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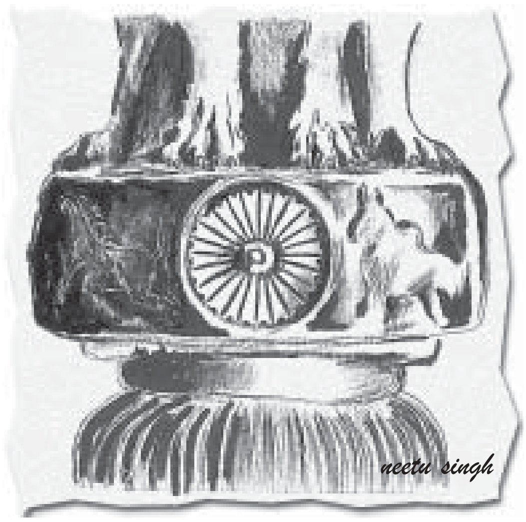
How metaphors *drive* innovation



Managers may want to dig deep into the rich repository of Indian metaphors to widen their power of imagination for developing market-beating products and processes

By Benedict Paramanand

A disciple once tried to test his guru's ability to predict. He told the guru that he had a bird in his fist and asked him whether it was dead or alive. The guru replied, "My son, the answer depends on whether you want the bird to be alive or dead. If I say it is alive, you can tighten your fist and crush it to death, and if I say it is dead you can open your fist and let it fly."

The story, which uses the human hand as a metaphor, signifies that the future of any company is entirely in the hands of its people. This story was narrated to Thermax India employees recently as part of an exercise to reinvigorate the company's tottering business.

Without doubt metaphor has played an important role in the Indian society as a means of transferring knowledge and wisdom. Managers just need to observe Indian spiritual gurus and politicians to appreciate the effectiveness of the art of applying imagery is a given context.

In the West top management gurus like Tom Peters (rolodex) and Charles Handy (shamrock) have had a powerful influence on American managers by relating to appropriate metaphors for communicating a company's strategic vision, for motivation, building leadership skills and team building.

In a recent article R Gopalakrishnan, executive director of Tata Sons, has made a strong case for applying the metaphor approach in Indian businesses. He said that in the traditional Anglo-Saxon view, an organization is governed by engineering. In the traditional Eastern view, the organization is governed by biology. "The machine metaphor is so powerful, it shapes the character of Western organizations. The living being metaphor is so powerful, it shapes the character of Eastern organizations."

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what's in...

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The problem arises when an Indian manager thinks in the Western idiom but behaves in the Eastern pattern. "It is this duality that is being severely challenged in the corridors of Indian business houses."

This duality is seen as one of the major reasons for the poor history of innovation in India. This story extends even to the larger national and societal issues where compelling problems such as population explosion, illiteracy, environmental pollution and healthcare have rarely seen an imaginative approach to problem solving.

It is interesting to note that both the Japanese and Chinese make use of a more non-linear, organic or poetic understanding of metaphor. A standard Japanese management text, for example, is concerned with the art and strategy of swordsmanship.

Classical vs. modern metaphors

Metaphors have their source, among other areas, in poetry, literature, folk art and music. Music is a universal language for communicating ideas and emotions, and musical concerns such as communication, listening, rhythm, technique, preparation, improvisation and interpretation, rehearsal and performance, the role of conductors, composers, soloists and accompanists, all provide a stimulating insight into familiar management concerns such as teamwork, leadership, creativity, mentorship and personal development.

Metaphors are no longer decorative tools to garnish languages; rather, advancement in cognitive science has revealed that they are an essential component of a manager's thinking process.

In a paper titled *'Metaphors and Managers: New Ways of Thinking and Seeing'* authors S Raghu Raman and S Ramachandra of ACME, Chennai, have argued that: "While the classic metaphors have been helpful, they have restricted the managers' world-view to particular ways of thinking. One of the ways of breaking out of this trap is by generating more metaphors. As a result, many new ways of seeing and applying management ideas are expected to emerge."

However, some management thinkers believe that metaphors are natural to the language, to the culture in question or associated with traditional (or emergent) symbol systems and that it is better to encourage and legitimize an existing skill rather than implant a new one.

The ACME authors note that metaphors are no longer decorative tools to garnish languages; rather, advancement in cognitive science has revealed that they are an essential component of a manager's thinking process.

Clearly, succeeding in a difficult marketplace needs a high degree of imagination leading to innovation in products and processes. Metaphors can make a manager's effort a lot easier.

Is CEO a scapegoat?

In the days of tighter corporate governance codes following appalling scams in India and elsewhere, the question doing the rounds is: Is the CEO now much weaker with the boards assuming greater powers? One is already seeing a trend where CEOs are booted out at the drop of a hat when a company's projected financials don't match up or a strategic acquisition goes sour.

Rakesh Khurana who teaches business administration at Harvard Business School, is worried about a conceptual error that a lot of people make, which is overestimation of the CEO's role in firm performance. When things go poorly, turning over the individual does not necessarily solve the problems of the company. GE has 300,000 people in it, and for a century has produced a string of good CEOs. To simply attribute the activities of 300,000 people in a complex set of businesses and a complex set of environments to a single individual is just not empirically justified.

In psychology, they refer to a "fundamental attribution error." I think that's very dangerous. Companies fall into that trap when they attempt to solve their problems by getting rid of the CEO without ever actually addressing the underlying factors that are really driving their problems

In fact, GE does very well to promote from within, invest very heavily in their people, spend years - rather than days and weeks - on succession processes. Those things are actionable by other companies. Whereas the best hope for companies that fixate on Jack Welch is that someday they will find another child coming from western Massachusetts who overcame a stutter at 8 years old - and somehow that can be the explanation for why this individual does so well.

Khurana is not saying that CEOs don't ever matter. They matter only under certain kinds of conditions that are very rarely taken into account when board members get in the process of firing a CEO and then searching for an outsider. "What are the strategic problems that we're facing? Where is it that we're trying to go to?" Boards very rarely go through that kind of process. Because of the pressure from analysts, the pressure from investors, they look for a high-profile individual who will temporarily restore some confidence. They often end up being a temporary Band-Aid, rather than fixing the fundamental issues.

Often CEOs are condemned for making the wrong acquisitions or increasing debt. But the boards normally approve the strategy, the terms of acquisition, and financing!

They're certainly more involved, whether they want to be or not. A lot of it is process, but there's clearly more time put in by directors now than before. Yet for a board that meets six times a year for a couple of hours, how much can you expect a director to know about what's going on in a company? They have a limited amount of time - that's why I have the view that at least half of the board ought to be those who have had CEO-level experience, because they're more instinctive, they've been there before, they know a bit more than others about what to look for.

Is there a universal business model?

Top Indian managers are often in a dilemma whether to apply the best business models developed in the West or to use the locally developed ones. Invariably, they would like a blend of the Western model to the local context. But this is not as easy as it sounds.

In a paper Krishna Palepu and Tarun Khanna, both teaching at the Harvard University, have found that managers are forced to choose between one of the two extremes - sophisticated Western or the Indian model often based on quackish research findings.

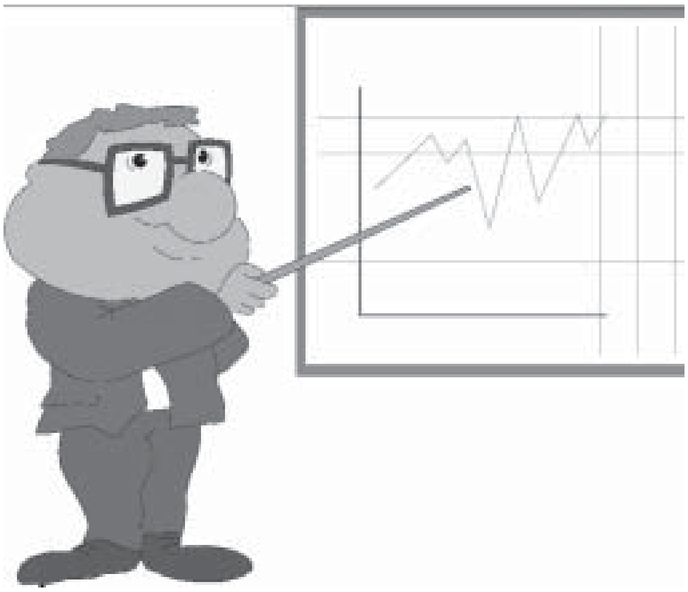
But there is a way out. The authors say that there are universal principles that businesses need to work with. Businesses anywhere can survive in the long run only if they create value for customers and for shareholders. What also aids this process is the universal drive among people to succeed personally and professionally and to contribute to the society and the family. And, more importantly, the technical formulae for calculating ratios like net present value and breakeven point are the same everywhere.

The authors say that there are many areas of management that are also context dependent, especially where the firm has to interface with the external world markets, regulation and social norms. For example, the authors advise well-managed Indian companies to go in for thoughtful diversification while they advise the opposite to American companies. This is because successful new businesses in emerging markets pursue distinctly different strategies compared to their US counterparts.

Moreover, how a company designs a product and adopts a pricing strategy are determined by local customer tastes, purchasing power and market infrastructure. That's the reason many successful multinational companies prefer to work with a local partner since a one-size-fits-all management theory doesn't work everywhere.

Bad forecast, good decision

An enlightened approach to making projections is emerging



How well can futurology help strategists identify the most important upcoming business trends and hottest new technologies? To Bob Johansen, pioneer futurologist and president of the Institute for the Future, an independent non-profit based in Menlo Park, California, USA, no one can predict the future but an enlightened approach towards forecasting can lead to 'good' decisions even if it generates 'bad' forecasts.

Speaking at a conference in Wharton titled "Peripheral Vision: Sensing & Acting on Weak Signals," held in May 2003, Johansen explained his approach to futurology while identifying his vision of how the "core" and "periphery" will be defined in coming decades. His presentation was called "Scanning Technology Horizons."

Johansen hastened to add that while futurologists can't predict the future, "it is possible to have a bad [inaccurate] forecast and still make a good decision" on the basis of that forecast. The key is to devise an enlightened approach to making projections. "You need strong opinions that are weakly held, so you can engage in dialogue … Technologists take 30 years to be an overnight success. The next successful technology is one that failed 20 years ago."

