Management Next

## What's the next curve for organizations?

Starting the second curve much before the first one peaks is the key for organizational renewal. Excerpt from Charles Handy's speech at adasia2003

The Irish have a beautiful countryside and don't believe in spoiling it by putting up signboards. When I was there a few years back I got lost on the way to a little village called Apoca. There was an Irishman by the side of the road. I asked him the way to Apoca. "Yes, indeed, I can," he said. "It's very simple. You keep on going the way you are going. Up the hill and then go down. After about a mile you'll cross a little stream and there you'll see Davis Bar on the right hand side. It's painted red and you can't miss it. Well! Half a mile before you get there you turn right."

This true story has become a very useful metaphor for me. What he was telling me is the story of everything. If you are in marketing it's a story of a product life cycle, if you are a historian that's a story of every empire or every society, if you are a student of life you will say, that's a story of life too. What the Irish man was telling me was – if you want to continue life and you want to go on growing, what you got to do is find the road up the hill before you get to Davis Bar. The only problem with that is that you have to start the second road before the first road has peaked. And that is the time you are feeling pretty good about yourself, your organization or your country.

Charles Handy's Organizational Curve

● change here
■ most organizations change here
● too late to change
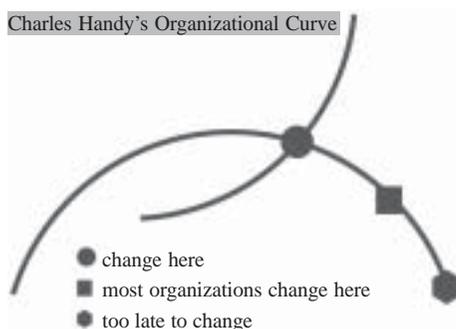
This chart serves every purpose. Ask the people around you where the organization is positioned on the curve. If your experience is like that of mine, most people will show you somewhere around the peak. This is the time for you to change before it is too late.

Unfortunately, most companies realize the need for change somewhere between the peak and the dip. It is very tough at that stage. There are also companies that change only after they hit the bottom. Such companies have no cure.

Doughnut

In the past all organizations were like doughnuts in which the core (middle part) really filled the whole. The core bit was everything and had the objectives. You were supposed to do what you were told. Organizations functioned like the railway timetable where every detail was listed.

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Now things are different. We cannot anticipate or predict what is going to happen. We need flexibility. The people we employ need elbow space to make their own contributions. Now we have larger doughnuts for both groups and individuals. The larger it is, greater the motivation.

The question is how do you manage people who move out of the core and start using their own initiatives. The only way you can do it is to make sure that they share the same vision that you have for the organization. That they know your priorities and that they believe that you trust them to do their best. And if they make mistakes you should call it a new experience. You should therefore be designing your organizations as doughnuts as large as you can make them. And you should be making sure that your people can be trusted.

I believe that large organizations are prisons for the human soul. I don't want to hand over my working life to any organization. I believe that organizations, if they are large, have to be made of smaller bits as people will be able to relate to other people. So you have to design organizations of groups of 30 to 50 people.

You also have to practise the philosophy of the rowing crew on the river. You may wonder how eight people can row without talking to each other and could be led by a leader who may not know to row. The reality most often is that the crew is confident in its abilities, the ability of others, trusts

> **I believe that large organizations are prisons for the human soul. I don't want to hand over my working life to any organization.**

everyone and what's more, they know where they are headed and what the vision of the team is.

The leader's position too is not fixed. The crew often takes turns to lead depending on the situation and the need. Likewise, modern day professional organizations have two kinds of leadership hierarchies. The staff hierarchies and the status need not be the same. Who's the best for that particular job becomes the leader. Modern organizations should do that.

It is interesting that nowadays the large organizations – elephants – are getting thinner although they look bigger from outside. Good people, talented people are expensive. So we have as fewer people as possible. Organizations today work on the formula $\frac{1}{2} \times 2 \times 3 = P$. That is, employ half the number of people, pay twice but get work of three people. The other half that goes out of the organization is put under a different contract. They still relate to you but are not employed by you.

Then if you want to lead a life to the full you got to understand that money is only one aspect of your life. In fact, money is sometimes a compensation for not leading a life that you really like to live. People will increasingly lead what I call a portfolio life – where a person has a three part to his life – working to earn some money, pursuing a passion and a hobby all at the same time. We can all live that way if we work towards it. ●

India chants quality mantra

A decade ago our tractor plant could be described as 'medieval'. To receive the Japanese Deming prize for quality for the same plant now is indeed miraculous. The fact that the same people could achieve this is a wonderful feeling - Anand Mahindra, vice chairman and managing director of Mahindra & Mahindra.

The quality movement, started ten years ago in the manufacturing sector, with everyone hankering for the ISO 9000 certification, is indeed seeing its moments of glory. India today has more Federal Drug Authority (FDA) approved pharmaceutical companies than the USA. The Indian industry today exports a respectable $ 50 billion worth of products to all quality-conscious markets.

What's more, 75 percent of the world's CMM Level 5 software centers are in India. That is, of the 80 odd capability maturity model - 5 companies worldwide, 60 are in India. The model is designed by the Carnegie Mellon University and level 5 is the highest point on the maturity scale. Even the world's first People CMM Level 5 company is also an Indian – Wipro Ltd.

In business process management, India already has the largest number of COPC-certified contact centers outside the US and Canada. The Six Sigma wave is also sweeping India's services sector.

But the irony is that India's manufacturing is coming up to world standards yet India's backyard is full of filth. Anand Mahindra rightly told the delegates at the 11th CII Quality Summit that "We have built enclaves of quality in a sea of depravation." India's human development index is one of the lowest and Transparency International rates it as one of the most corrupt nations. The challenge for India therefore is to move quality to the streets - from manuals to mindsets and from meeting rooms to pavements.

The next phase of the quality movement is being seen in the public service domain.

C K Prahalad's dream of India Inside (akin to Intel Inside) may not be far off but the quality movement should move inside India if it's to have a larger impact.

Neuroscience could break branding myths
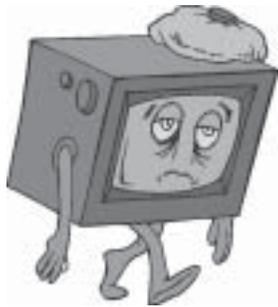
New findings linking neuroscience and advertising could make many a media and brand manager anxious. However, there's good news for print media, which has been cribbing about television eating into its share. Recent studies suggest that recall value of a brand is the highest in the print medium and is decreasing substantially on TV.

Millward Brown, a South Africa-based research firm, has done pioneering work on the effectiveness of advertising on the brain. Noel Coburn, Director at Caxton Publishers Ltd, South Africa quotes the report in a paper which states that "If you are trying to determine how effective your advertising has been, the question seems to be how readily the memories of your advertising swing into the brain in association with the pack or brand name."

To get attention paid to an ad, the ad must contain material that either has relevance to the recipient, or involves or intrigues them. "Additionally, the brand must be centre state in the advertisement," he says, adding "The person seeing or hearing the ad must know, and ideally know early on, just what brand is engaging their attention."

Milward Brown has found that people are "quite astonishingly bad at using any brain cells when watching TV and we have been genuinely amazed at the extent to which consumers fail to register the brand in TV ads."

Referring to the print medium the study states: "People may reflect after reading a press ad and concisely note the brand if they're really involved. But with TV, you must entice them to take in brand and message as they watch the ad because they have no time to reflect once the next ad starts, unless they are exceptionally involved."

Interestingly, over 60 studies around the world and that of A C Nielsen in South Africa show that print and TV together work better in terms of enhanced communication, than either medium on its own. The researchers found that those who used both in combination had a 20 percent bigger market share on average than those who did not.

The same study also shows that print is almost three times as cost efficient as TV in producing ad recall effects. "Despite the findings why is TV still rated as the 'best' medium?" Coburn asks. "The clear flight of money away from TV and into below-the-line shows that the miracle medium is not delivering."

So how can advertisers ensure higher brand recall? Coburn says there is no instant formula. "The creation of great ads still relies on great creative work. But some pointers exist to guide creative people."

What business needs from business schools

Business schools in India are producing look-alike MBAs. As companies today find themselves in a highly competitive environment they require creative, collaborative thinkers and leaders not mere managers. strategy+business's Joyce Doria, Horacio Rozanski, and Ed Cohen suggest six reforms for US business schools that could well be relevant here

First, business schools should require more courses in communication, leadership, human resources, psychology, and other fields that provide graduates with skills vital to effectively manage people and team-driven organizations. We believe business schools should require at least two of every 10 core courses to focus on such subjects; currently, these courses are often electives.

On top of regular classroom lectures, reading, and paper writing, schools should require more collaborative projects that emphasize the development of people skills. Projects can be for an individual or a group, but typically they emphasize applied learning that forces students to question, think deeply, weigh alternatives, and create. Project work also involves more management skills - listening, influencing, judging, and selling.

Business schools often fail to guide students to balance competition with cooperation. Competition in the classroom raises the profile of the brightest students, but during many types of business engagements, competition backfires. Successful people know how to collaborate - to listen to customers and cooperate with peers to come up with creative, defensible solutions. Many schools have adopted team-based projects to mimic on-the-job situations. We caution, however, that a few team-based projects won't instill collaborative skills if professors still reward head-to-head competition in the classroom.

