

A PHILOSOPHY FOR SUCCESS

The Harman Group with its headquarters in India's economic and financial capital Mumbai is a major player in the supply side of India's footwear and leathergoods industry. Its remarkable success has been mainly due to the singular vision, enterprise and business philosophy of one man, HK Razdan. India's footwear industry has made enormous strides in recent years. Indeed, there are some who predict that, in the longterm, it could rival China as a major driving force in the global footwear market. The Harman Group has played no small part in this success.

Hari Krishen Razdan was born in 1930 to Pandit Mohan Lal Razdan and his wife Mohini Razdan at Gujranwala which is now in Pakistan. He grew up there before studying successively at Farrukhabad, Patiala, Sargodha and Lyallpur (now known as Faislabad). Although as a Kashmiri Pandit his mother tongue was Urdu, he learnt both Hindi and Sanskrit during his schooling and his facility with languages was to stand him in good stead in the future. He was, and still is, strongly influenced by the finesse of the Urdu language and culture, in particular its music and poetry.

He studied physics, chemistry, zoology and botany in college with the ambition of becoming a doctor. This was not to be, however, as his academic career was cut short by the partition of India in 1947 which forced him to leave what

had now become Pakistan and move to what was now the Republic of India. He found shelter with his married sister in the ancient Mughal city of Agra where, unable to afford further studies, he worked as a salesman for his brother-in-law who made shoe polishes and supplied the hundreds of large and small shoe factories for which the city was famous. This proved to be a useful training ground for his later years in the footwear industry.

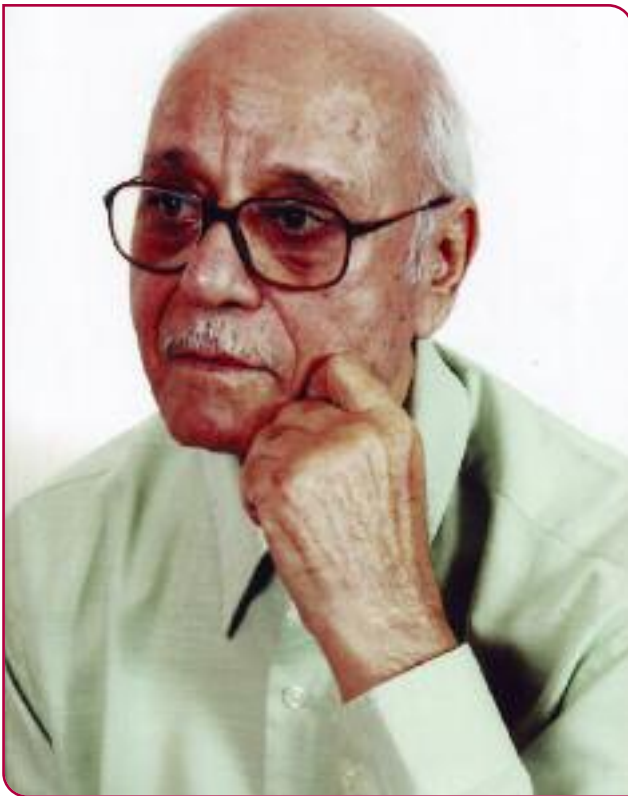
STARTING A BUSINESS CAREER

He next moved to the country's capital New Delhi where, in order to make ends meet, he took a job as a government clerk. This did not last long, however, as he felt suffocated by a dull daily routine where there was no excitement and no great future prospects for an ambitious young man. He therefore moved on yet again, this time to Bombay (now Mumbai) the commercial powerhouse of India and a city of opportunity. And so it proved to be for him. He became a salesman for a company importing bicycles from the U.K. and automotive spare parts from Germany. By 1959, India was gradually becoming more industrialised and the import



Gateway to a city of opportunity, Mumbai.

