

Mahindra focuses on Africa's potential

Indian utility vehicle and tractor producer, Mahindra & Mahindra, is gearing up to maximise the potential it sees in the African continent.



Ashok Thakur. Image: www.quickpic.co.za

The company has established a new business unit specifically focussed on emerging opportunities in Africa - and South Africa will act as a core business hub for the new initiative. The business unit will be headed by Ashok Thakur, currently CEO of Mahindra SA.

Establishing the new business unit is a significant vote of confidence in the African continent, and will see Mahindra establishing additional business hubs in Kenya, Nigeria and Egypt. The business unit will act as a centralised distribution channel for all products currently manufactured within the group, including utility vehicles, tractors, generator sets, trucks and two-wheelers. It will also include the trading and services of Mahindra's Agri portfolio.

This centralised approach will also allow Mahindra & Mahindra to identify and address the specific needs and requirements of individual African markets, and to customise and engineer its products accordingly.

According to Ashok Sharma, a group executive board member of Mahindra & Mahindra who controls the new initiative at head office level, the four African hubs will allow Mahindra to integrate more closely with the markets it is supplying by effectively becoming a local company, staffed by local employees.

The new business unit will also create new synergies as far as distribution, the supply chain, spare parts, service, advertising and branding are concerned.

Mahindra already enjoys an active presence in 20 of the 50 African countries, and growth in these markets has maintained double-digit levels over the past four to five years. The new initiative will unlock the potential for much more aggressive growth, with a 10-fold increase in business possible in the next five to seven years, Sharma believes.

Heading up the newly-established business unit will be current Mahindra SA CEO, Ashok Thakur, who will report directly to Sharma. Thakur is well-versed in the particular challenges of the Southern African and African markets, having been at the helm of the local subsidiary for the past six years.

The extremely diverse and highly competitive nature of the SA vehicle market has become an acknowledged proving ground for automotive executives, many of whom have gone on to take up senior positions in a global context.

"I'm looking forward to taking up my new position, and tackling the challenges it represents," Thakur said. "There is no doubt that the African continent holds tremendous potential, and the new African business unit will place Mahindra in a very strong position to strengthen its African presence, and to contribute substantially to the continent's growth."

Details about a replacement for Thakur as CEO of Mahindra SA will be made at a later date.

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