Second, business schools should introduce and emphasize courses that offer the basic skills and tools needed in problem solving. These include data gathering, data analysis, and innovative problem-solving methodologies and tools, such as systems thinking and the Venn diagram. MBA graduates often stop short of getting to a problem's root causes because they define those causes in the same way they were defined in a case study they covered in school.

Third, more and better grounding in theory - theories of economics, measurement, governance, psychology, human behavior, and leadership - would help students go beyond case studies to analyze problems and craft solutions in situations they have never before encountered. If students learn the nitty-gritty of microeconomics, for example, they may be more prepared, say, to develop a winning pricing strategy. If they master theories of human behavior, they may be more prepared to suggest solutions to team or unit motivational problems. By delving deeply into theory, the graduates can also distinguish themselves with specialized knowledge that appeals to employers.

Fourth, schools should make changes in their curricula so that students can integrate their learning and apply multiple disciplines on the job. Instead, students are usually forced to learn about each of the fundamental business disciplines (such as finance, strategy, operations, and marketing) in a silo-like fashion.

Fifth, schools should encourage students to take full advantage of courses outside the traditional core curriculum. At present, most students don't appear to be diversifying their course load. Perhaps this accounts for the lack of differentiation we see among the graduates we interview.

We also find that graduates too infrequently have in-depth knowledge of specific industries, the government, or global nongovernmental organizations. This creates a tremendous void, given the demand in business for expertise in such topics as global markets, economic alliances, and government privatizations. Our clients increasingly thirst for help in these areas.

Sixth, and perhaps most critical, schools should commit themselves to re-creating differentiation in their curricula. Although it may be too risky for a school today to completely leave the mainstream, MBA programs can still allow students to concentrate on an industry.

The authors believe these six recommendations are an essential starting point for reform. Schools should also include a "practicum" approach in which a major portion of a student's credits are attached to supervised real work in his or her area of concentration. This is different from an internship, which is typically not under direct supervision of the business school.

The authors are not advocating a radical overhaul: There is a middle road, in which business schools preserve the strengths they have today, especially in teaching quantitative and strategic skills, but they suggest reconsidering curricula and teaching methods. Equally important, schools and companies should compare notes more often; ultimately, the gap between employers' expectations and the skills of the typical MBA is one that business-school deans and business executives can close together.

Psychological tests are back

As the cost of training and retaining senior managers in India is headed northwards the once derided psychological test at the recruitment stage is making a comeback. Ranjan Acharya, corporate vice president - HRD at Wipro Ltd thinks that the people who interpret such tests should be trained well. "Otherwise it may become palmistry." Wipro is one of the growing number of companies that are finding it necessary to use psychological models on senior managers.

Mr. Acharya warns that age-old assumptions about a person's personality have to be given up for more scientific methods of assessment. For example, the assumption that extroverts make good sales people have been proven wrong. The true measure of whether a particular test is effective is to see the correlation between initial findings and later outcomes. But companies have to watch out - most tests can be beaten.

It has been found that large organizational-change programs are notoriously difficult to run: they involve changing the way people not only behave at work but also think about work. Sometimes, however, changing individual mind-sets is the sole way to improve a company's performance. Psychologists in the fields of child and adult development have made several important discoveries about the conditions that have to be met before people will change their behavior.

First, they must see the point of the change and agree with it, at least enough to give it a try. Then the surrounding structures-reward and recognition systems, for example-must be in tune with the new behavior. People must also see colleagues they admire modeling it and need to have the skills to do what is required of them, according to The McKinsey Quarterly, 2003 Number 2

Applying any one of these insights on its own doesn't have much impact. But managers now find that applying all four together greatly improves their chances of bringing about lasting changes in the mind-sets and behavior of people in their organizations-and thus of achieving sustained improvements in business performance.

Do you know who your experts are?

Expertise can be surprisingly difficult to find, even in companies that have spent millions of dollars to attract and retain it. Traditional methods, such as document repositories and static directories, are inadequate because expertise, unlike other assets, depends on the context-making it difficult to describe and classify.

By mining the details of the current and past work experience of employees-what projects they have participated in, what papers they have written, what they studied in school-new expertise-location systems can often solve the context problem and help companies find the talent they already have within their ranks, according to The McKinsey Quarterly, 2003 No. 4

Quality of work scores over team player virtue

Recruitment site HotJobs conducted a survey on boss-employee dynamics this year and was surprised, as did its readers, that the virtues of bosses and employees have changed since the last survey in 2002.

This year bosses chose delivering quality work over the team player virtue. Here are the results for the most important qualities in winning over the boss:

- Dedication to quality work: 44%
- Being a team player: 29%
- Being a self-starter: 13%
- Thinking outside the box: 13%
- Honesty: 9%

As you might guess, the qualities that make someone a good employee aren't necessarily the most important when it comes to being a good manager. Here is what respondents value most in a boss:

- Willingness to share responsibility and credit: 46%
- Act as a mentor: 24%
- Respect others' opinions: 20%
  - Accommodate employees' personal needs: 8%
  - Holds power in the company: 1%

Omnidextrous

Charles Handy, management sage and a master of dialectical thinking, declared this to be the age of paradox: seemingly contradictory expectations that may nonetheless be true. Nowhere is paradox felt more deeply than in the design and management of contemporary businesses. These days, to meet stakeholder expectations organizations have to be global yet local, innovative yet efficient, and stable yet continuously changing.

"Ambidextrous" is the term business school professor Michael Tushman uses to describe organizations that surmount paradox -- although omnidextrous (if there is such a word) might be a more apt way to describe the urgent need many of us feel to use hands, feet and any other appendage you can think of to surmount the challenges we face every day at work.

Accenture has launched a major effort to capture and document the defining attributes of organizations that thrive in an age of paradox. It refers to them as "High Performance Businesses." They are the ones that produce shareholder value over the long term but that also demonstrate a remarkable capacity to adapt to changing technologies, competitive conditions and regulatory regimes.

How humour at work can enhance profits

It's no longer a myth that humour and fun at work are a waste of time. It's been proved that they expand perceptions and boost creativity. The cognitive properties of humour lift morale, enhance decision-making and improve problem solving. Organizations can benefit only if they consciously facilitate this process

Clint Eastwood is famous for his line: "Go ahead, make my day!" If you "made someone else's day" every day, your business would grow exponentially. And it is so easy. By being in the moment and creating some fun, you develop an environment that facilitates effective communication and generates good humour. Maintain this sort of environment and you would see improved income.

US lateral thinker and author, Edward De Bono, says humour is a more significant process than reason and helps us switch from one way of thinking to another. Usually it's the boring bosses who think: "You've come to make money, not to have fun." It may help, if one has a choice, to choose a boss who's not only fun himself but encourages it at work.

President Eisenhower said: "A sense of humour is part of the art of leadership, of getting along with people and getting things done".

The first Humour in Business conference was convened in Australia recently following a survey that revealed a fun workplace would make employees more productive and could even mean the boss had to pay them less.

The study by Sydney consulting company Customer Care Solutions found that 81 percent of people believed a fun work environment would make them more productive while 55 percent said they would take less pay to have more fun at work. Ninety-three per cent of respondents said that laughing on the job helped to reduce work-related stress.

Current figures from the World Health Organization list depression as world health burden number four. It is predicted to soon become number two.

"Being good humour is a state of mind. In that state people are more likely to laugh and be the trigger for others to laugh. Laughter is a great medicine. Like intense exercise, laughter increases brain levels of serotonin and endorphins that can calm and relax the mind. In that more relaxed state people are more productive, says Pat Armitstead in the September issue of business to business magazine.

Types of humour

Humour comes to us in many forms - satire, irony, sarcasm, wit, parody, farce, surrealism and play.

Satire exposes, mocks, sends up and attacks the pompous, hypocritical and immoral. It also exposes negative habits. The painful realities of life are combined with pleasurable experiences.

Irony, on the other hand, is a remark that is the exact opposite to what you are thinking.

Sarcasm is the lowest form of wit "so they say", and is based on ridicule and vindictiveness and quickly builds communication barriers.

Wit is perhaps the most admired and sought after form. Based on intellect, it is a brilliant cognitive association between an idea and an attitude, or a situation and a person. People with a natural wit have very high intelligence.

Those with a practiced wit have normal intelligence and have consciously trained their humour mind.

Parody is another name for spoof, and impersonates and mocks well-known writings such as plays and books.

The essence of farce is simple. A ridiculous idea is taken as being true, then acted on logically. It includes slapstick and burlesque. Embarrassing moments and bureaucratic bungling are the food of farce.

When you combine outrageous exaggeration, impossible contradictions and zany assumptions you end up with surrealism. The most improbable are brought together, creating verbal fantasies and brilliant mental images.

Finally and perhaps the most delightful is the notion of play. To be playful and serious at the same time, i. e, to have serious fun, defines the ideal mental state. Play removes uncertainties, allows for errors, cuts through embarrassment, criticism and rejection and opens up the scope for risk taking and creativity.

Understanding the different forms and types of humour helped Digital Equipment Co in Colorado boost productivity 15 percent and halved the number of sick days in a 12-month period. "You too can experience the same sorts of benefits in your business," says Armitstead.