Johansen stressed that the lines that traditionally divided categories of technology are blurring because technologies are increasingly converging. As the "core" expands and the "periphery" is continually redefined, it is harder than ever for traditional specialists to manage the process of sensing "relevant" signals and acting on them. For example, old-fashioned categories of technology such as "information," "materials," "biology" and "energy" are blurring. Until recently, strategists in "information" industries merely had to monitor trends narrowly defined as "information technology." Strategists in "bioscience" companies merely monitored trends in "bioscience" companies - and so forth.

As hard as that was, strategists now face a bigger challenge. They must widen their focus and scan data in areas that were long irrelevant - and are still new and often unfamiliar. For example, an emerging core technology of the health economy is "bioinformatics," which Johansen defined as "seeing living systems through the lens of information technology." It includes such recently defined, crossover disciplines as "genomics," "proteomics" and "metabolomics." Thus, strategists in many bioscience companies must now monitor events in the "information" sector, and strategists in information technology companies must scan events in the biosciences.

The transformation from an "information economy" into a "health economy" is becoming a major economic driver in this convergence, Johansen stressed. "Most of the funding is [currently] in the health care sector," he added.

Regarding the gradual merger of information technology and life sciences, Johansen noted that "information technology (IT) will no longer be the driver;" the driver will be life sciences. "We will be moving from the electromechanical model [of the Information Economy] back to the organic model." As a result, "dilemmas" rather than "problems" will be the focus. "IT people are in trouble," Johansen cautioned. "We are trained to solve problems. But you don't solve dilemmas; you manage dilemmas."

Recentralizing IT

Large companies face a quandary in managing their IT infrastructure-the hardware, operating systems, and networks that account for 40 to 60 percent of their total IT costs. They know that a centralized IT infrastructure serving all of a company's business units delivers huge economies of scale and higher performance but can be inflexible and unresponsive to local needs.

Yet a decentralized infrastructure, though more flexible, is not only 20 to 30 percent more expensive than a centralized one but also less reliable. Although decentralized models now prevail, the pendulum is swinging back toward centralized control, a report in McKinsey Quarterly July 2003 states. A new model of IT governance may capture the best of both worlds.

To capture the efficiencies of consolidation while providing for flexibility and accountability, IT managers should prepare a menu of available products, with clearly specified costs and service levels. Business managers can select the products and services they need-and are willing to pay for..

Business-to-employee comes to the rescue

Telecom companies mired in over-capacity are using services that have failed to take off in the market to improve their own productivity and efficiency. In a paper titled *Rational Exuberance: The Wireless Industry's Killer "B"* Venkatesh Shankar, Tony O'Driscoll and David Reibstein have found that from the ashes of an overbuilt industry rises a promising new marketplace: business-to-employee communications

The telecommunications industry worldwide is mired in overcapacity, deep debt, razor-thin margins, and bankruptcies. However, more than two-thirds of the 473 firms in the recent study of companies' wireless strategies, investments, and experiences are using the wireless Internet primarily for business-to-employee (B2E) applications to improve productivity and operational efficiency. The surveyed sectors included banking, insurance, manufacturing, telecommunications, transportation, media, utilities, retail, health care, and government.

Although it is true that mobile commerce has been slow to develop, particularly in B2C applications, research shows that many companies have been quick to capitalize on wireless connectivity in a market surprisingly close to home: their own work forces.

Their study, which included companies in the U.S. and Europe, reveals that a significant majority (69 percent) of firms are focusing their m-business interests on B2E applications. A smaller proportion of firms (37 percent) have invested in B2C applications. An even smaller proportion of firms (19 percent) are using mobile solutions in their B2B interactions. The B2E applications receiving the most emphasis include mobile office (communications and access to corporate information), customer care (contract and transaction management), and operational productivity (asset/fleet management and inventory management). Some companies are also focusing on mobilizing supply chains across organizations.

The different emphases reflect variations in strategic intent. B2E m-business investments suggest an interest in improving operational performance. B2C m-business investments are aligned with improving the firm's range and its customer reach. B2B applications are used partly to effect business model changes and partly to boost operational performance. Thus, it appears that firms' main near-term interest is to use m-business to improve performance, not draw revenue, and that they believe performance improvements will be achieved by focusing first on employees. This is a natural development in a difficult economic environment. Performance enhancement often translates into cost savings, which can be quick, observable, and measurable. Revenue growth frequently takes time and requires customer education and behavioral change.

Exploring more deeply, though, the authors are able to see additional correlations among industries. Banking and insurance traditionally emphasize customer service. But both industries are also placing emphasis on wireless B2E mobile office technology, reflecting the higher degree of mobility of the sectors' work forces.

Delusions of success

It's now an accepted fact that most major business initiatives--mergers and acquisitions, capital investments, market entries--fail to pay off. Economists would argue that the low success rate reflects a rational assessment of risk, with the returns from a few successes outweighing the losses of many failures.

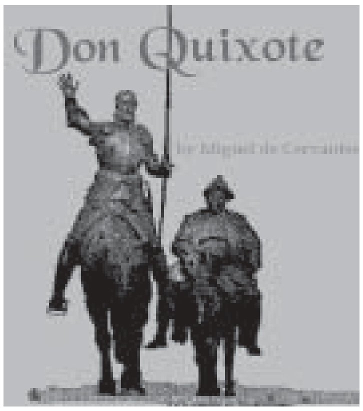
But two distinguished scholars of decision-making, Dan Lovallo of the University of New South Wales and Nobel laureate Daniel Kahneman of Princeton University, provide a very different explanation. In a paper titled *'Delusions of Success: How Optimism Undermines Executives' Decisions'* published in Harvard Business Review July 1, 2003 they show that a combination of cognitive biases (including anchoring and competitor neglect) and organizational pressures lead managers to make overly optimistic forecasts in analyzing proposals for major investments.

By exaggerating the likely benefits of a project and ignoring the potential pitfalls, they lead their organizations into initiatives that are doomed to fall well short of expectations. The biases and pressures cannot be escaped, the authors argue, but they can be tempered by applying a very different method of forecasting--one that takes a much more objective "outside view" of an initiative's likely outcome.

This outside view, also known as reference-class forecasting, completely ignores the details of the project at hand; instead, it encourages managers to examine the experiences of a class of similar projects, to lay out a rough distribution of outcomes for this reference class, and then to position the current project in that distribution.

Don Quixote's lessons for Leadership

A retired professor of business, education, political science, sociology, and psychology-not to mention the author of six books of poetry-James G. March recently turned his attention to film. Nearly a decade after he last taught his landmark course Organizational Leadership, March has translated part of it into the lecture-length film Passion and Discipline: Don Quixote's Lessons for Leadership, according to a report in Stanford Business Magazine May 2003.



But why Don Quixote? What lessons can we learn from the fictional 16th-century gentleman who careered around the Spanish countryside tilting at windmills and challenging sheep to battle? March says that: "We live in a world that emphasizes realistic expectations and clear successes. Quixote had neither.

> **Leaders can learn from Quixote, whose life was dedicated to imagination, commitment, and joy. "The critical concerns of leadership are not technical questions of management or power, they are fundamental issues of life."**

But through failure after failure, he persists in his vision and his commitment. He persists because he knows who he is."

Quixote lived his life with passion and discipline, March says, much as a flamenco dancer performs with seeming abandon, yet acts within the strictures of the art. Leaders can learn from Quixote, whose life was dedicated to imagination, commitment, and joy. "The critical concerns of leadership are not technical questions of management or power, they are fundamental issues of life," March says.

If the bumbling Don Quixote seems an unlikely role model for leaders, so March's required reading - War and Peace, Othello, Saint Joan, and Don Quixote - must have appeared ill suited to the study of Organizational Leadership, the class that inspired the film. Back in the seventies March had been teaching a traditional course in business leadership when he realized the questions it asked were better addressed in great literature than in any of the standard texts on leadership.

Passion and Discipline had its official premiere at Stanford in February 2003. But a few weeks earlier, before an audience peppered with former students, the film was quietly previewed as part of the school's Lifelong Learning initiative. Following the show and a break for tapas and Spanish wine, March led a discussion where more questions were raised than answered the magazine reports.

How do the issues raised in the film apply to our daily lives? How do we recognize a Don Quixote if we meet one? How can we tell if he is someone who has something valuable to contribute or if he is just going to waste our resources? How do we tell good ideas from bad ones? "Overwhelmingly, new ideas are bad ones," said March. "It's very hard to tell the difference. I'd say it's a hopeless endeavor." He smiled. "Although I suppose deep down I think I'm pretty good about telling them apart."

How to transfer tacit knowledge

The acquisition and application of knowledge, in particular tacit knowledge (TK), are seen as decisive competitive factors in the knowledge society of the twenty-first century. Despite much talk about the importance of knowledge transfer, little research shows how to identify and measure TK, less research addresses how to transfer TK between individuals and even fewer of these approaches offer any technology that can assist with transfer, states a paper titled *'Acquiring and Applying Conceptualized Tacit Knowledge'* in the Journal of Information & Knowledge Management, Vol. 2, No. 2 (2003) by Debbie Richards Peter Busch.

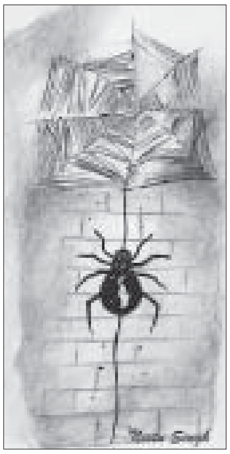
This paper does not address the issues of identification and measurement of TK. The purpose of this paper is two-fold: describe a knowledge acquisition and representation technique, known as Ripple Down Rules (RDR), which can be used to capture knowledge, explicit and tacit, in context from those already identified as experts and to describe a set-theoretical technique, known as formal concept analysis (FCA) to assist transfer of the RDR knowledge to another human.

