

# STRATEGIC DIRECTION

## Driven by Stakeholder Expectation

“Sustainability and good Governance are key values that drive all our corporate activities and are very closely ingrained in our corporate culture.” - Chairman & CEO’s Review - Annual Report 2008/09.

The Company firmly believes that sustainability is an all inclusive approach to successful entrepreneurship. As depicted in the sustainability performance framework on page 61, sustainability for Dimo necessarily include formulating strategies that address their impact on the:

- Economic condition of all stakeholders, which necessarily includes returns to shareholders,
- Country’s economy,
- Environment,
- Entire society.

Dimo is well aware that today’s discerning customer expects products and services beyond value of what is spent. The expectations of the other stakeholders in business too stretch beyond the value distributed to them as per the Group’s Value added statement. Transacting with a “Responsible Corporate” is a pre- condition. The Shareholders, Employees, Customers, Suppliers, the Citizens of the country, the World at large and of course the physical environment have expectations and requirements from the Group in varying degree and manne. Our corporate philosophy is based on the firm belief that consistent growth can be achieved only through delivering value to every stakeholder with whom the Company interacts and it is directed by the Vision and the values of DIMO appearing on page 1.

## The Driving Force

Intellectual capital is the driving force directing the Group towards its corporate vision. It is also the catalyst that transforms the Group’s resources into tangible results. The Corporate strategy, therefore, revolves around enhancing the quality, efficiency, effectiveness and sustainability of the elements of Intellectual Capital.

## Intellectual Capital

In order to keep the intellectual capital at its best, the Company has a wide range of strategies and plans covering each vital element, viz. Customers, Principals, People, Technology and Processes. Customers, Suppliers and Employees have a dual role of being a stakeholder and a provider of the intellectual capital/value. Customer related strategies evolve around gaining, caring, managing and retaining customers and revenue growth. Human Resources strategy covering recruitment, development and retention is geared to developing people with a ‘Vision driven Passion’. Investing in people and upgrading their skills to take care of the cutting edge technology holds the key in gaining a competitive advantage. Carefully crafted strategies in marketing, finance, information systems and supply chain management seek competitive advantage and growth through the entire range of processes in place.

## Business Composition

The base for growth is presently provided by the auto sector. Continuous efforts have been under way to expand and grow the non-auto sector. The long-term strategy is to grow the non-auto sector to contribute a formidable portion of the Group’s business, whilst enhancing the capacity to independently grow and contribute to the Group the profitability in equal measure.

## The Foundation and the Pillars

Whilst the intellectual capital provides the base for growth, enterprise governance and sustainability provide the structure and strength in the march towards reaching our vision. They provide the pillars on which the future of the Company is built. Therefore, the strategy in essence encompasses developing the intellectual capital on the pillars of enterprise governance and sustainability.