Creating a fun place to work is no rocket science. Some simple tips suggested by most practitioners are: Preference to the humour types against the strong, silent types while recruiting; Start sending amusing memos periodically; Send glad mail (as opposed to sad mail!), posting amusing memos and developing a jester journal. Practise being a creator, participant and benefactor of fun in the workplace.

CEOs and managers should find out what makes people sing, hum or whistle and help them enjoy their time at work. When you do they will bring a new zeal to encounters with your customers and be the source of increased revenue as a result.

-BP

Poor are a source of innovation: C K Prahalad

"If we have to change what we do we have to change our genetic code. The only way we can do it is through fundamental innovation. We have to look at the poor as a source of innovation, not merely as a market. The market could be as huge as the Internet itself. But we cannot grab this opportunity without making fundamental changes to the way we approach technology and business models, scale, price-performance relationships and capital efficiency," management guru C K Prahalad insisted while addressing top IT professionals during the BangaloreIT.com recently.

Prof. Prahalad cites examples of innovation that are happening right in front of us, like the Jaipur Foot, Mumbai's 'dhabbawallas' and the Aravind Hospital. What India needs now is many more such innovations. "Opportunity for India in the future is not abroad but in a very unlikely place. It is the people of India - not the rich but the poor people of India. If you are able to create a market for the one billion people of India the market expands to five billion people around the world who are in the same economic state."

What is ironical is that the five billion poor people around the world are invisible to most companies. Companies should start noticing the fundamental revolution that is taking place among the poor in countries such as India, Brazil, Mexico and China. "I believe that all of them want to join the global economy and if you facilitate the process we will find ourselves not only feeling good but doing very very well," he said.

Through Y2K, global problems created an Indian opportunity for IT. "Now, to ask a reverse question - can Indian problems create a global opportunity?"

"If you think the poor are waiting for you, let me tell you that you are not ready for them. I can tell you they are ready for you? Are you ready for them?"

To do this, Prof. Prahalad believes that one needs to see something does not exist and for this imagination is required. "I just don't believe that you can do it without imagination. This is not about analytics. This is seeing something that does not exist. Creating something that is a possibility. Everybody can see abject poverty. It takes an entrepreneur with a passion, lots of courage, lot of humanity and lots of humility to see the opportunity."

Too much management can block innovation

Some widely practiced management techniques can actually hamper company efforts to innovate and encourage creativity. Practices such as emphasizing individual accountability, encouraging internal competition, practicing goal setting, and emphasizing budgets may be counterproductive, advises Professor Jeffrey Pfeffer of the Stanford Graduate School of Business.

It's not that managers are intentionally trying to stifle innovation, says Pfeffer, the Thomas D. Dee II Professor of Organizational Behavior. "It requires a lot of courage to buck so much conventional management wisdom and practices. . . Everyone wants to earn exceptional returns but to do it by doing what everyone else does," he writes in the book Leading for Innovation and Organizing for Results.

The problem with individual performance appraisals is that they can encourage workers to look out for themselves and waste valuable time and energy trying to find someone else to hold responsible. "If you want people to learn and innovate, build a system that encourages teamwork, learning, and trying new things," he said.

Innovation is all about mistakes. "Companies that want to encourage innovation and entrepreneurship therefore have to build a forgiveness culture, one in which people are not punished for trying new things.

Hi-tech, low cost

If management guru C K Prahalad's clarion call to businesses to tap the huge market potential of poor India is beginning to be taken seriously, some like IIT Chennai's Ashok Jhunjhunwala have already demonstrated how innovation in taking hi-tech to the backward regions of the country works.

Dr. Jhunjhunwala is already tasting success in not only offering affordable hi-tech services but also in building a network of hundreds of micro enterprises in the backward districts of Tamil Nadu. He's able to do this by forming groups of scientists and entrepreneurs some of whose businesses are also given incubation opportunities.

Examples of successes include: setting up Internet facilities with video conferencing capability in villages; offering an Office software with nine-language interface for a mere Rs. 2,000 as against a Microsoft Office suite costing ten times more; a rural ATM with a set-up cost of Rs. 30,000 as against about Rs. 8 lakhs of the commercial banks.

The success of many of these initiatives, according to Dr. Jhunjhunwala is because of entrepreneurship in India and the backing of sound business models that support them. "ICT can reach everyone provided there is a big enough vision behind it," he says. He is confident that the per capita rural GDP of India can be doubled in a short time by using his approach.

Has the age of direct marketing arrived?

Direct marketers must rise to the challenge of bringing a new marketing order to industries, companies, communities and societies, says Lester Wunderman
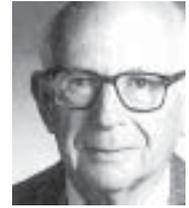
It's incredible that fifty years after Mr. Wunderman coined the term 'Direct Marketing' he feels that it's time has come only now. During the past five decades Mr. Wunderman has propagated the concept through two books Being Direct: Making Advertising Pay (1997) and Frontiers of Direct Marketing (1981). He has also built the world's largest integrated solutions marketing company which goes by his second name. It now has over 80 offices in 40 countries.

Direct marketing is being taken seriously only in recent years when it turned into an information-based discipline. "The information that defines our time is no longer just about the products that are for sale. It is now, conversely, about those who purchase and consume them. Our challenge is to learn how best to use this information to reach and influence their purchasing behaviour as part of the contemporary marketing process."

Has direct marketing become instrusive and is there a possibility of a backlash from consumers? Wunderman doesn't think so. "Direct marketing is flourishing because we are learning to be relevant. We are coming to know what to say to whom and when best to say it. We use content, context and timing to facilitate our prime marketing function of creating loyal customers."

The main focus of direct marketing, Wunderman said, will be on the creation of customers who make repeat purchases rather than on prospecting for product trials. "We marketers are not in the business of creating favourable impressions, nor are we about such abstractions as brand awareness and brand recall, although we recognize and welcome their benefits."

Wunderman makes an attempt to clear the prevailing confusion over what direct marketing really stands for and what processes it should adopt to become effective. "The hard inescapable fact is that we create share-of-market rather than share-of-mind. This requires that we influence and impact every part of the communication stream, every dimension of consumer contact, outbound and inbound."

And unlike in the past where direct marketing was identified with the word 'mass' Wunderman said that direct marketers now separate customers from prospects and both from the public at large and send relevant messages to each group. "And as we get better at our trade, we will learn how to communicate persuasively with the individuals rather than groups that now form the different segments of our lists."

"We have moved from a culture of mass to one that is more information-based and directed to customers and prospects in small groups or even one at a time."

Hailing the role of technology in direct marketing, Wunderman said dialogues can now be started at both the consumer and the marketing end of the communication spectrum. "We are beginning to know whom we can and should profitably communicate with and about what."

Loyalty claims dubious

Wunderman said that the question of loyalty has become one of today's critical marketing issues. He said the large investments made by companies and their consultants on the 'loyalty practice' was dubious and that he was skeptical about

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Ophelimity

Wunderman has coined a new word in English 'ophelimity' which means the ability to give satisfaction. The word comes from the character Ophelia of William Shakespeare's play Hamlet. He believes the word applies most accurately to the concept of loyalty and relationships. "Satisfaction, relationships, loyalty are all part of the same intellectual bundle."

"When we examine and evaluate our concerns about our brand, brand image and consumer relationships, we should take stock of what I call the OQ, the ophelimity quotient." The questions he said that need to be asked are: how much satisfaction products, services and prices are providing. Is the OQ growing, lessening or staying the same.

Wunderman refers to the growing voice of the consumer that is being heard only now. Consumers are gaining what physicists describe as 'an equal and opposite power'. "Woe to those who won't, don't or can't listen to those voices." Consumers now declare what they need and ask companies whether they can make it for them. This is unlike the golden age of manufacturers who would say: "This is what I make, don't you want it?

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some of the exaggerated promises and claims that have been made by some of the practioners.

Wunderman terms loyalty as another word for fealty. He believes that in the foreseeable future, direct markerters will remain some distance away from being able to create intimate relationships of trust and faith. "There is a great void between what is personal and what is intimate and I believe that we cross the line at our peril."

He said that there are limitations of getting personal with customers by calling them by name and the loose language and thought that goes under the name of relationship marketing. **-BP**

Lester Wunderman, is the father of Direct Marketing. A report on his presentation at adasia2003 held in Jaipur, mid November 2003.

How people–skills made Harley-Davidson an icon

Media reports about Harley-Davidson, in recent months, are largely about how the iconic motorbike company has managed to retain its aura and appeal for a century despite two world wars, a near bankruptcy and a Japanese competitive scare. But very few have talked about the pivotal role innovative people management skills contributed to the success of the mega brand

- By Benedict Paramanand

N o one can explain Harley's people policy better than Jeffrey Bleustein, Chairman and CEO Harley-Davidson Inc. at a recent summit titled *The 21st Century Workforce*. "We think that we have something to offer in the way of an approach to labor relations that has been a significant enabler of Harley-Davidson's record financial performance," the CEO said.

Interestingly, Harley-Davidson was founded in 1903, that coincided with two other historic events - the starting of the Ford Motor Company and the first powered aircraft flight, by Wilbur and Orville Wright.