Unlike most knowledge acquisition approaches, the RDR knowledge acquisition technique does not rely on the expert to specify what they know. Instead, knowledge becomes codified by the RDR system while the domain expert exercises his or her expertise. The approach does not capture all organizational knowledge, but the knowledge that is captured will be a mixture of different types of knowledge, including formal and codified knowledge that can be learnt from a book and practice-based knowledge that is passed on while on the job.

The knowledge captured using RDR may be transferred to another individual through the use of FCA to retrospectively and automatically develop knowledge models that the user can explore. This work offers a possible solution to three knowledge management challenges: capture, utilization and preservation of knowledge within an organization.

Master the art of failing

You can train yourself to perform at a higher level but first you've got to have the guts to fail



In these rapidly changing times, it is imperative that you embrace change and adopt a new psychological paradigm of learning fast, failing fast, adopting fast and moving forward with the three Cs - confidence, conviction and congruency.

By shifting away from the parochial mindset that failure is wrong, the new thinking embraces the fact that failure is integral to your learning to become a success. To facilitate the shift in paradigm and to empower yourself in breaking through your fears, it is essential to tap into your inner strength and master the four powers that you possess - the power of words, physiology, focus and belief.

These four pillars are what I call the "Pyramid of Power". They allow you to embrace change, manage your emotional state more effectively, and propel you to take massive action.

If you consistently use energizing, encouraging and enthusiastic words, you will start feeling the same. Break the disempowering language patterns and replace them with encouraging words or phrases! Instead of I should, could or would, my favorite phrase is "I must"!

Massive action will lead to momentum that can help deliver consistent results at an ever-increasing higher level of performance that will stretch and challenge you.

To harness the potential of these four powers, the learning must permeate deep into your subconscious. Far too often, people simply say: "Oh, I know that" and then never really apply what they know. As an old Chinese proverb goes: "To know and not to do is not yet to know".

Take a look at what these four powers really mean.

Power of words

Avoid using negative words such as "I can't", "I'm so stupid" or "I'm a failure". If you consistently use energizing, encouraging and enthusiastic words, you will start feeling the same. Break the disempowering language patterns and replace them with encouraging words or phrases! Instead of I should, could or would, my favorite phrase is "I must"! The word Must has power and once you start to use the Magic of Making it a Must, you life will never be the same! USE EMPOWERING WORDS!

By Dave Rogers

Power of focus

In life people tend to get what they focus on. If you focus on abundance, learning, joy and happiness, your subconscious will assist you by finding examples of these. Alternatively, if you focus on scarcity, envy and the recession, you will drive yourself into fear and inaction.

The most effective manner to gain focus and stay focused is to ask yourself empowering questions such as: "What can I learn from this experience?," "How can I add value to my life and the lives of others?"

"How can I be healthier, happier and even more loving?"

The power of focus is greatly influenced by the quality of the questions that you ask, so learn to ask great questions of yourself. The quality of the questions you ask will massively impact the quality of your life.

Power of physiology

Physiology is first - your motion will dictate your emotion. Try this experiment: stand tall, take a deep breath, look skyward, think of something outstanding in your life, raise you right hand, and quickly bring it down and say yes! Motion leads to emotion.

By changing your physiology you can change your emotion state quickly, effectively, and efficiently. Master your physiological state and you can use it to break through fear, uncertainty and anxiety. SMILE, BREATHE, and MOVE YOUR BODY!

Power of belief

You must first believe in order to conceive ideas and achieve. Believe in yourself and believe in your abilities, talents and skills. Shoot high and even if you don't quite reach your goals, you will likely end up higher than if you chose not to believe. You are an inspiring work-in-process.

By believing that you can earn more and by following up on your beliefs with the 3 C's confidence, conviction, and congruency, and ACTION, you significantly increase the probability of stepping up the earnings in all facets of your life. BE AN INSPIRED MASTERPIECE IN PROCESS. ●

Dave Rogers is Asia's Massive Impact Coach. He conducts seminars about sales, speaking, communication, coaching throughout Asia and personally coaches executives, entrepreneurs, athletes, and media personalities in Japan, Hong Kong, Bangkok, Jakarta, and Singapore. Dave is the best selling co-author of the "6 Dimensions of Top Achievers" and recently spoke in Bangalore.

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Add execution muscle to Innovation engines

A recent survey by consulting firm Accenture has found that most senior executives continue to recognize the importance of innovation for growth. Two-thirds of the respondents said innovation is one of the five most important factors required to succeed and sustain competitive advantage. But it also appears that many promising ideas are not commercialized.

Among the survey findings:

- Most companies commercialize less than one in five promising ideas.
- Only one in eight of the respondents felt strongly that their companies excelled at implementing innovative ideas.
- Even the companies with the greatest success at commercializing innovations still bring to market less than 60 percent of their most promising ideas.

The three most significant barriers to commercializing the most promising ideas were: a need for a clear innovation strategy, a lack of a culture that encourages innovation and a need for better management of the innovation pipeline.

Respondents also said that their ability to implement ideas was adversely affected because they were unable to free up a sufficient number of people with the needed skills or lacked a sufficient number of appropriately skilled people in the first place.

In the survey titled *Good Ideas Are Not Enough: Adding Execution Muscle to Innovation Engines*, Ajit Kambil, associate partner and senior research fellow-Accenture Institute for Strategic Change, looks at various types of innovation and the barriers to innovation that must be managed.

The paper identifies two areas of focus to help companies realize benefits from untapped ideas and latent assets. Specifically, executives should consider: more actively designing and managing their companies' innovation engine; the use of external resources, including outsourcing, to augment in-house talent and accelerate value creation throughout the innovation process.

Co-workers not getting their due

Jeroen P. J. de Jong of the EIM Business and Policy Research, The Netherlands, has found that the role of individual co-workers in innovation is underexposed. In a paper published in the International Journal of Innovation Management the author notes that innovation researchers are increasingly paying attention to service industries, resulting in a large amount of literature on success factors in new service development.

This paper investigated the drivers of innovative behavior of individual co-workers, which is considered to be a major determinant of incremental innovation. From the literature seven constructs were derived but have not been tested as determinants of individual co-workers' innovative behavior.

Survey data were collected from 360 persons working in knowledge-intensive service firms. Based on a regression analysis, it appeared that perceptions of job challenge, autonomy, strategic attention and external contacts are positively related to innovative behavior of individual co-workers. Also, operating in a market where firms compete on differentiation had a positive impact. On the other hand, a firm climate supportive to innovation and a high variation in demand did not affect innovative behavior in a direct manner.

Technology brokering

We've all read about the lone geniuses of invention: Thomas Edison, Eli Whitney and Henry Ford. Although this heroic notion of innovation is alluring, is it true? Not according to Andrew Hargadon, author of 'How Breakthroughs Happen: The Surprising Truth About How Companies Innovate,' a Harvard Business School publication. He argues that breakthroughs are the result of occupying a unique position in a networked landscape across which ideas, people, and artifacts travel and recombine in new ways.

Inventors "borrow" existing ideas from an arena and then bring together the physical artifacts and the people necessary to apply those ideas elsewhere. This process, which Hargadon calls "technology brokering," has been the force behind numerous celebrated inventions. He takes readers behind the scenes--from Edison's Menlo Park lab to IDEO--to illustrate strategies for sourcing, nurturing, and exploiting ideas in new ways for new markets.

Brain and strategy

Why do top managers, steeped in theories of good business strategy, still make bad decisions? While ignorance and hubris sometimes play a role, the brain itself-how we think-is also a culprit. Insights from behavioral economics help explain why we don't always think rationally and how our logical flaws can lead to bad strategic decisions, according to a recent report in McKinsey Quarterly.

Simply being aware of flaws such as overconfidence, following the herd, and false consensus can help the strategist steer around them. Awareness won't put an end to bad strategy, but it may make good executives less likely to back bad strategies.

Theatre with a difference

Playback theatre is different from the conventional one. It has no rules, and is yet able to help managers and organizations excel through novel performance enhancing methods

By Rajni Ivin

A few lucky Bangaloreans will not forget July 6, 2003. A unique theatre performance was staged by Sasken that left many mesmerized. The start itself was unusual. They saw actors walking around and mingling with the crowd freely. They would step up and chat. What's more unusual for those used to the theatre ambience was that there were no sets or lights or props of any sort, just a few chairs and a motley arrangement of musical instruments. The final blow was when they discovered that the actors didn't follow any script.

The actors had no real-life theatre background; in fact they were software engineers and HR professionals from Sasken, a Bangalore - based voluntary organisation.

Welcome to Playback Theatre. Playback Theatre was started by a husband and wife team, which practiced psychodrama. Jonathan Fox and Jo Salas in 1975 decided that the general nature of theatre was too restrictive in terms of the invisible line separating the audience and the actors in any play.

They decided to create a form that would pay heed to real life stories of the audience. These stories would be enacted by a set of five actors, with a sixth providing music as a background support. The performance is interfaced between the actors, the audience and between the facilitator and the conductor.

Today, the play back theatre idea is a worldwide movement spanning 30 countries. In India, Playback initiative was taken by The Script, a theatre group affiliated to the International Playback Theatre Network (IPTN). The organization has been actively propagating the movement with a group of actors from various backgrounds performing for the corporates, NGOs and schools. The Script conducts monthly workshops for the public and has so far trained software professionals from Wipro, Infosys, IBM, Oracle, Netkraft and Siemens.

The Script has a three-step Playback collaboration program, which any organization can implement for its employees. The program is aimed at creating teams that can handle unique situations faced by organizations. It is a comprehensive module that aims at streamlining and integrating various skills required in such a demanding scenario.

Managers are exposed to exercises in psychodrama, life skills, art, poetry, music, meditation and theatre games. The Script believes that theatre as a medium transcends language and culture barriers, Playback Theatre works on two levels.

At an individual level, it brings out the abilities of decision-making, confidence, communication and leadership along with a generous dose of creative instincts. Participants have said they enjoy the chance they get for reflection, imagination and nostalgia.

Some have said they could get in touch with their lost feelings. For some, the play back theatre experience arouses a feeling of empathy for others, about listening to and respecting people. Some even enjoy stepping into other people's shoes.

