, to development leadership is being undertaken to create a 'leadership pipeline' at both senior and middle management levels. The performance management system was simplified, made transparent and aligned to the business objectives.

Your professional background was in marketing. Do you think oil and gas companies with substantial downstream and consumer-facing activities like HPCL tend to attract more women than companies focused on exploration and production? Or is the oil and gas industry becoming less of a male bastion in general?

Yes, to the second question. Over the past few decades the oil and gas industry has evolved significantly and offers a wide range of career options to women. The latter have made inroads in both upstream and downstream oil industry and are increasingly breaking gender stereotypes by taking on every kind of responsibility. At HPCL, women employees constitute around 8 per cent of the total workforce and we have seen a consistent increase of females in new recruits every year. Over the last 4 years, about 12 per cent of the new officers who joined HPCL were women. In contrast to earlier times, when women preferred roles in finance and human resources, today they are increasingly enrolling in various branches of engineering and taking up leadership roles across functions in sales, refineries, projects and operations that



Women are increasingly enrolling in engineering

were traditionally a male bastion in downstream companies. Similarly, in upstream companies, women are being positioned in the mainstream functions and not restricted to support functions of human resources and finance. I am hopeful that we will see many more women working in field jobs in upstream companies in the future. In summary, growth opportunities are increasing and as long as the women in the industry give their best as professionals, they will get due recognition.

How essential are good data systems – which you helped modernise at HPCL – in a country as large and as complex as India?

Digitalisation is considered critical for speeding up economic development. Technology-based solutions enable developing countries like ours to leapfrog over some constraints imposed by lack of physical infrastructure. In this direction, the government's 'Digital India' programme offers technology-enabled inclusive growth which addresses various challenges being faced by the country in a sustainable way. In the downstream sector, technology infrastructure and robust data systems are necessary to improve productivity, transparency and efficiency across all spheres of operations and provide a sustained competitive advantage. A multitude of IT solutions have been developed and institutionalised at HPCL to enable managers to do their job effectively. Various technology-based solutions have been implemented to help consumers and business partners carry out transactions easily and to bring better visibility of information to all stakeholders. IT systems have helped HPCL to develop a decision-making culture, based on data and facts. ●