CREDIT: SHUTTERSTOCK

**H.K. Razdan**

CREDIT: HARMAN GROUP

of products such as bicycles was banned. The import of spare parts for cars and trucks nevertheless continued, so he struck out on his own as an importer of these items from Germany and Italy. Inevitably, India also began to produce these as well as many other products until by the mid 60s virtually all imports were either banned or severely restricted.

In 1966, the Indian government devalued the rupee by almost 64% and Razdan seized the opportunity and became an exporter. At that time, ladies embroidered garments were all the fashion in Europe and the USA. Taking full advantage of his experience and contacts in Italy and Germany, he moved to Italy and leased an apartment in Milan from where he could operate. At the same time he also kept his company Harman running in Bombay as he was in a good position to help those still importing automobile spares into India by negotiating better prices and deliveries while, at the same time, continuing to sell Indian embroideries in Italy at which he was to prove highly successful. With this business well established, he returned to Bombay and continued to operate both as an importer and an exporter with frequent visits to Italy and Germany to facilitate both. He now also spoke fluent Italian which was soon to become a valuable asset.

ENTERING UNKNOWN WATERS

India had traditionally been an exporter of raw or semi-processed materials, such as iron and manganese ores, cotton, hides, jute and tea. Ever since independence in 1947 there had been increasing pressures to use the country's resources to produce higher value finished goods

for export which, in turn, would earn larger amounts of the foreign exchange needed to import the key commodities such as oil that it lacked. A major problem, however, was a lack of the modern machinery needed to produce goods to international quality standards. Never keen to encourage imports, the government was slow to act, particularly with regard to the leather industry even though there was a plentiful supply of both raw material and skilled labour. All that was missing was the machinery.

In 1975, the government at long last opened up the importation of machinery for leather, leathergoods and footwear manufacture, and the Indian leather industry underwent a revolution. Knowing that the country was and would always be a major producer of hides and skins, Razdan saw the opportunities that were now possible in supplying the machines that would be needed and decided to diversify his activities to take advantage of them.

Knowing nothing about the leather industry and its needs, he carried out a careful study of what machines were available and the practicalities involved in importing them. The large number of contacts he had gained in Italy since 1959 were now to prove invaluable, as was the fact that he had lived in Italy for two years and could speak Italian. As he says himself: "My knowledge of Italian helped me to spread my wings in Vigevano which was the hub of shoe and leathergoods machinery production. The genial nature of the Italian people was also a great help in



Atom clicking press of which Harman Group has sold a huge number over the years. CREDIT: ATOM SPA

penetrating the entire ambit of the machinery for these branches of the leather industry.”

He goes on to remark: “The point I wish to make here is that one has to identify an area of activity for which the basic infrastructure is available in one’s own country, but development of the sector is still lacking. One’s own strength in the peripheral areas such as sources of supply and knowledge of the product area should be known and then exploited to one’s own advantage.”

A SUCCESSFUL PACKAGE

Having successfully established the necessary supply base, it was not difficult to find customers for the machines. At the same time, Razdan realised that the machines he sold must run efficiently and that for this to be achieved, technical assistance in the form of servicing and spares was essential. He therefore proceeded to hire suitable engineers and send them to Italy and Germany for training on the machines which he had identified as being saleable in India.

He stresses the importance of this aspect as follows. “The key point here is that a machinery supplier has to be conscious of the customer’s needs because, once he starts using a machine, he becomes so dependent upon its performance and out-put that even a brief breakdown makes him nervous and he becomes anxious to repair the machine. At such a time, the presence of a qualified service engineer gives him a psychological boost until he is fully relieved as his machine is once again in production. Several competitors who sold machines at lower prices than I did but who did not develop a servicing capability, gradually disappeared.”



Gold Medal awarded to HK Razdan in 1975.

CREDIT: HK RAZDAN

The next move was to identify the relative importance of certain machines in leathergoods and shoe factories. The key ones that immediately became obvious were clicking machines, splitting machines and skiving machines, so he concentrated on these three and identified the best in terms of quality, performance and price.

