



Case Study

Reliance Group

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Reliance's Vision

- ❖ Best available technology
- ❖ World scale operation
- ❖ Lowest cost products and services matching the affordability criterion of the mass market
- ❖ Universal distribution
- ❖ The above helped in Reliance managing its rapid growth



What are Reliance's Core Strengths?

- ❖ Managing relationships with key stakeholders.
- ❖ Raising finance at the lowest possible cost.
- ❖ Executing very large projects within time and cost targets at incredible speed
- ❖ Acquiring latest technologies without entering into joint ventures
- ❖ Learning and acquiring both general management and functional management skills needed.
- ❖ Are they sustainable in future?



Does the death of Dhirubhai change things for Reliance?

- ❖ The portfolios of Anil and Mukesh are clearly divided
- ❖ Spirit and pride of Reliance including its 'social capital' will also help in solving (if any)



Do the twin factors of lack of proprietary technology and lower import tariffs pose a risk to its petrochemical business?

- ❖ Economies of scale is the single minded agenda of the lowest cost operator
- ❖ Technology has become open and ceased to be a differentiator on its own (especially in old economy sectors)
- ❖ In other words ...
- ❖ In most industries there is a market for procuring technology and hence ownership of technology has become less important



Will Reliance be able to handle the shift to new economy industries entailing a shift from wholesale to retail business?

- ❖ New economy sectors are technologically intensive and are characterized by decreasing costs of operation with increasing scale and scope economies
- ❖ Hence, it needs the following skills for sustainable corporate growth: image building, partnering, deal-making, spotting acquisitions, fund raising, risk management, organization structure, organization culture, and customer orientation.



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Also, one should consider the following issues:

- ❖ Reliance's past track record in retail business
- ❖ Conglomerates success rate
- ❖ Access to technology is important in new economy sectors
- ❖ Are they becoming too big in the commoner's eyes