Like many other unionized manufacturers, Harley-Davidson's prior labor-management relations can be characterized as usually cordial, but generally adversarial. The company made several attempts in the late 1970s and throughout the '80s to turn this around. But the normal stress of business, coupled with wariness on both sides, always seemed to conspire to upset its initiatives.

In the mid-1990s, however, the senior management of Harley-Davidson and the presidents of the two unions, the IAM and PACE, went together for discussions on how to make a sea change in their relations. The outcome of these important discussions was a formal partnering agreement between Harley-Davidson management and its union leaders, which outlined a way of working together that is mutually beneficial. Partnering has fundamentally changed the way the legendary motorbike company did business. "It's made Harley-Davidson a better place to work and, in the process, it's made our business more successful than ever," Bleustein said.

As the name implies, partnering was an effort to improve how the company and unions work together. It's rooted in a number of key principles. "The first is that unions are recognized as a valued institution. They're not to be run out of our factories -- we're not going to run away from them. They are the legitimate representatives of large numbers of our employees, and we respect their leadership," Bleustein said.

"Leadership is shared. Decisions are made jointly. Employees are empowered. They are empowered to make decisions at their work place, because they are the closest to the work and they know what they need in order to get the job done. But also, they are empowered to make decisions and are involved in decisions about other things, such as strategy, new products, and so forth. We are really trying to encourage the best that each of our employees has to give."

What's different in Harley than most other American companies is that financial rewards are shared with all employees. Every person at Harley-Davidson is on an incentive program, and the key thing is, it's the same incentive program from everyone -- from the factory floor to the executive office, all work to the same formula. "So when I get a good pay day, so does the people in the factories, so do the people in the accounting department -- we all share in it alike."

How Harley managed the demand for higher capacity is legendry. Instead of setting up a non-union plant, the company decided to take its two unions with it. It tried a whole different way of working together. The responsibility for selecting the location was placed in the hands of a committee of three people, a manufacturing executive, and two union representatives. Ultimately, that group made the decision to build the new plant in Kansas City. That plant opened for business in 1999, just six - 18 months after it was started.

The plant was founded on the concept that work groups are expected to take the initiative to identify problems and solve them, calling on engineers or other specialists when they need them. In planning the factories, these groups, working without supervisors, teamed with engineers to design the entire assembly process and all of the fixtures. And some of the breakthrough concepts they developed are now being reintroduced into other factories in Pennsylvania and Wisconsin. Hourly employees are also involved in the hiring process. They interview all prospective candidates, make sure they have the requisite skills, and also assure themselves that they are getting real team players.

The executive office for its operations in Kansas City is an example of the mutual respect that exists in the organization. The Harley-Davidson vice president and general manager shares an office with the presidents of the two local unions. "In this environment, there are no walls, no partitions, no secrets. The way things are working at our Kansas City operation is just one example of how our people are truly contributing to our success. Our common vision with partnering has become the basis for other collaborative activities including joint visits to our manufacturing suppliers and our retail dealerships. Union members get involved in equipment purchase decisions and there is shared decision-making on difficult issues, such as outsourcing." ●

Ideas and insights from research papers

Ego Makes the Leader, 2nd Edition (HBR OnPoint Collection)

Michael Maccoby , Jim Collins , Rob Goffee , Gareth Jones , Roderick M. Kramer

Type: HBR OnPoint Collection

What makes a leader great? Consider ego size. The authors featured in this collection investigate the impact of ego on leadership from several angles:

1) Narcissistic: Leaders with oversize egos can be very good for business--especially during times of transition. Gifted strategists and courageous risk-takers, they drive their companies to greatness. But they also have a dark side that can obliterate their careers--and their companies.

2) Humble and resolved: The most effective leaders don't flaunt their egos--they suppress them for their companies' sake. Though humble and often painfully shy, they're also iron willed.

3) Authentic: The size of a leader's ego matters less than his or her authenticity. Inspirational leaders communicate their virtues and flaws to followers--revealing their true selves, ego and all. All three perspectives offer valuable insights for aspiring and accomplished leaders. The Harvard Business Review articles in this collection: "Narcissistic Leaders: The Incredible Pros, the Inevitable Cons" by Michael Maccoby

http://harvardbusinessonline.hbsp.harvard.edu/

The Leadership Transitions Collection

Publication Date: Sep 18, 2003, HBR Collection

How you manage the first 90 days in a new leadership position can make the difference between success and failure. The specially priced The Leadership Transitions Collection will help you develop the skills you need to ensure a successful transition. Built with the expertise of Michael D. Watkins, the interactive CD-ROM program "Leadership Transitions" arms you with the knowledge you need when you need it. You'll learn to diagnose situations, assess vulnerabilities, accelerate learning, prioritize to succeed, work with a new boss, build teams, create partnerships, and align units. The collection also includes "The First 90 Days: Critical Success Strategies for New Leaders at All Levels" (hardcover), a hands-on guide by Michael D. Watkins offering proven strategies for moving successfully into a new role at any point in your career.

The Price is Right, or Is It? Determining the Impact of Price on Sales

When Wharton professor Marshall Fisher and colleague Vishal Gaur did a controlled pricing experiment in 18 stores belonging to the Zany Brainy retail toy chain, they came away with a surprising result. The experiment, which had been designed to measure how demand for three separate products varied with price, showed, among other things, that pricing is not always logical. In a paper entitled, "In-Store Experiments to Determine the Impact of Price on Sales," Fisher and Gaur discuss their findings and present a methodology that they say will improve the accuracy of in-store testing.

http://knowledge.wharton.upenn.edu

Smart Customization: Profitable Growth Through Tailored Business Streams

By Leslie Moeller, Matthew Egol, and Karla Martin

The way a company responds to demands for customized products or services can make the difference between performance that leads or lags a sector.

A new Booz Allen Hamilton study has found that Smart Customizers – companies that focus simultaneously on value creation strategies and delivery alignment – outperform industry peers two-to-one in revenue growth, and have profit margins 5% to 10% above competitors'. Companies that fail to align the value of variety with the cost of complexity are five times as likely to grow at rates below their industry average.

http://www.strategy-business.com/

Multiple products, multiple constraints, single period inventory problem: A Hierarchical solution procedure

Author : Kumar Satyendra , Rao V Venkata , Tirupati Devanath

Working Paper No. : 2003-11-03

This paper presents the formulation and a hierarchical solution procedure of multiple products, multiple constraints, single period inventory problem. The hierarchical procedure decomposes the problem into a number of sub-problems equal to the number of constraints sets.

Each sub-problem is solved optimally by applying Lagrange multipliers and satisfying Kuhn-Tucker conditions. The experimental results show that the hierarchical procedure performs well even when there are large a number of products and constraints.

http://www.iimahd.ernet.in/publications/

Optimal Marketing

Publication Date: Oct 1, 2003, Author(s): Marcel Corstjens , Jeffrey Merrihue

Type: Harvard Business Review Article

Companies selling multiple products in multiple territories face the difficult question of how to allocate marketing resources. But comparing the profit potential of, say, razors in Germany with batteries in the United Kingdom is a difficult analytical task that demands reams of data. Finding the optimal

answer is only half the battle. The rest involves the political and organizational challenge of shifting the money around. One company, Samsung, overcame these challenges by using hard data, not intuition, to allocate its marketing dollars. Marketing executives undertook an intensive 18-month project to gather diverse and detailed information about more than 400 possible product-category and country combinations. It collected all that data in a single, easy-to-access site and used the software's analytical power to predict the impact of different allocation scenarios. Such what-if testing enables management to find the budget allocation that will yield the highest total marketing ROI. Samsung also worked to anticipate and defuse organizational resistance to change.

http://harvardbusinessonline.hbsp.harvard.edu

A heuristic procedure for one dimensional bin packing problem with additional constraints

Author : Kumar Satyendra , Rao V Venkata , Tirupati Devanath

Working Paper No. : 2003-11-02

We proposed a heuristic algorithm to solve the one-dimensional bin-packing problem with additional constraints. The proposed algorithm has been applied to solve a practical vehicle-allocation problem. The experimental results show that our proposed heuristic provides optimal or near-optimal results, and performs better than the first fit decreasing algorithm modified to incorporate additional constraints.

http://www.iimahd.ernet.in/publications/

Exploring Mass Message Customization

Author : Nande Kaustubh, Working Paper No. : 2003-11-01

The paper begins with the exploratory concept of 'mass customization' and then moves on to discuss the possibility of applying it in business communication. Further, it gives a brief framework within which to fit this concept. The author then argues the relevance of the concept in today's workplace. However, this paper does not discuss the details of the 'process of mass message customization.' It just hints to possible areas for further research and exploration.

http://www.iimahd.ernet.in/publications/

Supplier Reliability and Economic Reforms

Author : Mokhopadhyay Partha

Working Paper No. : 2003-10-04

Production around the world is now increasingly characterized by shorter product cycles and just-in-time processes. Consequently, the reliability of the supplier is an important distinguishing characteristic. This paper presents a situation where suppliers in more distorted economies would be more prone, in equilibrium, to divert their production away from exports to the domestic market. As a result, importers allocate a lower share of import demand to such suppliers. It is shown that liberalization of such economies results in the importer allocating a relatively greater share of import demand to the supplier, which in turn, appears as an increase in the conomy's exports. This 'demand side' channel through which domestic liberalization affects a country's export has not yet been explored in the literature.

http://www.iimahd.ernet.in/publications/

Social Entrepreneurship and Commercial Entrepreneurship: Same, Different, or Both?