“I also looked for what was missing in the still grey areas of the production of leathergoods and footwear. It took me three years to realise that unless good cutting dies were also readily available in India, imports of clicking machines would remain low. I looked around and got on to



Bending a strip steel knife to the board pattern.

CREDIT: HARMAN GROUP

“...as a matter of interest...”

Hari Razdan's love of poetry led him to begin to write it himself and he saw his first poem published in 1950. It was to be 45 years before he again found time to take up his pen, at which point he began to write Ghazals (a poetic form consisting of rhyming couplets and a refrain) as a hobby, something he has continued to this day. In the meantime, the first collection of his poetry

was published in Hindi under the title Har Lamha Aur in 2005. A second collection, Dil Se Utha Dhan, came out last year in both Hindi and Urdu. More recently, the first collection has also appeared in Urdu. He is widely admired for the thought content, simplicity of words and style of his poetry which feels new and fresh.

an Austrian company that specialised in making strip steel cutting dies. With their help and assistance, I procured the machinery needed to manufacture this type of cutting die and, in 1978, established the first die making factory in India. Today, we have seventeen associated die factories spread across the country to which I have provided the know-how. Naturally, some of the associates and employees who have left in the meantime have started up on their own. Today, from small to large, there are almost one hundred die factories in India.”

There is an old saying about which comes first, the chicken or the egg; Hari Razdan puts it rather well. “When I started the first die factory, people asked me who would buy my dies because there were so very few clicking machines around. I replied that when I made the dies, people would buy clicking machines and, when they used the machines, they would want more dies which I would make.” That is exactly what happened. Today, the Harman Group has nine machinery branches spread across all the key leather sector areas of India as well as the 17 die factories. This makes it possibly the largest group in the world selling and servicing machinery to leathersgoods and shoe manufacturers, whilst also supplying the cutting dies and spares to go with them.

IMPORTANCE OF CUSTOMER SUPPORT

One more important requirement for growth was to spread his sales and servicing network across the country. Unfortunately, although financially sound, he did not have the necessary resources to establish branches in the other main leather centres in India. He did not want to go to the banks for money and so had to think of an alternative solution. “There is an old adage in Indian philosophy which says that when you see 100% going away from you, share 50% with somebody else.” Based on this, he made contact with selected people in these centres and offered them franchises of the Harman brand in exchange for 50% of any profits generated. As a result, both the die making and

machinery sales and servicing activities of the company blossomed such that Hari Razdan was awarded a Gold Medal by the Milan Chamber of Commerce, Industry, Handicrafts and Agriculture for Foreign Trade generated by the Harman Group.

A further diversification has been added to the group in the form of a line of PU coated leather from Italy which is predominantly supplied to belt manufacturers to whom it also supplies the complete manufacturing plants needed to produce them. The aim at all times is to offer sufficient peripheral services to clients that they do not need to seek any assistance from other suppliers, even for the auxiliary products associated with their particular sector of the leather industry. The day-to-day control of the Harman Group is now in the capable hands of his son Jeevan who, essentially, grew up with the company. Nevertheless, Razdan himself still likes to go into the office for four to six hours a day to keep his hand in.

By any measurement, Hari Razdan's business life has been highly successful. While he possesses all the essentials for a manager and entrepreneur, such as vision, drive, a willingness to take risks—howbeit very carefully considered ones—and being a shrewd negotiator, he is in other ways very different to many of today's successful businessmen. He is a deeply religious man, very considerate of other people, an accomplished poet and philosopher and, to those privileged to know him, a true and generous friend. Perhaps we can say that part of his success has been due to his depth of character as well as his flair for business.

As a final word of advice for any would-be entrepreneur venturing out to develop a business he says: “They should have an awareness of all aspects of what they perceive, conceive and finally attempt. While it cannot be said that luck plays no part in one's success, it has also to be said that awareness gives you the correct motivation and direction, and luck has to be tempered with total dedication to one's activity and objectives.” Amen to that. 🌸