

Window of opportunity

Fenesta Building Systems, with its portfolio of UPVC windows and doors solutions, is looking at large growth

A million windows in the last five years! For Vikram Shriram, vice-chairman & managing director, DCM Shriram Consolidated Ltd (DSCL), the figure definitely spells success. Shriram spearheads Fenesta, one of India's largest UPVC (unplasticized polyvinyl chloride) windows solutions provider and part of the ₹5,200 crore DSCL, the interests of which span agri-rural business and chlor-vinyl business. For Shriram, the window of opportunity has just about opened and the scope for growth for the ₹200-crore Fenesta is immense.

"The total windows market in India is expected to grow from ₹8,000 crore to ₹10,000 crore in the next two years. If industry estimates stand correct, UPVC windows will account for a share of ₹1,000-1,500 crore of this," says Shriram, adding that Fenesta's growth should be in synch with the industry growth – "We clocked in ₹200 crore in 2011-12. The year before it was ₹170 crore... our business is likely to grow by 20-25 per cent over the next three years."

There is no denying that UPVC as a medium is slowly yet steadily edging out the competition from its counterparts such as timber and aluminium. Windows are no longer plug-ins for holes in the wall. There is rather a growing demand for specialised

subsets. Fenesta's portfolio, for instance, offers windows with hurricane bars that can counter wind loads up to 249 km/hour; windows with rain tracks that are designed to prevent water from seeping indoors; tilt-and-turn windows; villa windows equipped with security grills and bug mesh; windows with multiple-point locking system; with double glazed glass for sound and thermal insulation; windows with termite-resistant and fire retardant properties... windows that sport the traditional wooden look & feel...etcetera, etcetera.

The genesis

The project commenced way back in 2003, while studying the international market for PVC compounds. "We found that internationally – particularly in the UK, the US and Europe – PVC windows were the the largest segment, holding close to 50 per cent market share. It is no longer a trend that we can associate only with the developed world. Even in China, the market has been picking up after a mandate was issued a few years ago in favour of PVC windows for reasons of energy efficiency," says Shriram.

Back then, Shriram recalls, there



Shriram: 360 degree service

was just one player based in south India. The overall PVC windows market, therefore, was almost negligible – at best, perhaps, in single digits. Thus Fenesta came into being. First came a five-year technical collabora-

tion with a UK based company called Spectus Window Systems. An association with another Austrian company took care of the tooling part. The initial investment in the entire project totalled about ₹75-80 crore.

"We started from scratch – we had to literally develop the non-existent market in India. Our task became all the more difficult because first we had to overcome the negative perception about PVC windows (caused due to bad quality products supplied by local players in India) and then build a positive perception. At that time it was viewed as a cheap plastic product. Changing the mindset alone took us three to four years," adds Rajeev Sinha, joint managing director, DSCL. The market has several players today including Veka India, Magnus, Plasowin, etc.

The task was clearly not an easy one and therefore the budget required for brand building, product awareness and marketing had to be substantial – climbing up from ₹3-4



crore in the initial years to ₹12 crore. The investment in the entire exercise has been fruitful and the enterprise has steadily expanded in reach to gain “a market share of 50 per cent in India”. With its headquarters located in Gurgaon, Fenesta’s hub and spoke model reaches 100 cities across India. It includes fabrication units in Bhiwadi (Haryana), Mumbai, Bangalore, Chennai and Hyderabad, 80 showrooms, 16 sales offices and 50 associate offices. The extrusion plant located in Kota (Rajasthan) manufactures UPVC blend which is sent to factories across the country.

A complete portfolio

“Our wide network helps us cater to big orders in a short span of time. We realised early on that we need to offer a 360 degree service portfolio – that includes designing solutions, site survey, manufacturing, installation, project management... Our team of technical experts visit the site to take each measurement themselves – we can’t rely on the builder’s labourers/masons because a variation of even one centimetre would mean a task not executed perfectly,” adds Shriram.

Given that each window is installed on-site, measurement must be crucial indeed – especially when one is talking of windows such as the one it first installed in a Mumbai high-rise. It was 10 ft in height and 30 ft in breadth and is now part of Fenesta’s Series 3000. Another large project that Fenesta just executed is in Bangalore – a 17 tower project where it has done 75,000 windows!

Fenesta, which earlier catered more to the B2B segment (residential projects, commercial projects such as hotels, hospitals, offices, educational institutions, etc) has shifted focus to the B2C segment post the economic downturn. “The real estate market has been quite depressed, with few new projects coming up. In the last 18 months we have really driven our B2C business aggressively through our channel partners (CPs). Our CPs have grown from 40 to 150 in a short span of time. We have 80 showrooms as of date and are adding close to five a month. It is important because that’s where the customer actually gets the look and feel of our products. We have been able to achieve a 50:50 B2B to B2C ratio in terms of value, up from 25:75,” shares Sinha.

Varun Jain, who recently bought an apartment on the 10th floor of a building in Santa Cruz West opted for window solutions from Fenesta to keep the strong winds in and the noise out. “It’s been over six months and I am largely satisfied with my investment. Initially, the outside noise somehow managed to sneak in... we contacted customer service and our complaint was attended to,” says Jain.

A macro view

“UPVC windows & doors are extensively used abroad but are currently at a nascent stage in India,” says Harsh Bhutani of A49 Group, one of South-East Asia’s largest architectural firms. “Ours is a country of extreme climatic conditions which include the onslaught of ultraviolet rays, tropical heat, monsoon storms,

ferocious coastal winds humidity levels as high as 95 per cent. Moreover, high-rise buildings are the order of the day – these require strong windows that can withstand high velocity winds and rains that spear in at a 45-degree angle. Hence, UPVC becomes relevant.”

Om Ahuja, CEO, Residential Services, Jones Lang LaSalle India, can’t agree more: “PVC presents some significant advantages over traditional materials, such as wood, steel and aluminium. It does not require as much maintenance... it does not rust or corrode, nor does it warp with changing weather. PVC windows can be adapted to aesthetic modern designs to suit the overall internal and external decor of a property. They are indubitably the ‘greenest’ option, as PVC is a recyclable material and its insulating properties help in energy conservation. Going forward, they will play a big role in pre-fabricated structures.”

Fenesta has won an award for being the most preferred windows solution provider brand at the Indian Home Awards 2012 held recently. The award was given for the significant contribution made by the company in manufacture, installation, service of UPVC window systems and specializing in window designs through its brand ‘Fenesta Windows’. The award was organised by Franchise India and Bloomberg TV, to recognise and felicitate achievers, innovators and suppliers, who have contributed significantly towards the excellence in the home improvement segment.

♦ KIRAN YADAV