James Austin, Howard Stevenson, and Jane Wei-Skillern

Entrepreneurship has been a driving force behind the rapid expansion of the voluntary sector as well as the engine propelling much of the growth of the business sector. This paper examines the extent to which elements that contribute to successful business entrepreneurship can be adapted and applied to successful social entrepreneurship.

This paper offers a comparative analysis of commercial and social entrepreneurship based on a prevailing analytical model from commercial entrepreneurship.

The analysis highlights key similarities and differences between these two forms of entrepreneurship and presents a framework for how to approach the social entrepreneurial process more systematically and effectively.

http://www.hbs.edu/research/facpubs/workingpapers/abstracts/

Learning from Diversity: The Effects of Learning on Performance in Racially Diverse Teams

Robin Ely and David Thomas

Recent theory suggests that when culturally diverse groups treat their diversity as a resource for learning how best to do the groups core work, work processes designed to facilitate constructive intergroup conflict and exploration of diverse views not only mitigate process losses associated with diversity but also foster performance gains.

The theory remains untested, however, and does not address how a team's learning versus nonlearning perspective on racial diversity, as one dimension of cultural diversity, might influence performance in teams whose work content is substantively unrelated to racial issues or concerns.

Using quantitative methods, we analyzed two years of demographic, survey, and performance data from over 450 retail bank branches, in which tasks are substantively unrelated to race. Results supported the hypothesis that racially diverse teams with a learning perspective on their diversity outperform racially diverse teams with a nonlearning perspective.

http://www.hbs.edu/research/facpubs/workingpapers/abstracts/

In Search of Serendipity: Bridging the Gap That Separates Technologies and New Markets

I t took 37 years before Kevlar - a bullet-proof, fire-resistant material first used for tires - was applied to making home shelters strong enough to resist tornadoes. It took decades before advances in reinforced fiberglass technology made for the Apollo space project were applied to the making of tennis rackets.

In retrospect, these crossover applications of technology may seem inevitable - but they are not. According to Ian C. MacMillan, director of Wharton's Sol C. Snider Entrepreneurial Center, crossover applications depend largely on serendipity. "You have to hang around for 15 years for someone to make the connections," says MacMillan. In many cases, the serendipity never happens - and technologies die on the vine before they achieve their full commercial potential.

To overcome those problems, MacMillan, along with Wharton professor of operations and information management Steven Kimbrough and John Ranieri, vice president of the bio-based materials business at Du Pont, have developed a patented process that will help companies analyze databases of information about technologies and suggest new markets where they might be commercialized. "We have a serendipity generator," notes MacMillan. "Serendipity happens every now and then, but this process reiterates the connection."

Why is serendipity such a rare commodity? "The fundamental problem is that technologists know nothing about markets, and markets know nothing about the technologies," says MacMillan. "It is like a black hole. It is very hard to see behind your experience space."

For example, the initial developers of Kevlar weren't thinking about a market for protecting people against tornadoes; it wasn't their job to develop products for storm protection. Only rarely are companies large enough to have the resources and knowledge to explore new crossover markets using technologies they developed in-house. One such company is Du Pont, which developed Kevlar in 1965 and extended its use to several new areas - including bulletproof vests - and into a new residential storm shelter that it unveiled in March 2003.

But even companies like Du Pont don't have the resources to probe into every possible application of their current roster of technologies. "Exploration is very expensive," says Ranieri, and consultants and researchers are so costly that "you start with what you know and you are not going to be surprised [by the results]." Ranieri, who met MacMillan when he participated in the Wharton Advanced Management Program a year ago, later teamed up with him and Kimbrough to develop this new process.

Silos of Specialized Information

Although an unprecedented amount of information about technology is now available online, Ranieri notes that "everything is set up to look for exactly what you are looking for" rather than to assist in the process of finding crossover, innovative applications. In addition, information "is stored in silos" that are hard for non-specialists to penetrate. Until now, there has been no way to search for attributes like "lighter, faster or quicker" with technology categories, he says.

The Wharton team's new process aims to meet this challenge by using a methodology that "combines computer research techniques with human research techniques," says MacMillan. Kimbrough likens the new process to the methodology used by Google, the popular search engine. Although Google is automated, it exploits information painstakingly collected by thousands of individuals (at no cost to Google) and loaded onto their web sites. Kimbrough explains that Google's page-ranking algorithm "exploits tons of work [done by] people who put Java links on their web sites; it exploits their manual labor." Like Google's algorithm, this new process "is not an intelligent parser and it is not artificial intelligence," Kimbrough says. "Like Google, we exploit the public information that is available."

Another key problem with Google, today's most powerful search engine, is that it can only identify characteristics that match up perfectly with key words that people use to search for information. It can't infer any attributes that aren't precisely spelled out and loaded onto a web site. Moreover, it can't make subtle, creative connections between descriptions and attributes, and it can't find information that is hidden in the text.

"There is a lot of information in texts [on technology] about what stuff can be used for," notes Kimbrough. "A document is like a bit of DNA. There are discernible patterns that can be very subtle." Unlike traditional products, the Wharton team's new process searches through documents and makes connections between highly technical descriptions of properties - often familiar only to narrow "silos" of technologies - and broader terms that could suggest market applications to those who work in other areas. As Ranieri describes it, "We found a clever way to make a link between attributes and markets."

Kimbrough likens this to the process that savvy poker players use when interpreting the inadvertent signals given out by their opponents. Just as good poker players read subtle facial expressions and bidding styles, this new process

searches through characteristic patterns in the text to find hidden meanings. The goal, Kimbrough says, is to reveal information that the authors might not have intended to give out "or didn't necessarily know."

Although it's too early for the developers to discuss technical details, Kimbrough acknowledges that this new process requires a significant amount of human input. "In part, we use human beings to create databases of attributes that can be matched up."

Turning a Negative into a Positive

To illustrate how this can work, Kimbrough cites the case of thalidomide, a product that made headlines decades ago when it was prescribed - with disastrous consequences - to pregnant women for treatment of morning sickness. Recently, some cancer researchers have become fascinated by a characteristic of thalidomide that helped make it dangerous - its attribute as an "anti-angiogenesis" drug. More simply put, the drug prevents the creation of blood vessels - obviously a very negative attribute when administered to pregnant women. However, as Kimbrough notes, one way "to stop cancer is to stop the creation of blood vessels." So now, with anti-angiogenesis drugs possibly in demand, this negative attribute of thalidomide could make it a valuable tool in fighting cancer.

> Why is serendipity such a rare commodity? "The fundamental problem is that technologists know nothing about markets, and markets know nothing about the technologies," says MacMillan. "It is like a black hole. It is very hard to see behind your experience space."

What if a process had been available decades ago to sift through databases of information about thalidomide and analyze its attributes in such a way that technologists and marketers in other product areas - such as cancer research - might have seen its potential as a crossover application? The general issue, notes Ranieri, is that in the absence of new tools that find hidden connections, no one can fathom all the possible crossover applications. But "if you can map those attributes [and match them] to needs, you change the whole game."

The Wharton team's new process also tackles another key obstacle to crossover applications: Different groups of technologists use different sets of terms to describe attributes of their products. The terminology used by aeronautical engineers to describe fiberglass, for example, is not necessarily the same as the terminology used by developers of tennis rackets to describe those properties of fiberglass that are important to their products. Explains Kimbrough: "The attributes are not likely to be the same attributes" and "so [our] process must figure out a match." Thus, while consumers might think of "flexibility" as a property of fiberglass tennis rackets, technical documents about fiberglass may include a vast range of technical terms but not a simple English word such as "flexibility."

Testing Real-world Results

To demonstrate how this process gets results, MacMillan's group approached a Fortune 10 company and performed two sets of successful tests. In the first set, MacMillan studied what the company had developed in the past and showed how this new process could have generated crossover uses of old technologies more rapidly. "We told them, 'Show us the products you developed over 20 years and we will show you how we are doing the job quicker,'" he says.

Having achieved that goal, MacMillan's team did a second series of tests that demonstrated how the process could generate new ideas for crossover application of current technologies, including some "that they may not have thought of."

Now that their patent has been accepted, the team is preparing to convert their prototype methodology into a full-fledged commercial process. MacMillan describes the approach this way: "Companies bring us their patent, and we take it and tell them 50 places where the technology underpinning the patent might use it." If all goes well, companies could eventually be licensing the use of this commercial process and be running it on their own.

Or the new process could be made available online to those willing to pay for it. The hope is that even companies with significant in-house resources will use this tool as a short-cut for stimulating creative new ideas without spending a lot of money. "Everyone will use this in a different way," says Du Pont's Ranieri. "Everyone has different needs."

The Wharton team acknowledges that this process is not a magic bullet nor is it intended to be a foolproof generator of sure-fire hits. "We are not saying that all of these ideas will work," says Kimbrough. "We are saying that we will get a lot of good contenders that a human being could go through." Moreover, "there is no guarantee that the product [that results from the best ideas] will be a success." Even the most creative, innovative product ideas still must be manufactured at a competitive price, be marketed effectively, meet necessary regulatory requirements and so forth.