At an organizational level, thematic performances can address complex issues in the organization leading to mutual dialogue and conflict resolution. Every one is encouraged to air their feelings, thoughts and hopes in a comfortable, non-threatening environment. It also enables the viewing of situations from a multi dimensional perspective. Other benefits include the theatre becoming a great stress buster and a source of entertainment.

Playback theatre has proved to be an effective means of building great teams anywhere.

The Script hosts a theatre website, www.theatrecapital.com which gives details about their workshops and performances. pt@theatrecapital.com

Customer Profitability Measurement and Management

This whitepaper examines how companies can substantially increase profits by precisely measuring customer profitability and analyzing customer-specific profit information to identify and grow their most profitable customers, implement business changes that increase the profit contribution of their average-performing customers, and improve the profit of the worst-performing segments.

Robert Kaplan and V. G. Narayanan, Harvard Business School

http://www.acornsys.com/value/whitepapers/

Using IT Chargeback to Reduce Costs and Empower Business Units

This white paper discusses how an effective IT Chargeback system has the functionality and capability to achieve key business goals of increasing the satisfaction of end users and business unit heads with IT by empowering business units to make more educated IT resource decisions and enabling more educated business unit IT resource consumptionto free up scarce IT resources for more critical business objectives, and thus improving the company's overall profitability through better use of IT resources.

Steven Anderson and Leslie Haight

http://www.acornsys.com/value/whitepapers/

Doing the basics right or else

A study by Ernst & Young and Oxford Metrica into companies that experienced sudden and major shifts in share performance reveals that it is not rocket science that enables them to do so well or so badly and that the events that cause such sudden value shifts are critical in determining a firm's future reputation.

A unique study that analyses the share price movements of the Global 1000 over the last five years explains why companies can experience a sudden, major loss or gain in market value.

The top 100 increases and decreases, relative to the market, are examined in the research and the causes identified and explained. Among the results from the study, are the reasons why:

- Almost 75% of firms experienced rises in share value of over 30% in their best month
- One in four out-performed the index by over 50% in a single month
- Two-fifths of firms lost value of over 30% in their worst month
- One in twenty under-performed the index by over 50% in a single month

Two-thirds of the major shifts in a firm's share price - either up or down - are as a result of strategic events rather than those operational or financial. This makes it harder for management to rely solely on techniques such as derivatives or other instruments to hedge risks.

Instead, management has to be proactive, anticipate the impact of strategic changes, and have the core set of organisational building blocks in place to deliver confidently on their promises.

The most volatile sector by some margin was IT followed by Consumer/Discretionary and Health Care. IT firms are characterised by shortening product lifecycles, investment in a speculative future and hence less predictable cash flows. By contrast, the materials and energy sectors with longer track records and fewer intangibles tend to have less volatile stocks.

It is American firms that dominate the sudden value shifts especially the negative ones. German and French shareholders, with the extensive cross-shareholding structures common in both countries, are far less likely to respond so rapidly.

Also, the extreme movements in share prices cannot be blamed on the announcement of annual or quarterly results. The research shows the company is just as vulnerable throughout the rest of the cycle and, therefore, needs to be constantly vigilant to take advantage of opportunities and avoid nasty surprises..

http://www.ey.com/GLOBAL/

The truth about XML

Many managers are technophiles, craving the latest PDAs and operating-system upgrades. But tried-and-true technologies are sometimes the most effective-and least expensive-way to go. In electronic commerce, for example, the old workhorse EDI still looks like a better deal than its would-be successor, XML.

mckinseyquarterly@mckinsey.chtah.com

Matching people and jobs

Most large companies use sophisticated software to manage their money and their merchandise but not the most important asset in a knowledge economy: their people. That's changing with the arrival of human-capital-management software, which promises not only to help match people with the right jobs but to discover and track rising stars as well.

mckinseyquarterly@mckinsey.chtah.com

Risk Management: A New Approach

Traditional risk management approaches that treat risk as an after-thought should be discarded. Instead, companies should adopt a new paradigm that uses threats to earnings consistency as the key underlying risk perspective; both for communication to external parties such as investors, financiers, customers and suppliers, as well as internal stakeholders such as senior management and employees.

This places a strategic importance upon the institutionalization of a sustainable process to:

- Identify key earnings drivers
- Monitor threats to them
- Execute strategies to mitigate these threats.

However, the end result of enterprise risk management should not be to add a further level of expensive bureaucracy in the organization.

In its simplest terms, CEOs and the Board should view risk management as an information channel about threats to its key earnings drivers.

http://www.ey.com/global/content.nsf/International/Issues_&_Perspectives_-_Risk_Management_A_New_Approach

Start-ups: A Brand Identity To Grow With

Early stage entrepreneurs need to focus on two areas of brand identity, the brand "Name" and "Logo" to ensure that they are created on a sustainable basis.

It can be the case that as the business grows (and the underlying differentiating "mission" and "customer value proposition" evolves) the initial brand Name and Logo may have to be realigned and changed.

By using a proper framework and thinking ahead, it might mean that less change is needed in the future and the brand equity built up is preserved.

http://www.ey.com/global/content.nsf/International/Issues_&_Perspectives_-_Start-ups_A_Brand_Identity_To_Grow_With

Bringing Managers into Theories of Multimarket Competition: CEOs and the Determinants of Market Entry

Multimarket (or multipoint) contact has been shown to deter aggressive actions by rivals toward each other, producing a situation of mutual forbearance among firms. To create this deterrent capability, however, firms must enter each others' markets, which is just the kind of action that the deterrent is supposed to limit.

This study explores the questions: Under what conditions are firms likely to behave aggressively toward their multimarket rivals by entering their markets and when will they engage in mutual forbearance? We describe how the effect of multimarket contact on the market-entry moves of a firm changes as the level of contact a firm has with its rivals increases.

We draw on competitive intelligence and decision-making theory to argue that the competitive advantages associated with multimarket contact are supplemented by the fact that a firm's multimarket competitors serve as a readily available model to reduce the uncertainty associated with market-entry decisions. We hypothesize that these factors lead firms to prefer, up to the point where forbearance concerns become paramount, to enter the markets in which their multipoint rivals already compete.

We show that it is not enough for a firm to be embedded within a multimarket structure, but that for a firm to benefit from its multimarket position, its managers must be aware of this positioning and free of other infiuences that could cause them to behave in ways that are inconsistent with it. Because our findings show that newer CEOs can direct their firms to act in ways that are inconsistent with their firm's multimarket position, we identify an area of potential competitive vulnerability for the firm.

John Stephan o Johann Peter Murmann o Warren Boeker o Jerry Goodstein

http://pubsonline.informs.org/main/

Wharton-SMU Research Center: Working Papers - Year 2003

- Liang Thow Yick, "Strategic Exploitation of Information and Communication Technology in the Healthcare Sector".
- S. Hogan, R. Jarrow, M. Tei, and M. Warachka (May 2003), "Testing Market Efficiency using Statistical Arbitrage with Applications to Momentum and Value Strategies".
- U. Cetin, R. Jarrow, P. Protter and M. Warachka (May 2003), "An Extended Black Scholes Economy with Illiquidity".
- Christopher Ting, and Mitch Warachka, "A New Methodology for Measuring Liquidity-Induced Transaction Costs".
- Dharma Jayanto, Christopher Ting, and Mitch Warachka, "The Impact of Liquidity on Option Pricing".
- Yusong Wang, Jagmohan S. Raju, and Sanjay K. Dhar (January 2003), "The Choice and Consequences of Using a Category Captain for Category Management".
- Zhenlin Yang, and Y. K. Tse (March 2003), "A Corrected Plug-In Method for the Quantile Confidence Interval of a Transformed Regression".
- Liang Thow Yick, "Intelligence Strategy: The Integrated 3C-OK Framework of Intelligent Human Organizations".

http://www.smu.edu.sg/research/papers.htm

Management goes to the dogs!

Lilian Georg has developed a dog-sled racing formula, a common sense, yet rarely followed approach to team building. Her results are amazing

By Carol Metzker

If your employees spend too much time on internal battles or work too many hours without commensurate productivity and results, it is not because of ill-defined goals, incorrect skill set or inefficient tools. It is because people don't know who each other are and how each member fits into the group.

According to the work of Jack Gibb, the grandfather of organizational development, people get together for a project and immediately focus on goals and objectives. They look at what they will do, why they will do it and how work will be accomplished. They forget to first figure out who the group members are and how they relate to each other.

External company groups, as well as internal, fall into this trap. Cross-company relationships such as offshore-U.S. partnerships commonly experience bumps in the road not because of lack of knowledge, technical talent or skill; challenges result from Americans not understanding Indians' motivations and culture, and vice versa - essentially, who each other are.

Lilian Georg

To address such issues, Lilian Georg, an organizational development consultant, developed a unique philosophy and approach for working in organizations based on a surprising concept - dog sled racing. "As a former manager of 62 branches of a leading U.S. bank, I was trying to reach goals and create high-performance teams. But often it seemed that the longer and harder employees worked, the less we accomplished our goals," said Georg. "I realized we needed to back up and form a foundation for team-building."

On a trip to Alaska in 1994, the coldest and snowiest state of the U.S., Georg had an unusual and fortuitous meeting with a musher, a woman who races a sled pulled by a 12-dog team across a thousand miles of snowy wilderness. "As we talked at her dog kennels, I discovered that there were parallel concepts between her dog-training for sled racing and my development of groups for business. "

Over the next few years, Georg developed and honed the following steps to creating high-performance teams. The concepts are also the subject of her new book, "Management Goes to the Dogs" (Thin Book Publishers, August 2003).

- Get to know each team member. Just as the musher starts learning about each dog instead of focusing immediately on crossing the finish line, managers need to learn about each person on the team. Find out each individual's skills, knowledge, personality and values.
- Determine how team members relate and interact. Are there team members who are natural leaders, long-distance runners, or those who can rotate roles? To form a team that functions well under arduous conditions - like the dog team's environment of ice and snow - managers must help organizations understand, value and capitalize on members' differences and the way they fit together.
- Seek input from the team to define and accomplish goals.
- Create an environment that sustains high performance and productivity. Reduce stress and celebrate success. An exhausted sled dog cannot make it to the finish line. A dog that is rewarded in his preferred way remains excited and committed for the long haul.

