

# Silvio napoli at schindler india example #2



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BUSTER**

## 1. Was Silvio the right choice for general manager of Schindler's India operations?

In order to determine if Silvio Napoli was the right choice for general manager at Schindler India his abilities and weaknesses have to be taken into consideration. By looking at his strengths and weaknesses and keeping in mind the challenges of the Indian market it becomes obvious that he is lacking in some major skill areas that are crucial for being a manager in India. Most important is the fact, that Silvio does not have any experiences with India. Because of this it is unsure if he is able to identify the needs of the market and to implement a strategy according to this. Apart from this, his management experience is limited and his management style seems a little too tough and single-minded for the Indian market.

His main strength is his early involvement in the project that gives him major insights and better knowledge. Also his close ties to the executives at Schindler create an advantage for him. But this could also create a danger: he may have been selected more out of sympathy than ability reasons. Most of his other strengths are not very unique and can probably be found in various other people. All in all, I think the weaknesses he has, have a higher impact than his strengths that are not very unique. Because of this, I think there could have been a better choice for the position as general manager at Schindler India.

## 2. As Luc Bonnard how would you evaluate Silvio's first seven months as general manager of the Indian company?

If I were Luc Bonnard I would not evaluate Silvio's performance very good. Clearly he has some major difficulties when implementing his plan. There was an order for non-standardized products that was submitted although all elevators sold in India are supposed to be standardized. In addition, the costs that were originally used for calculation in the business plan turned out to not be applicable anymore. Another problem that he discovered within the first months was the fact that the technical support from the European plants, that he had counted on when developing the business plan, was very limited.

From my perspective I think these major problems could have been prevented at least to some extent if Silvio would have done a more in-depth research for the business plan and if he would have communicated and implemented the new strategy for India more rigorous. As for now he also does not seem to meet the goals that he set in the business plan for the first year. Because of this, I would evaluate his performance relatively bad, although India is a very difficult country to enter and to adapt to.

3. What advice would you give to Silvio regarding his decision on the nonstandard glass wall elevator that has been ordered?

If it would not be too late for him to cancel the order, I would recommend him to do it. Also as he actually did I would clearly communicate to my employees what the purpose of the strategy is, that it had been violated and that this will not be tolerated in the future. If necessary I would even take further actions, in case he cannot ensure that he can avoid a violation in the future. Preventing this from happening again or even preventing it from

happening the first time is very important for Silvio, because he will be the one who will be held accountable for this. If he cannot make sure that Schindler India can stick to his own strategy, he will most likely lose the trust of the executive committee and face severe problems.

If he cannot reverse the order I would also give him the advice to try to use this violation of his strategy as an opportunity. Maybe selling only standardized products is just not the right strategy for India. If he sees that if he broadens his definition of "standardized" he can achieve much higher sales, he should definitely take this as an opportunity to achieve the success defined in his business plan.

4. How should he deal with the challenges he is facing over transfer prices and limited technical cooperation from the European plants?

If possible he should try to keep transfer prices as low as possible and try to work independent by importing as little as possible due to the high charges. Therefore it would be good, if Schindler would find some high quality distributors of elevator components from India with whom he can cooperate. By doing this he also has the opportunity to learn from them more about the market and Indian business manners.

For components that may not be available in the required quality in India, he should use his close ties to the executive committee in order to create some pressure for the European plant to cooperate more with the Indian subsidiary. In addition, those parts should be standardized so they can be bought in bulk, which could enable Schindler to get some price reductions due to quantity.

Components for which all of the aforementioned possibilities for facing high costs due not apply, should be sorted out or substituted if possible or the price of the elevators has to be corrected.