For all that, Kimbrough says, "this process can be a useful step in generating ideas for innovative applications and crossovers of technologies to new areas." Adds Ranieri: "It is for big companies like Du Pont and also for small companies. Anyone who has an entrepreneurial drive will love it."

The advertising industry could be peaking and the time for reinventing itself is now. Technology and Internet could make agencies obsolete.
-Charles Handy, renowned social philosopher, UK.

We have overcomplicated this (advertising) industry. It's time to go back to basics, which are - emotional relevance of ads and that ideas are bigger than any medium
-David Dogra, Worldwide Creative Director, Publicis Worldwide, UK.

Account planning has lost its way
-Jeff Goodby, Co-Chairman/Creative Director, Goodby Silverstein & Partners, USA.

If you live by the numbers you will die by the numbers. There is no dispute between creative and effective. They should be the same
-Jack Trout, President, Trout & Partners Ltd, USA

Effectiveness of print is better than TV because of the way our brains work
-Noel Coburn, Director, Caxton Publishers & Printers Ltd, South Africa

MuTV (Manchester United's TV channel) is the medium of the future
-Chris Charron, Group Director, Forrester Research Inc., USA

Research spoils creativity. Most consumers don't regard learning about brands as important
-Christoph Prox, Managing Director, Icon Brand Navigation, Germany

Advertising must change behavior, not attitudes. Advertising is an art of progressing from a one-time dialogue to a conversation
-Lester Wunderman, Father of direct marketing.

You don't become a power brand by playing safe
-Christoph Prox, Managing Director, Icon Brand Navigation, Germany

Do we suffer from collective myopia?

Organizations can initiate change only if they self-confront and gradually move away from stifling organizational practice or procedure   *By Subrata Chakraborty*

Someone once said, "Everyone in my company works very hard, and nobody is lazy. Few people in our company understand what is wrong with us. The management took many actions for improving management practices, we listened to what many consultants said and attended various kinds of training sessions but the effort does not bring any positive results." Perhaps this sentiment echoes what goes on in many of our work organizations. Management methods, tools, techniques, even strategy related advises come and go but majority of our organizations remain where they are. The reality, however, is that even though people can feel some temporary change in their workplaces, sooner or later old maladies resurface. In an era in which we talk about learning organization and knowledge management, this may require some introspection.

Many authors have vociferously argued that structure should follow strategy although, in reality, one often sees the opposite happening, perhaps due to situational compulsions. "Collective reality", that operates within every organization, is often taken as "objectivated facts', where conformity and judgment, which comes from sharing of knowledge about their organization by the organization members, constrains the very reasoning and judgment regarding any change initiative.

Thus the many change suggestions, often prefixed by're', such as, re-structuring, re-designing and re-engineering have been tried and discarded. In more recent times, one saw the emergence of 'e', in place of 're' and new recipes, such as, SCM (supply chain management), CRM (customer relationship management), and the like are now being dished out as the latest cures with an 'e' pre-fixed to them. The question is where will these take us? Perhaps the collective myopia will decide where these will go.

What is collective myopia? In simple terms, it means getting trapped within the ongoing institution and not realizing or recognizing that it is so. Symptomatically, this can be seen as someone sensing that something is wrong and what must be done to get over it, but cannot take it to any degree of concreteness, because other members soon get vocal by reconstructing currently available lenses or frames. Although this may give an impression that we suffer from a 'knowing-doing' gap, the reality perhaps is that we suffer even more from a 'knowing-knowing' gap. That is, what must we know before we decide to know something?

Take for example, "quality". Incidentally, November is also the quality month in India. Over the years may success formulas had been thrown in, such as, quality circles, TQM, ISO 9000, Six-sigma, and many more. Yet, our global rank in quality remains among the lowest. And, this is despite the fact that Indian minds are rated one among the brightest in the world. Where do we go wrong? We always see any tool as something that is meant to get us some concrete and tangible results.

Stagnating reality, which, by nature is vague as well as abstract, is either ignored or gets seen as a different problem. Little do we realize that our thinking constrains our action and invariably it is our mindset that determines the tone and tenor of the management system that we put in place. Any change in daily activities can only emanate from our management system which, in itself, is anchored on the mindset, is what we lose sight of.

Is there a way out? Can we depart from collective myopia? What may this require? It requires the ability to self-confront and gradually move towards delegitimation of an established organizational practice or procedure. Perhaps easily said than done. Egocentric turf management practices come on the way. This becomes apparent even in boardroom discussions, what to talk about layers below.

One has come across many cases where company's mission statement is drafted using assortment of phrases drawn from the views of vocal and powerful members. Result often is, no one really knows what the statement actually means in operational terms but remains happy with the drafting as it includes one's own point of view, no matter whether it facilitates organizational action or not.

One often comes away with a feeling that ultimately it is the culture of an organization that blocks any initiative of change. The power equations that operate in a state of stable equilibrium is probably the thing that works towards sustaining this equilibrium and creates a change resisting behavior. What seems to me to be the need of the hour is changing the knowledge structure within the organization. This, and perhaps this alone, can help us confront reproduction of previously legitimated and taken-for-granted organizational action. But that can be done only if we come to accept that we suffer from a collective myopia. Do we do that?

The author is former dean of IIM Lucknow

"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

Software Work Across Borders: Discovering Identity Through High Technology and Global Alliances

Professor S Krishna, IIM Bangalore, Sundeep Sahay, Department of Informatics, University of Oslo, published 2003

This paper seeks to contribute to an understanding of global software work through a longitudinal research study spanning several countries across the globe. The focus of the study on a young and dynamic software organization and its efforts to develop an organizational identity aligned with its objectives in an effort to manage the complexity and competitiveness of Global IT environment.

Drawing on a hybrid of Silicon Valley and Indian values the company strives to construct an organizational identity to confront the challenges of a global environment while attempting to overcome local handicaps and building on its strengths. Global software outsourcing relationships are influenced by changes in organizational identity and the identity perspective provides an interesting approach to understand its complexities. The authors utilize the coherent framework provided by the structuration theory for an analysis of social influences on managerial agency whereby resources and rules of multiple, overlapping systems are considered for analyzing disparate influences on conceptualization of organizational identity by avoiding the notion of shared beliefs and presenting an analysis in terms situated practices and modes of struturation.

In terms of practice, the study points to the value of a clearly articulated organizational identity, which incorporates multiple factors of context and culture and provides an interpretive generation of meaning of the work context. This is crucial for motivation and management of global software projects, software enterprises and global software outsourcing relationships.

Reinventing a Giant Company through Corporate Entrepreneurship:The Case of Tata Steel

Dr. D V R Seshadri, IIM Bangalore and Arabinda Tripathy IIM Ahmedaoud

This paper was presented at the 3rd International Conference on Entrepreneurial Innovation, March 2003 and later at the 11th CII Quality Summit in November 2003.

The paper presents the case study of Tata Steel, as a sterling example of how a company can reinvent itself, from being a relative laggard in the Indian steel industry during the early nineties, to transforming itself into the World's most cost-effective steel producer that it is today. This long and arduous journey has been possible through visionary leadership that has fostered a series of structured processes to unleash the innovative spirit of its employees. While traditionally structured processes and innovation are considered antithetical, Tata Steel is exemplary in that it has enabled innovation to be nurtured in the context of a disciplined culture and well-designed processes. This achievement acquires greater significance, given the location of the company in the industrially less developed eastern part of the country.

Source: 11th Quality Summit presentation, November 2003, CII

Global Pursuit of Productivity and Quality in the Knowledge Economy

Dr. Sarita Nagpal, Principal Counsellor, Confederation of Indian Industry

The concepts of Productivity and Quality have been around for many years, but Knowledge is an area that is wide and amorphous and needs to be discussed in a platform such as this one to enable development of a strategy for knowledge creation and exploitation in the new economy. The paper looks at the definition of knowledge, how knowledge complements intellectual capital, the key elements for managing knowledge, what should India do, as a country, to leverage knowledge for growth and where the future growth opportunities for Indian corporations are.

Source: 11th Quality Summit presentation, November 2003, CII

Assisting an American company set up its machine parts outsourcing center in India

Penta Consulting was presented with a concept for studying the viability of and establishing a machine parts outsourcing center in India for a US company with a local Indian partner. The delivery included formulating and assisting market survey, assistance in creating database of vendors, establishing parameters, assistance in personnel recruitment, assisting technology enablement, ISO certification, export development, accounting, auditing and legal services.

http://www.penta.co.in/html/case_studies.shtml

Business Excellence:Winners' Approach to People Management

C V Rao, Counsellor - TQM, Confederation of Indian Industry

Every one knows that human resource is a precious asset for the organization and if right persons are not selected, then there is every possibility that they might press the wrong button on the costly machines installed in the plant.

How organizations are able to handle such a resource in a deft manner and get the best results? Are there any HR plans based on the strategy of the organization developed and implemented in short, medium and long term?

How HR policies are developed so that right type of competencies are identified, selected, and deployed on the job? How competencies are developed based on the needs of the organization, appropriate training inputs provided based on a well developed competency gap analysis?

Are employees in an organization empowered to take appropriate decisions at their levels? Equally important is the fact whether employees are recognized and rewarded for their efforts in equal measures?