Initially, Georg encountered resistance. Upper management was concerned about the time spent on team building instead of traditional staff meetings. Employees griped about the soft nature of the approach. But over time, the 25 team members who piloted the program began to value each other. Cooperation replaced internal competition. No one could ignore the results - "Our sales outpaced other regions', employee morale was high and customer satisfaction surveys were glowing," said Georg. When her team became known as the highest performing group in the organization, other regions of the bank - and later other banks - requested Georg's recipe for success.

Mike Kochenour, Chairman and CEO of York Traditions Bank (Pennsylvania, USA), sought Georg's expertise in the founding stages of his bank. Her work with their staff and board of directors led to collaboration, alignment of values with business objectives and "the momentum to overcome hurdles and open our doors," he said.

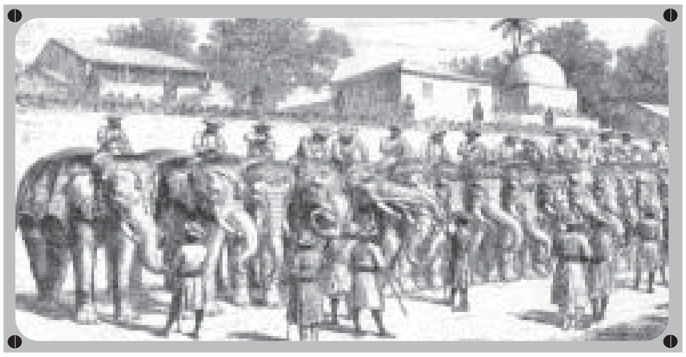
What sets Georg's approach apart from traditional consulting methodologies is not just that it initially steps back from the goals and looks at the humans. It's an element of values and spirituality. Vikram Dewan, Commercial Banking Executive at Wachovia Corporation, discussed the communication and synergy that resulted from Georg's principles. By helping each team member achieve their highest potential, the whole team is lifted and business outcomes go beyond initial expectations, said Dewan - "the effect is profound."

Carol Metzker is a West Chester, PA, USA-based consultant. She fosters knowledge-sharing in geographically-distributed organizations and helps them innovate and create business value. Email: echmetzker@aol.com

Antique returns

A Shahjahan cameo purchased by an Indian art lover for over 500 sterling pounds two years ago fetched him 520,000 sterling at an Art of India auction in London recently. What are you waiting for?

By M Maher Dadha



Vulgar profits like this are no longer an exception. Indian antique art items are going at big premiums in all the auctions in the US and the UK. One of the main reasons for this is the supply-demand gap. There are not many rich antique pieces left in India now. Those who have them are in for a big boon.

Everyone loves a double whammy. If good return on investment comes your way, along with aesthetic pleasure of holding a work of art, very few can resist it.

You must realize that like land, antique pieces of art are limited. Therefore, their value should go up with time. With awareness building up in India, the prices of ancient art works are bound to go up

At a time when corporate executives earn handsomely they can now afford to indulge in a satisfying hobby of collecting antique art pieces and at the same time use them as their portfolio diversifier. It's the right time to start in a small way.

It makes eminent sense to view antiques as investment options because they are immune to inflation and recession. The best example of this is how many Indian items commanded big premiums at Art of India auctions just a couple of months after the September 11 episode.

You must realize that like land, antique pieces of art are limited. Therefore, their value should go up with time. With awareness building up in India, the prices of ancient art works are bound to go up. Indians can learn from the antique trading community in the UK and the US.

Unlike other products investments in antiques will never depreciate. It will grow with time. Along with investment, one can also enjoy aesthetic pleasure by holding an antique, unlike in shares where you don't even seem them now after the dematerialization of shares. Interestingly, there is no capital gains tax on these items. So make a small start by investing in old paintings, antiquarian prints, furniture and engravings.

The only way interest in antiques can grow is by setting up collectors' clubs across the country, where they can exchange news, hold sales and auctions. At this stage what is important for the trade is the need to educate the people on the fine aspects of art and antiques.

I feel modern art is getting undue media attention while rich antique art products are being sidelined in India. Even corporates spend lakhs of rupees on contemporary paintings and rarely look at colonial or pre-colonial art for their offices.

However, awareness about antique art is beginning to grow in India. But concerted effort needs to be made to increase its pace. This is because by the time awareness grows to the maximum very few antique art pieces will be left in India.

Institutionalizing antique trade

It is high time antique trade is institutionalized in India. I know of two prominent banks that are working on offering antique items as investment products.

Institutionalizing this trade will bring in the concept of authenticity in a major way. This will really give a boost to investor interest.

I'm finalizing an investment plan where buyers of antique products are assured of their capital. I'm offering a buy-back scheme where a buyer can sell the piece back to me and get his capital back after an agreed period of time.

Tips for purchasing antique items

- ❒ Buy only if antique art appeals to you. Enjoy what you buy
- ❒ Check the authenticity of the dealer and his knowledge of the item
- ❒ Seek expert advice if you are purchasing high value items
- ❒ Diversify your purchase between paintings, lithographs, engravings etc.
- ❒ Start small and increase your collection gradually
- ❒ It's like a treasure hunt. Enjoy the adventure
- ❒ Form clubs or associations of art lovers. It will enhance your appreciation of the art. It will improve your knowledge about Indian history and its rich heritage.

You will soon realize that collecting antique items has become your hobby - something that gives a lot of happiness and has a destressing effect on a busy executive or a businessman.

Maher Dadha runs Pokhran Gallery in Bangalore
Email: dadhafamily@lycos.com

Most of us unconsciously use jargon or slang that doesn't mean much to speakers of English . Here are some common phrases used during business meetings

Saying	Meaning
jump through hoops	trying very hard (from a dog trick)
nest-guarding	to protect
pig in a python	slow movement; as in digestion
put the scotch to	to stop
right off the bat	immediately
run it up the flagpole (and see if it gets a salute)	test to see if it gains approval
sea legs (to get one's)	to gain stability
seat of the pants operation	intuitive (flying without instruments)
set on its ear	disrupt
shotgun approach	strike out widely, as opposed to targeted rifle shot
smoke and mirrors	tricks to hide the true situation
square peg in a round hole	someone that doesn't fit or perform appropriately

Readers are invited to send interesting jargons to:
e-mail: info@managementnext.com

Source: http://www.pacificovertures.com

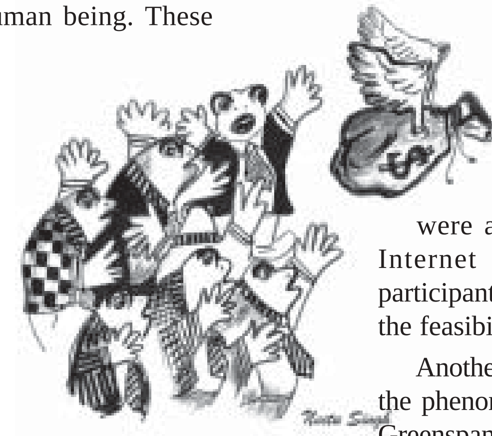
Deviation from rationality

Behavioral economics is now able to unravel many puzzling aspects of human behavior. It is presenting a more realistic model of a manager's judgment and decision-making pattern

By Prof. Rajeev Gowda

In the latter half of the 1980s, I embarked on a Ph.D. in Public Policy and Management at the Wharton School, University of Pennsylvania. My aim was to master economics so that I could apply its insights to the real world. But the economic models I encountered were all built on the foundation of an ideal, Mr. Spock-like, rational human being. These certainly represented how some of the people behaved some of the time, but they left a lot of behavior unexplained.

I got lucky. I discovered not one but two groups of scholars who were working toward developing a better understanding of how people behave. One group-the experimentalists-used laboratory techniques to study behavior in simulated real-world conditions. The other group-the behaviorists-used cognitive psychology techniques to document people's deviations from rationality.



The pioneers of these fields got lucky too. The 2002 Nobel Prize in Economics went to Vernon Smith of the experimental stream and Daniel Kahneman of the behavioral stream. The renegade economists of the 1980s are now part of the mainstream.

Experimentalists developed the "wind tunnels" where economic institutions and policy frameworks could be field tested and fine-tuned ahead of implementation. Vernon Smith showed how auctions could be designed better, how deregulation of electricity markets would work, and how the allocation of airline landing slots could be optimized. In finance, experimentalists explained the origin of stock market bubbles and other market irrationalities. Experiments, in short, have now become a useful and practical weapon in the economist's arsenal.

Behavioral economics has slowly been able to unravel many puzzling aspects of human behavior and is slowly presenting a more complex, and more realistic model of people's judgment and decision-making

The cognitive psychologists came to the field aiming to identify deviations from rationality. They have come up with an array of situations where people's behavior is in contrast to what would be predicted by the rational actor model: People typically use shortcuts-termed heuristics-when making judgments, particularly when faced with uncertainty. Sometimes these heuristics are efficient and help people, but sometimes they lead people astray, and turn into biases that can lead to sub-optimal results.

Behaviorists have shown that people are not intuitive statisticians, and just do not seem to stick to the tenets of probability. For example, people have misconceptions of chance. Just because a few Information Technology entrepreneurs were able to successfully go IPO, a whole Internet boom was triggered, without the participants conducting validation and diligence on the feasibility of various business models.

Another problem is people's tendency to ignore the phenomenon of regression to the mean. Alan Greenspan's lament about "irrational exuberance" during the recent US stock market boom basically was about how herds of smart people were focusing on up trends and behaving as if there was no underlying pattern over the longer term to which the market would ultimately revert.

While statistics-related mistaken judgments can be corrected through education, behaviorists like Kahneman have also shown that there are some deviations from rationality that are derived from intuition. When evaluating choices when in the "domain of losses," people intuitively turn into risk seekers. Thus the punter who has lost on bets on 9 different races and is left with Rs.100 would rather bet on the long shot in the last race rather than the favorite. It turns out that people behave this way even if an issue were just worded in terms of potential losses. If the same problem were framed in terms of potential gains, they reverse their choice, and revert to the risk aversion that is typical of rational individuals.