Source: 11th Quality Summit presentation, November 2003, CII

Cleaner is cheaper - Case studies of corporate environmental excellence

204 pp, Price: US $70, TERI Publications

The publication entitled, Cleaner is Cheaper: case studies of corporate environmental excellence is first in the series on business cases highlighting the best practices in the Indian industry. It is for the first time that a publication of such a kind has been brought out exclusively on the Indian industry, which focuses on their contribution towards sustainable development through their varied initiatives aimed at conservation of resources, minimization of waste and improvement of environmental standards.

The case studies have been chosen to demonstrate the leadership provided by the business community in going beyond regulations and setting new standards in India and the world. It presents the 'first ever' in the Indian industry. Apart from portraying environmental profiles of some of the industries in India, it also provides insight into their environmental concerns and innovative practices that have helped to accomplish environmental ends.

The objective of the book is to provide viable solutions to industries faced with environmental problems and informs industrial managers of the state of the art technologies and practices. The volume provides an invaluable database of replicable model for units faced with similar environmental challenge. Apart from highlighting the growing environmental considerations in Indian industry, these cases are exemplary instances of how sound environmental practices have led to enhanced economic performances. The book challenges the traditional notion of environment-industry dichotomy and emphasizes the critical requirement of environmental integrity of business for its long-term sustenance and prosperity.

Structurally, the book is diverse in its expanse and draws case studies from across several sectors ranging from highly polluting industries such as fertilizer, paper and mining to businesses promoting environmental entrepreneurship. It cuts across manufacturing and the service sectors. In all, this volume has compiled 33 different case studies representing the entire cross section of the Indian Industry. For easy referencing, the cases presented in the book have been classified under five broad sections: resource conservation and waste management, environmental management systems, water conservation and a combined section on land reclamation and environmental entrepreneurship.

http://www.teriin.org/pub/books/cic.htm

Assisting a European Company set up its software development center in India

Penta Consulting were presented with a concept to establish a software development center. Delivery included formation of corporate entity, joint venture agreement, Identifying premises and assisting establishment of total infrastructure, assistance in personnel recruitment, contract and establishing systems and MIS and accounting, auditing and legal services.

http://www.penta.co.in/html/case_studies.shtml

Handling the exit of foreign partner from unviable joint venture in India

Penta Consulting entered at a stage when both partners were in legal conflict mode. Delivery included strategy formulation for early end to hostilities, defining and co-coordinating all legal suits and initiatives, setting framework of negotiations, handling negotiations, arranging for amicable settlement and withdrawal of legal suits, logistics assistance for shipping entire plant, machinery and materials to base country of foreign client.

http://www.penta.co.in/html/case_studies.shtml

Newly Released Cases in Marketing

Experience is the best teacher-and the case method packs more experience into a class discussion than any other instructional approach. That's why it forms the basis of learning at Harvard Business School. Newly released case studies in Marketing include:

- "Marketing at the Vanguard Group" by John A. Quelch and Carin-Isabel Knoop
- "In-N-Out Burger" by Youngme Moon, Kerry Herman, Lucy Cummings, Sam Thakarar and Sonali Sampat
- "Branding Citigroup's Consumer Business" by Rohit Deshpande and Carin-Isabel Knoop
- "Meloche Monnex" by Luc Wathieu and Kevin Morris
- "Modi-Revlon" by Rohit Deshpande and Seth M. Schulman

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

I don't want any more cheese - I just want out of the trap

£9.99, Prentice Hall Business, Richard Templar

Do you feel trapped in your job? Fed up of working this way? How many more Monday mornings are you going to drag yourself out of bed and off to a job you hate in an office you resent for a boss you've got no time for?

How many more days are you going to sit by the window staring out wishing you were somewhere else, anywhere else? How many more years are you going to squash that dream?

There comes a time when we simply don't want any more cheese and we are prepared to do anything to get out of the trap. Is it that time for you? So what's holding you back? Fear of failure? Wondering where the next pay cheque will come from? Fear of what the family will say? Not sure what the next step is? Afraid that your dream may all turn to dust in your hand?

Sometimes all we need is a little shove in the right direction. This book is that gentle shove. This is the book that will get you up and going when your get and go has got up and gone.

So what is cheese? What is the trap?

Cheese is anything that keeps you trapped - the job, the salary, the pension plan, the fear of failure, the responsibility, the duty - it doesn't matter.

The trap is the lack of motivation, the drudgery, the sapped will, the job - it doesn't matter.

And out is anything you want it to be - your own business, working from home, downshifting, moving to another job, promotion, starting your own consultancy, becoming a free agent, working part-time, starting a family, working flexitime, going round the world, giving it all up to work for a good cause.

How Intuit Found Fame and Fortune and Beat Out Microsoft

In their new book about Intuit, Suzanne Taylor and Kathy Shroeder recount the company's 20-year rise from a three-person operation to a $1.36 billion leader in the personal finance software market. The authors cover, among other things, Microsoft's attempts to trounce. Intuit's popular Quicken program, and failing that, to simply buy the company. Overall, "Inside Intuit: How the Makers of Quicken Beat Microsoft and Revolutionized an Entire Industry" is a straightforward, if not dramatic, tale of a company that prospered on the basis of such things as sophisticated products, savvy marketing and astute crisis management.

The Big Bang Theory of Advertising

AFLAC - an acronym for American Family Life Assurance Company - was an international insurance company with very low-name recognition until a duck began quacking its name on TV. That duck is just one of the personages in a new book entitled, "Bang! Getting Your Message Heard in a Noisy World," by Linda Kaplan Thaler, CEO of the six-year-old New York advertising agency Kaplan Thaler Group, and two co-authors. Among Thaler's pieces of advice: Only ideas that are "simply too outrageous, too different, too polarizing to go unnoticed" will break through the "sea of sameness" that saturates many advertising campaigns.

Managing Today!

(International Edition), 2nd Edition, Pearson Books

Stephen Robbins, (Hardback) Nov 2003, 672 pages

This unique, re-engineered text defines and describes the new paradigm brought on by recent dramatic changes in the field of management. Managing Today! redefines the traditional functional approach employed by previous management texts to more accurately reflect recent, fundamental changes in the economy and workplace changes that have significantly reshaped today's managers' jobs.

Robbins' balanced approach presents an effective integration of theory and applications displayed within a clear, visual design specifically tailored for today's students. For courses in Introduction to Management and courses that combine management and organizational behavior.

The Dynamics of Technology
Creation and Diffusion of Skills and Knowledge

Edited by Roddam Narasimha, National Institute of Advanced Studies, Bangalore

J Srinivasan, Indian Institute of Science, Bangalore

S K Biswas, Indian Institute of Science, Bangalore

Published in: 2003, Pages: 316, Imprint: Sage India

With contributions from leading practitioners and scholars from both east and west, this volume illuminates the many ways in which technology draws on the forces of science, society, culture, finance and the marketplace even as it inexorably transforms the world. The objective of this unique volume is not to propagate a particular point of view. Instead, the 10 original essays gathered here take the

implicit view that technology is like a powerful engine. Written by scientists, engineers, sociologists and historians, the essays provide important insights into the nature of the powerful forces that drive the world of technology. They conclude that the creation and maintenance of the engine of technology depend on a number of factors, including a large body of engineers and scientists; continuing research and development; the pressures and constraints of market forces and of national security; and adequate financial resources.

How Customers Think: Essential Insights into the Mind of the Market

Publication Date: Jan 13, 2003

Author(s):Gerald Zaltman

HBS Press Book

Despite the time and money spent on market research, 60% to 80% of new offerings fail. Why do consumers often say one thing to marketers--yet act differently in the market? Industry innovator Gerald Zaltman argues that the answer lies in how the mind works. When it comes to buying, 95% of our decision making takes place in the subconscious mind, yet traditional marketing methods barely scratch the surface of this information gold mine. Zaltman introduces a new mindset and tools for digging deeper into what he calls the "mind of the market"--the complex interplay between consumer and marketer thinking that determines the fate of every product launch.
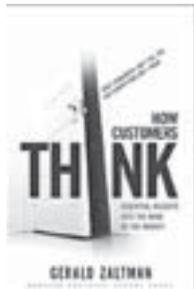
Building on research from disciplines including neurology, sociology, and cognitive science, Zaltman offers rich insights into how people really create meaning. Through compelling examples from his work with Coca-Cola, Procter & Gamble, General Motors, and others, he illustrates how leading companies are transforming this new knowledge into unprecedented value for customers. An intriguing look at how the mind, body, and environment interact to drive our buying decisions, this book opens the door to the next source of competitive advantage.

The Little Book of Calm at Work

by Paul Wilson

*Penguin India, 160 pages, Rs 75, Published : 9/15/2003*

What if your weekdays could be as relaxed and easygoing as your weekends?

The Little Book of Calm at Work is designed to bring some of that weekend magic into your working week. With page after page of inspired thoughts, this delightful little book will add calm and enjoyment to even the busiest day.

Ultimate Selling Power: How to Create and Enjoy a Multimillion Dollar Sales Career

by Donald Moine (Dr.), Ken Lloyd (Dr.)