Behavioral economics has slowly been able to unravel many puzzling aspects of human behavior and is slowly presenting a more complex, and more realistic model of people's judgment and decision-making. Managers would do well to familiarize themselves with these insights so that they can anticipate and avoid mistakes when faced with difficult choices.

M. V. Rajeev Gowda is an Associate Professor of Economics and Social Sciences at the Indian Institute of Management-Bangalore. He has recently edited "Judgments, Decisions, and Public Policy," Cambridge University Press, and has been national runner up on BBC TV's Mastermind

"Case studies are the bridges which enable you to see the relevance of one situation to your own circumstances. It is when sparks jump both ways between those two poles - principles or theory and experience or practice - that learning occurs" - John Adair

Tanishq - The Turnaround Story

The case provides detailed insights into how Tanishq, the branded jewelry line of Titan Industries Limited (Titan), a leading manufacturer of watches in India was turned around in the year 2000. Its launch in 1995 failed to succeed due to wrong positioning and retailing strategies. Examining in detail its marketing strategy and the measures adopted by Titan to correct its mistakes, the case documents Tanishq's successful turnaround..

ICFAian Centre for Management Research, India
http://www.asiacase.com/ecatalog/

Supply Chain Management

Accenture teamed with the HP Image and Printing IT Americas Group and the HP Managed Services Organization to deploy an innovative "co-sourced" application management solution.

After merging with Compaq, HP's Imaging and Printing Group experienced a surge of customer transaction volumes impacting its business processes and systems. HP needed a robust, flexible SAP platform that could grow and improve with HP's new organization.

Accenture, HP's Imaging and Printing Group IT Americas organization, and HP Managed Services Organization teamed to implement a world class "co-sourced" application management solution.

The team hosts, maintains and enhances the supply chain system on more than 60 servers-designed for 24/7 availability and 99.5 percent reliability, with 98 percent of all orders processed without human intervention. Accenture monitors and optimizes more than 3,500 jobs per month while providing application management and help desk support through the Accenture Delivery Centre in Toronto.

http://www.accenture.com

Arvind Mills' Restructuring Plan

The case provides an overview of Arvind Mills' expansion strategy, which resulted in the company's poor financial health in the late 1990s. In the mid 1990s, Arvind Mills' undertook a massive expansion of its denim capacity in spite of the fact that other cotton fabrics were slowly replacing the demand for denim. The expansion plan was funded by loans from both Indian and overseas financial institutions. With the demand for denim slowing down, Arvind Mills found it difficult to repay the loans, and thus the interest burden on the loans shot up. In the late 1990s, Arvind Mills ran into deep financial problems because of its debt burden. As a result, it incurred huge losses in the late 1990s. The case also discusses in detail the Arvind Mills debt-restructuring plan for the long-term.

ICFAian Centre for Management Research, India http://www.asiacase.com/

Helping manage risks in savvier markets

TCS's project for CCIL demonstrates the use of technology to attract institutional investors to India's debt markets.

India's financial markets have undergone rapid changes since the country embarked on a program of economic reforms in 1991. They have embraced technology, seen a substantial increase in the variety and volume of capital market transactions, and witnessed the emergence of securities and new instruments like derivatives as important instruments in financial intermediation.

Savvy market players now have new opportunities to profit from the markets -- by deliberately assuming risks. As they do so, however, they need to have in place superior risk management systems as well -- for, if they fail to manage their risks adequately, they could pose a threat to the system itself.

It is in this context that the clearinghouse structure of CCIL (Clearing Corporation of India Ltd.) designed to localise risks by preventing the contagion from spreading from a failed counter party to others, should be of great interest to participants in the debt, money and forex markets.

http://www.tcs.com/0_case_studies/

Leaving India - The Peugeot Story

The case explores the reasons for the poor performance in, and the eventual exit of the French automobile company Peugeot from India. It discusses various problems faced by Peugeot and Premier Automobiles Ltd. (PAL), their joint venture partners, in their formative years. It played a major role in the joint venture company's failure and its eventual closure.

ICFAian Centre for Management Research, India
http://www.asiacase.com/ecatalog/

Makeover of Britannia

The case documents issues relating to the repositioning and diversification exercise carried out by Britannia, analysing each step it has taken in detail. In 1997, Britannia kicked off its repositioning exercise when it changed its logo and corporate slogan as a first step in its makeover plan aimed at transforming the company from essentially a 'bakery' business to a 'food' business. Subsequently, as a part of its diversification plans, it entered into the 'dairy' business. The case examines in detail the process of such a makeover and tries to study the rationale behind it from a marketing and strategic perspective. The case also throws light on the strategies followed by Britannia in its makeover exercise.

http://www.asiacase.com/ecatalog/

Revamping the Supply Chain - The Ashok Leyland way

The case gives an overview of the issues concerning the revival of Ashok Leyland effected through a thorough revamp of the supply chain. It outlines how Ashok Leyland, which was reeling under the weight of recession, staged a comeback by reengineering its in-bound and out-bound supply chain which resulted in huge cost savings.

The case discusses various aspects of supply chain management and emphasises its importance in the context of cost management with specific reference to Ashok Leyland. The case, aimed at the MBA/PGDBA students as part of Operations management curriculum, helps them to understand and appreciate the role of supply chain management in an organization.

Using the specific case of Ashok Leyland, it attempts to familiarise the student with the concept of supply chain as well as the practical dimension of the same. It seeks to help students understand the components of supply chain and their critical importance and how it can be reengineered to help organisations save costs.

Icfaian Center for Management Research (ICMR

http://www.asiacase.com/ecatalog/

Enterprise Applications Deployment Case Studies - India

"Companies have to invest in IT technology such as in ERM, CRM or SCM applications whether it is an enterprise suite or point solution, to ensure long term viability in this competitive landscape. The need to improve organization business processes to gain greater efficiency and sharing of integrated information within the company are key reasons to adopt enterprise applications," said Alan Tong, Senior Analysts Asia/Pacific Enterprise Applications.

This IDC Study on Enterprise Applications Deployment in India is part of the IDC's Asia/Pacific Enterprise Applications Deployment Case Studies series. It was designed to provide companies that are intending to implement enterprise applications an insight to some of the adoption rationale, evaluation analysis and processes, and selection criteria in successful implementations.

The case studies also complement the quantitative data in the annual IDC Continuum study, which provides adoption trend of companies in Asia/Pacific. Enterprise applications included in the studies are enterprise resource management (ERM), supply chain management (SCM), and customer relationship management (CRM).

There are six case studies for each country. Two studies for each secondary market application in the 12 countries that IDC covered, studying the companies' behavior in software adoption. The 12 countries that IDC tracked are Korea, PRC, Taiwan, Hong Kong, India, Thailand, Malaysia, Singapore, Philippines, Indonesia, Australia, and New Zealand.

Some of the key questions addressed in these case studies are:

- What are some of major challenges that are faced by Indian companies when implementing enterprise application?
- Why are companies in India adopting ERM, SCM, and CRM solutions?
- What are the advantages and disadvantages of customized application?

http://www.it-marketanalysis.com/

PNB's IT Enabling Journey

Punjab National Bank used a two-pronged strategy to IT-enable itself and support present and future business needs. And along the way it picked up valuable information and experience. Punjab National Bank (PNB) come a long way since March 2000, when IT systems were deployed only at 500-odd branches, and was very disparate. Only 35 percent of the bank's business was computerized and a number of small software packages ran on standalone PCs.

Now in 2003, PNB has 101 branches on a WAN, deployed a core banking infrastructure, and runs 175 networked ATMs. It has also deployed a reliable security infrastructure that helps it conduct transactions within its branches without worry. The journey doesn't end here, but along the way the bank's picked up valuable knowledge and experience.

Issues were mostly cultural. Most staffers were used to working in a manual environment, and some had worked in standalone environments. In the new networked environment, personnel at the node/counter didn't actually 'see' the transactions updating in the various account books.

This gave rise to a number of queries and suggestions from personnel. The bank consulted IDRBT and RBI to verify the implementation success and it was reported that the deployment was absolutely correct. Around six months later, the personnel felt that the environment 'change' had done them good, and was used to working on the systems.

There were a few integration issues when migrating to Finnacle, but the in-house IT team was able to resolve them all. The pilot for the initial seven branches was a test-bed for us. The knowledge we gained from the pilot deployments helped us overcome the future issues.

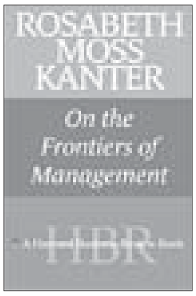
http://www.cisco.com/global/IN/includes/tech_in_banking.pdf

If you have an interesting case study to share, please write to: editor@managementnext.com

Frontiers of Management

By: Rosabeth Moss Kanter

Paperback, 2003, Publisher HBS Press Book



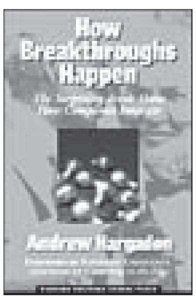
This book brings together all of Rosabeth Moss Kanter's Harvard Business Review articles and many of the editorial columns that she wrote when she was the editor of HBR.

The pieces span a variety of topics: strategy, innovation, customer focus, global trends, planning for change, strategic alliances, compensation systems, and community responsibility--all brought together to enforce a "single, timeless message: the importance of treating people as assets, not costs, and providing the tools and conditions that liberate people to use their brainpower to make a difference."

How Breakthroughs Happen: The Surprising Truth About How Companies Innovate

By: Andrew Hargadon

Hardcover, Jun 2003, Publisher: Harvard Business School



We've all read about the lone geniuses of invention: Thomas Edison, Eli Whitney and Henry Ford. Although this heroic notion of innovation is alluring, is it true? Not according to Andrew Hargadon. He argues that breakthroughs are the result of occupying a unique position in a networked landscape across which ideas, people, and artifacts travel and recombine in new ways.

Inventors "borrow" existing ideas from an arena and then bring together the physical artifacts and the people necessary to apply those ideas elsewhere. This process, which Hargadon calls "technology brokering," has been the force behind numerous celebrated inventions. He takes readers behind the scenes--from Edison's Menlo Park lab to IDEO--to illustrate strategies for sourcing, nurturing, and exploiting ideas in new ways for new markets.

DoCoMo - Japan's Wireless Tsunami: How One Mobile Telecom Created a New Market and Became a Mobile Force

By: John C. Beck, Mitchell E. Wade

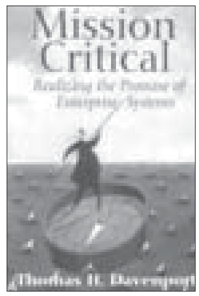
Publisher: AMACOM

Read the extraordinary story of Japan's NTT DoCoMo, leader in the world mobile phone services market and a company emulated by many. The authors from the Accenture Institute for Strategic Change examine the enormous risks DoCoMo took in pursuing a "bleeding edge" technology which analysts thought was superfluous, and how their daring almost single-handedly brought an entire global market into existence.

Mission Critical: Realizing the Promise of Enterprise Systems

By: Thomas H. Davenport

Publisher: Harvard Business School Press

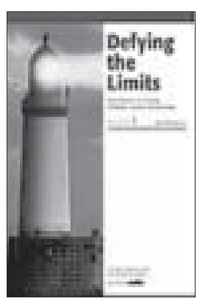


Organizations today have a critical need to share important data among their own divisions and with outside partners. The author, director of the Accenture Institute for Strategic Change, argues convincingly that integrated enterprise systems are vital to expedite the process-and that strategic business objectives, not technical concerns, must drive planning and implementation.

Defying the Limits: Setting a Course for CRM Success

By: Stephen F. Dull, Marc F. Hayes, Ron Ref, Mark P. McDonald, Dow Bauknight, George Corugedo, Brian K. Crockett, Thomas H. Davenport, Jeanne G. Harris, Glover T. Ferguson, and others.

Publisher: Montgomery Research Inc.



The second volume in the Defying the Limits book series, this book presents a wealth of innovative ideas from the world's foremost Customer Relationship Management (CRM) gurus about what it takes to provide best-of-breed customer relationship management solutions. Accenture experts from a variety of specialties have authored several chapters of the book, contributing practical advice and often challenging widely held assumptions about CRM success strategies.

The Future of Leadership: Today's Top Leadership Thinkers Speak to Tomorrow's Leaders

By: Warren Bennis (Editor), Gretchen M. Spreitzer (Editor), Thomas Cummings (Editor), Publisher: Jossey-Bass

The Future of Leadership is a compilation of nineteen original chapters from an extraordinary cast of the world's foremost leadership gurus. Three Accenture professionals-Cathy L. Greenberg, Alastair G. Robertson and Thomas H. Davenport-are among the authors.

Making the Invisible Visible: How Companies Win with the Right Information, People and IT

By: John D. Rollins, Donald A. Marchand, William J. Kettinger Publisher: John Wiley & Sons, Inc.

Companies invest billions of dollars in IT without adequate understanding or methods by which to measure the effects of the IT systems within the organization and on the bottom line. The authors-John D. Rollins, managing partner of Strategic Information Technology Effectiveness for Accenture; Donald M. Marchand of the International Institute of Management Development; and William J. Kettinger of the University of South Carolina-have developed a new metric, Information Orientation (IO), which identifies and measures the effectiveness of a company's information capabilities.

The Attention Economy: Understanding the New Currency of Business

By: Thomas H. Davenport and John C. Beck

Publisher: Harvard Business School Press

Welcome to the attention economy, in which the scarcest resource isn't ideas or even talent, but attention. In this ground-breaking book, Thomas Davenport and John Beck, researchers at the Accenture Institute for Strategic Change, argue that today's businesses are headed for disaster-unless they can overcome the dangerously high attention deficits that threaten to cripple leaders, employees and customers.

Davenport and Beck also introduce the AttentionScape, a patent-pending tool for measuring your own attention. Take the AttentionScape at www.attentionbook.com.

Finance Sense: Finance for Non-Finance Executives

By: Chandra, Prasanna

Price : Rs 250, Pages : 192, YoP: 2003

Publisher : Tata McGrawHill

This book will help you to: Understand the financial and accounting reports used in business; Appreciate the financial implications of your decisions; Communicate meaningfully with your colleagues in the language of accounting and finance. Divided into five parts, this book covers the key areas of finance and accounting. Part One provides a firm grounding in financial statements, financial statement analysis, accounting mechanics, and financial forecasting; Part Two discusses the key concepts, tools, and systems of cost accounting, budgeting, managerial decision making, and strategic planning and management control; Part Three presents an overview of the financial system, dwells on the ideas of compounding and discounting, and introduces the basic risk-return tradeoff in finance; Part Four covers the key areas of financial management such as capital budgeting, financing strategy, sources of finance, and working capital management; Part Five explores certain special topics like mergers, acquisitions and restructuring, international finance, and value based management.

The Eleven Keys of Leadership

By: Smith Dayle

Price : Rs 195, Pages : 192, YoP: 2003

Publisher : Tata McGraw Hill

Are leaders born or made? How can I become a more successful leader in my organization? What do I need to do to meet the challenges of the new workplace? Dayle M. Smith answers these and other crucial questions for every aspiring leader. In an engaging authoritative discussion of the latest leadership thinking-illustrated by real-world examples of corporate and institutional management at its best-she offers practical tools and techniques you can use today to: discover your own leadership potential; create the leadership style that fits your purpose; use the power of vision to motivate performance; develop the special leadership skills you need to build successful teams; mentor others on the fast track for leadership; exercise power and lead with confidence in all situations.

Make Time: Practical Time Management that Really Works!

By: Cole, Kris

Price : Rs 250, Pages : 192, YoP: 2003

Publisher : Tata McGraw Hill

"I was now surrounded by chaos. I worked hard, really hard, but fell further and further behind. I'd wake up in the middle of the night disheartened and alarmed by all the things I had to remember to do the next day. Something had to change and it was clear it had better be me!!" Make Time is a fun-filled and practical book that offers ideas, tips and ways to achieve results in our lives - with grace, ease and efficiency. You will discover how to accomplish everything that you want and need to do and claim control of your job and your life. You will find out how to 'Make Time' by doing more with less and fine-tuning the way you do things.

This book includes the Ten Make Time principles that work and helps you: Pinpoint your specific time management headaches; Focus your efforts and not spread yourself too thin; Build new habits; Manage projects productively. Written by an industrial psychologist, Make Time describes the mindsets of terrific time managers and explains how to harness the power of the subconscious.

Competitive companies have come to realize that executive development is not a frill, but rather a sound investment in creating a responsive, enduring organization, rich in shared knowledge and practice, and united in vision. - Insead

Indian Institute of Management - Bangalore

Start Date	Title	Area	Director
08- 09 Aug 03	Managing the Knowledge Organisation	HRM	N M Agrawal, Abhoy K Ojha
18- 20 Aug 03	Managing Call Centres	HRM	V Anand Ram , Prof. Narendra Dev
26- 29 Aug 03	Communicating for Corporate Advantage	CS	DVR Seshadri P D Jose Bringi Dev
1 - 3 Sep 03	Risk Management for Banks and Financial Institutions	FC	Sankarshan Basu
1 - 3 Sep 03	State-of-the-Art Decision Modelling and Analysis	GM	Ishwar Murthy Rajluxmi V Murthy
4 - 6 Sep 03	Supply Chain Management	POM	Janat Shah Jishnu Hazra
28 - 30 Oct 03	Value Based Marketing Strategies	MKTG	DVR Seshadri S Ramesh Kumar
12 - 14 Nov 03	Creating and Managing Brand Equity	MKTG	Y L R Moorthi
12 - 16 Nov 03	Managing at the Edge	SSS	J Ramachandran, Ramnath Narayanswamy
4 - 6 Dec 03	Competitive Marketing Strategy	MKTG	Nagasimha Balakrishna Kanagal
4 - 7 Jan 04	Seeking Customers, Retaining Customers-The Indian Context	MKTG	S Ramesh Kumar
4 - 9 Jan 04	Advanced Oral & Written Communication Skills For Software Engineers-II	ITM	Ramnath Narayanswamy

Date	Title
10 - 12 Sep 03	IES-SMU Globalisation Strategies for Technology Companies
24 - 26 Sep 03	ESSEC-SMU Managing Successful Luxury Businesses in Asia
24 - 26 Sep 03	ESSEC-SMU Managing Successful Luxury Businesses in Asia
29 Oct 03	SMU-SVCA Workshop Forum: Company Restructuring and Management Buyouts
30 - 31 Oct 03	IES - SMU Managing Emerging Technologies
19 - 21 Nov 03	IES-SMU Financial Strategies for Technology Managers

SINGAPORE MANAGEMENT UNIVERSITY

Date	Title	Cost
1 Sept - 19 Oct 03	Advanced Management Programme with Study tour to Italy, France & Switzerland	Rs. 90,000/- + Travel
8 - 19 Dec 03	Programme for Young Managers - Building competencies to stay ahead	Rs. 38,000/-
13 -17 Oct 03	Management Planning and Control Systems	Rs. 22,500/-

ASCI

Indian Institute of Management - Ahmedabad

Date	Program	Director	Price
8 - 13 Sep 03	The Winning Edge: Communication Strategies for Leaders	M.M. Monippally	Rs. 30,000
15 - 19 Sep 03	Top Management Programme	A. Tripathy	Rs. 50,000
2 Nov 03 - 28 Feb 04	Management Education Programme	Piyush K. Sinha	Rs. 2,25,000
19 - 22 Nov 03	Men and Women at Work: (Un)spoken Messages	Asha Kaul	Rs. 24,000
18 Jan - 14 Feb 04	Middle Management Programme (Repeat)	Sanjay Verma	Rs. 70,000
4 - 17 Apr 04	Small and Medium Enterprises Programme	Rakesh Basant	Rs. 38,000

Indian Institute of Management - Kolkata

Date	Title	Taken by	Cost	Place
1 - 4 Sep 03	Supply Chain Management	Prof. M.N.Pal and Prof. Balram Avittathur	Rs. 18000	IIMC Campus
8 - 10 Sep 03	Strategic Cost Management	Prof. Mousumi Ghosh	Rs. 12000	IIMC Campus
11 - 13 Sep 03	Management of Non-Government Organisations	Prof. Ranjan Mitter	Rs. 6000	IIMC Campus
15 - 18 Sep 03	Strategic Brand Management	Prof. R.C. Bhattacharya and Mr. Jayanta Sengupta	Rs. 16000	IIMC Campus
18 - 20 Sep 03	Managerial Excellence (Non Residential - BANGALORE)	Prof. C. Panduranga Bhatta	Rs. 14000	Taj West End, Bangalore

Harvard School of Business

Date	Title	Cost	Place
2 Sep - 30 Oct 03	Advanced Management Program - Fall 2003 Session	$49,000	HBS
3 - 26 Sep 03 Part I 2 - 21 Nov 03 Part II	The General Manager Program - Fall 2003 Session	$38,500	HBS
9 - 12 Sep 03	Executive Renewal Seminar: An Exclusive Update	$3,000	HBS
5 - 9 Oct 03	Leveraging Knowledge in the 21st Century Organization	$6,000	HBS
12 - 19 Oct 03	Making Markets Work - Rwanda	$1,800	HBS
2 - 7 Nov 03	Changing the Game: Negotiation and Competitive Decision Making	$7,750	HBS
2 - 7 Nov 03	Leading Change and Organizational Renewal	$10,000	HBS
4 - 7 Nov 03	Executive Renewal Seminar: An Exclusive Update	• 3,600	HBS
9 -14 Nov 03	Families in Business: from Generation to Generation	$10,000	HBS
12 -15 Nov 03	Governing for Nonprofit Excellence: Critical Issues for Board Leadership	$3,200	HBS
16 - 21 Nov 03	Sustainable Marketing Leadership for Mid-Sized Firms	$15,000	HBS
14 Sep - 14 Nov 03	Program for Management Development	$48,500	HBS
30 Nov - 3 Dec 03	Making Corporate Boards More Effective	$5,750	HBS
4 - 7 Jan 04	Agribusiness/Agriceutical Seminar	$5,500	HBS
25 - 30 Jan 04	Achieving Breakthrough Value:Leveraging Employee and Customer Satisfaction for Profit and Growth	---	HBS

Note: The above list does not represent all the programmes. ManagementNext is not responsible for any error.

Knowing others is wisdom, knowing yourself is Enlightenment. - ***Lao-Tzu***

For the uncontrolled there is no wisdom, nor for the uncontrolled is there the power of concentration; and for him without concentration there is no peace. And for the unpeaceful, how can there be happiness? - ***Bhagavad Gita***

You and your opponent are one. There is a coexisting relationship between you. You coexist with your opponent and become his complement, absorbing his attack and using his force to overcome him. - ***Bruce Lee***

A rich man, fond of felines, asked a famous Zen ink painter to draw him a cat. The master agreed and asked the man to come back in three months. When the man returned, he was put off, again and again, until a year had passed. Finally, at the man's request, the master drew out a brush, and , with grace and ease, in a single fluid motion, drew a picture of a cat - the most marvelous image the man had ever seen. He was astonished; then he grew angry. "That drawing took you only thirty seconds! Why did you make me wait a year?" he demanded. Without a word, the master opened up a cabinet, and out fell thousands of drawings - of cats. - ***Zen story***

Success is to be measured not so much by the position that one has reached in life as by the obstacles that one has overcome while trying to succeed. - ***Booker Washington***

As a manager the important thing is not what happens when you are there, but what happens when you are not there. - ***Ken Blanchard***

It's all very well in practice, but it will never work in theory. - ***French management saying***

Lots of folks confuse bad management with destiny. - ***Kin Hubbard***

Technology is dominated by two types of people those who understand what they do not manage, and those who manage what they do not understand. - ***Putt's Law***

Agency-Client 'Hu-Tu-Tu'!

Agencies and clients have fought many a battle over a brand. Neither will win. They will have to put up with a third player - brand strategy consultant, whether they like it or not

by Harish Bijoor

Brands make fashion statements. A statement the humble product or service desires to appropriate and own in the minds of consumers. Who creates, owns, nurtures and grows this statement? The brand manager on the client side? Or the client servicing director on the agency side of the business? The debate continues.

Who discovered the brand first? The client or the agency? This is really a classical country-chicken and town-egg kinda question. I would venture out and give credit to the guy in the agency back room. This was the guy who saw merit in single-mindedly establishing and communicating a property of value, recall and desirability to the brand-ignorant consumer. Very quickly though, the client caught on. And he out-did the branding process to death.

There has been a yo-yo kind of a pull on the brand and its ownership. Who really is the brand guardian at the end of it all? Who champions the cause of the brand better? Who understands brands better? Who must the brand be trusted with? Agency or client?

The client brought in the diverse realms of market research, advertising, design, packaging, brand financials, marketing promotions, distribution and much else on one common platform. The client was therefore the first one to look at branding in an integrated format. The discovery of Branding as a cognitive process that depends on these multiple realms of interface, is the client contribution to date. The client as 'sutradhaar'!

As the years went by, there has been a yo-yo kind of a pull on the brand and its ownership. Who really is the brand guardian at the end of it all? Who champions the cause of the brand better? Who understands brands better? Who must the brand be trusted with? Agency or client?

While the organic answer is clear based on ownership of property and financial flow hierarchy, the metaphor of ownership is still up for grabs. While the client is the real owner of the brand, virtual ownership and care could vest with either or both. Who must really take the final call on branding decisions? Who holds the brand can or 'lota' or whatever?

In the early sixties, the brand was all about managing the product end of the business at one end and the advertising role at the other. Advertising was best done by the creative minds of the day. Things were indeed simple for a while. Not for long though. In the seventies and most certainly in the early part of the eighties, brilliant people joined both ends of the business. In the beginning brilliant creative minds joined the agency side of the business and the brilliant strategy-oriented minds joined the client side of the business. Life remained simple even then.

When brilliant and near-brilliant minds sit on both sides of the brand-running spectrum, there is a great deal of push and pull. The years of the 2000 series witness this classical tug of war with the agency wanting to have a big say in branding and the client side of the business wanting the agency less and less in terms of overt brand participation. This tug-of-war is further made interesting by the fact that the "agency-type" has over the years not built too much of credibility in the brand management process.

Very large chunks of folks on the 15 per cent commission side of the business have focused largely on the creative side of advertising. The strategy imperative has been largely left delegated to the Planner in the agency and most dominantly is a territory ceded to the brand manager within the client agency. The client on his side kept demanding more and more in terms of strategy. Fed up without too much of a positive response, the client appropriated strategy to himself and reverted to a brief on the creative and media buying side of the business to the advertising agency.

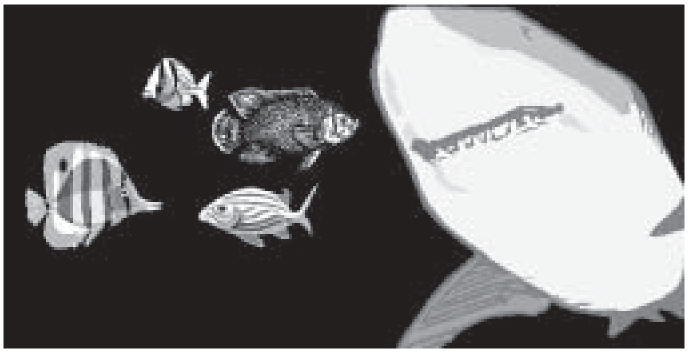
This dichotomy of the business of branding is slated to witness two distinct pulls in the years ahead of us. The first is a pullback of lost terrain by the advertising agency. In this trajectory of thought, the advertising agency will re-establish its dominance in the arena of strategy and fundamental brand management. The agency will even spin off brand consultancies of its own! The second pull is a disparate one, where there is bound to be a further splintering of the agency-client relationship. Enter the third party - the Brand strategy consultant!

I salivate at the thought! Just joking!

The author is a brand-domain specialist and CEO, Harish Bijoor Consults Inc. with a presence in Hong Kong, London and Bangalore.

e-mail: harishbijoor@hotmail.com

Japanese Fish



The Japanese have always loved fresh fish. But the waters close to Japan have not held many fish for decades. So to feed the Japanese population, fishing boats got bigger and went farther than ever. The farther the fishermen went, the longer it took to bring in the fish. If the return trip took more than a few days, the fish were not fresh. The Japanese did not like the taste.

To solve this problem, fishing companies installed freezers on their boats. They would catch the fish and freeze them at sea. Freezers allowed the boats to go farther and stay longer.

However, the Japanese could taste the difference between fresh and frozen and they did not like frozen fish. The frozen fish brought a lower price. So fishing companies installed fish tanks. They would catch the fish and stuff them in the tanks, fin to fin. After a little thrashing around, the fish stopped moving. They were tired and dull, but alive.

Unfortunately, the Japanese could still taste the difference. Because the fish did not move for days, they lost their fresh-fish taste. The Japanese preferred the lively taste of fresh fish, not sluggish fish.

So how did Japanese fishing companies solve this problem? How do they get fresh-tasting fish to Japan? If you were consulting the fish industry, what would you recommend?

Someone came up with a brilliant solution. To keep the fish tasting fresh, the Japanese fishing companies still put the fish in the tanks. But now they add a small shark to each tank. The shark eats a few fish, but most of the fish arrive in a very lively state. The fish are challenged.

When you are a New-age CEO

- You accidentally enter your password on the microwave
- You haven't played solitaire with real cards in years
- You have a list of 15 phone numbers to reach your family of 3
- You e-mail your mate who works at the door next to you
- Your reason for not staying in touch with friends is that they do not have e-mail addresses
- When you go home after a long day at work you still answer the phone in a business manner
- When you make phone calls from home, you accidentally dial " 0 " to get an outside line
- You've sat at the same desk for four years and worked for three different companies
- You learn about your redundancy on the 9 o'clock news

Murphy's law on life

An easily understood, workable falsehood is more useful than a complex, incomprehensible truth.

Never step on anything soft.

Almost everything in life is easier to get into than out of it.

Readers are invited to share their real-life experience, which has a touch of humour. *e-mail: editor@managementnext.com*