Penguin India, 288 pages, Rs 350, Published : 8/18/2003
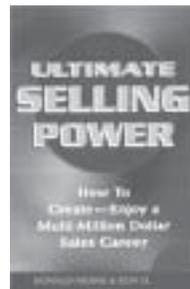
A great deal has changed since Dr. Donald Moine and Dr. Ken Lloyd wrote their best-selling book, *Unlimited Selling Power*, a dozen years ago. The huge popularity of that book rested on one simple fact-it empowered sales professionals to dramatically improve their sales effectiveness, to close more sales with less effort. Simply put, it made its readers more successful. It made them money!

Ultimate Selling Power is the book that America's 18 million full-time salespeople have been waiting for ever since-it's more than a decade's worth of the best strategies collected by the authors from the most powerful sales professionals in the world.

Ultimate Selling Power features the many powerful new sales and marketing techniques that have been developed in the last decade. There is no theory in this book. It is a practical, step-by-step guide to what the best, most successful sales-people in the world are doing right now.

Spirituality @ work

Management guru Philip Khotler calls it "market driving" and C K Prahalad has termed it "marketing for the poor." The Aravind Eye Hospital experience has shown that business models with spiritual commitment can be profitable

By Dr. G Venkataswamy

The work of Aravind Eye Hospitals needs to be viewed from two dimensions to get a complete perspective. One dimension is the business model, its systems and procedures that make it work. The other dimension, call it spiritual or the greater purpose within which the business model operates. A lot of the effectiveness of our work comes from the synergy between these two dimensions.

The Aravind Eye Hospitals is named after Sri Aurobindo Ghosh. The foundation for the work comes from the understanding that: "If work is approached from a spiritual perspective, then it becomes divine work. If in your actions, you allow the divine force to flow through you, you will accomplish things far greater than you might have imagined."

On a day-to-day basis, we try to practice this through integrity in what we do, being very transparent in all our actions and ensuring equity in treatment. Sticking to these principles has caused tremendous delays and difficulties in certain individual tasks but on the whole it has helped us to grow and progress very rapidly.

Part of our realization of the bigger purpose comes from the belief that: "When we grow in spiritual consciousness, we identify ourselves with all that is in the work and there is no exploitation. It is ourselves we are helping. It is ourselves we are healing."

When we translate this belief to patient care, it dictates equity as one of the ingredients, while treating patients. This was one of the founding principles of our work. However, with the advent of intra ocular lens technology, this principle of equity was compromised for a few years during the late 1980s. Our repeated attempts with the multinational manufacturers to bring down the price bore no fruit. It was then that we decided to get into manufacturing and here again this was done by forming a non-profit manufacturing trust "Aurolab". We were able to buy the technology and establish the production unit at Madurai with the help of several international NGOs who by then had developed a lot of faith in us.

Aurolab was conceived to fostering local innovation and production of products of world standard at affordable prices. Today, Aurolab products IOLs, sutures and pharmaceuticals and adheres to all global quality and safety standards. Aurolab's products are exported to over 100 countries and enjoy a global market share of about seven percent in the IOL market.

The Lions Aravind Institute of Community Ophthalmology too has its spiritual bearing: "At Aravind, we are deeply interested in getting people to pursue spiritual practices. The hospitals have demonstrated that eye sight can be restored to all people irrespective of social or economic status, when we combine modern technology and management with spiritual practice."

Having realized this in our own setting, we felt that we should share this with other eye care programs if we were to reach our mission of 'eradicating needless blindness' on which we had put no geographic or other boundaries. Initially, this was done informally, essentially reacting to request from other eye care organizations to study our system. As such request grew, we established the Lions Aravind Institute of Community Ophthalmology with the support of Lions Club International.

Through this institute, we are now offering a wide range of training designed to enhance the management capacity of

> Part of our realization of the bigger purpose comes from the belief that: "When we grow in spiritual consciousness, we identify ourselves with all that is in the work and there is no exploitation. It is ourselves we are helping. It is ourselves we are healing."

other eye hospitals and eye care programs. We have so far worked with 150 such hospitals spread across India, Nepal, Bangladesh, other countries in Asia and Africa.

Here we first visit an eye hospital which has a potential to do a lot more. We then invite a team of 4 - 5 people for a week to Madurai and work with them to develop strategies and new management practices that will help them grow. During this process, these hospitals have a complete access to all of Aravind's systems, pricing and financials. They are pro-actively encouraged to take this and modify it to suit their needs. Through this process of sharing our technology, systems, software, etc., with other hospitals, we are in effect creating a competition for ourselves.

This is what we have done over the last 25 years. Our mission to provide eye care to the masses still guides us. The management gurus have unearthed from our practices some principles such as "market driving" by Nirmalaya Kumar & Philip Khotler and "marketing for the poor" by C K Prahalad. Whether this is successful, whether it can be sustained, whether it can be replicated are questions that remain to be addressed.

How to love your customers

Romesh Wadhwani shares his deep insights with budding entrepreneurs on the factors that contribute to establishing great companies

Opportunities for Indian entrepreneurs abound and they just need to look around for them. Broadly, entrepreneurs should ask themselves three questions - Is there a major new market to tap? Is there a massive opportunity in disruptive technologies? What are the opportunities in the transformational space?

I've met many entrepreneurs in the last 30 years and very few of them have thought through the business model, which is a major reason for very high failure rate. This reason for low success rate is because the business model is not thought through upfront. The ability to generate profits is often a notion forgotten by early stage companies. Often early stage companies have a wrong notion - start a company and somehow profits will come in due course.

The alternative way of thinking about business models is - start with your best expectations of pricing and revenue, you then force upon yourself a target level of profitability that you want to achieve in the very early days of your company perhaps not in the first year, but certainly in the second year or the third year. You subtract that from the revenue and what you get there is what you got to work with.

That's when you need innovative ways of looking at your cost model. If you set yourself a target profitability of say 15 percent, you got 85 percent to work with. It helps to force yourself to think about profitability in the very early stages of the lifecycle of your company.

Even more important than the above two factors is the core value that you as an entrepreneur bring to your company. First, you really have to love your customers. There is a vast difference between doing what's right for the customer and loving the customer. Loving the customer first starts with understanding the customer. If you don't listen generously to the customer, the kind of competitive forces they face, what their pain points are, the direction in which their business is growing, it's really hard to be a good partner to your customer.

Loving the customer is not just about meeting their immediate needs and obligations. That's a given. Loving your customers involves understanding your customer's customer till you finally get to the end user. In the context of Indian IT companies it is important that they understand the CIOs of American companies because they are right at the heart of the projects that are been executed. I must say that very few Indian companies understand the business, the processes, competition, products, challenges and threats of their customer's overall business.

If you stretch the notion of loving your customer to understanding the entire customer chain then you will have an idea of how much bigger the opportunities you can go after, how much greater domain expertise you can bring to these opportunities and how much competitive advantage you will have against your competitors.

The second key value to believe in is that the best strategy is in fact is in execution. Great ideas are important but most of them fail because there's too much focus on vision and not enough on execution. Even if you have all other attributes, in the end the great execution will be a great differentiator.

Cash is king

The third mantra for entrepreneurs who want to be successful is - cash is king. It's very easy to see your P & L statement and tell yourself that you are doing well. If you notice a roadside grocer how he successfully manages his tight budgets and tight margins you will see that it is not through P&L but through cash. This is also true for companies.

One of the features of a great company is that you have to survive long enough to become a great company. All companies run out of credibility if they have not managed their finances well. The focus of great companies has therefore been on the cash flow they are able to generate.

If in the first two or three years you are not able to generate significant amounts of positive cash flow it's time to rethink whether you have seized the right market opportunity, whether you have the right business model or whether you have a fundamental basis for long-term business. If you don't then it's better to cut your losses very early than prolong the agony.

Finally, you got to make your company a fun place to work at. You have to build a company where people working for you feel touched. A kind of company where you can get all their waking hours other than those spent with their families. A kind of company which is fun for them to come into everyday. It's amazing how very few companies are able to do this. In good times you may manage to offer this kind of work environment but when times get bad they will not be there unless they believe in the culture of your company. You should set this value right from the beginning.

Nothing can be more exciting than the whole idea of starting right from the scratch and the idea of taking risk and seeing that effort getting converted into an enterprise that can satisfy a lot of customers and a lot of employees.

Dr. Romesh Wadhwani is the founder and Managing Partner of Symphony Technology Group. Romesh was the founder and former chairman & CEO of Aspect Development Inc.

What's in a name?

Choosing a name for a product that goes on to become a brand has become a science even as generic names are making a comeback

by Harish Bijoor

What's in a name? Plenty. Particularly if it is a brand name you are talking about. And which name is not a brand name? A name, however popular by fame, unpopular by notoriety or even unknown by nativity and nature of use, is indeed a brand name.

What if William Shakespeare was actually christened Gopi Raju? Would it have made a difference? Yes! It would! And no, it wouldn't! The debate on the common name is endless! But the debate on the brand name is decisive. Brand names are important. And there is indeed a science in the art of naming a brand!

How do you name a brand then? And why is it so important?

A brand name is important, as it is an identity meta-tag that you recall with spontaneity whenever you want it recalled. The category is indeed irrelevant. What is important is the way the name sounds. The ease with which you can recall it, and indeed what the brand name represents in some unknown corner of your mind. All this is indeed individual and specific to the circumstance and the moment of time. Brand managers however strive to get the common denominator perfect.

Naming a brand is therefore a pretty technical subject. It is certainly not as easy as choosing something that you as a person like. A brand name demands much more secular piece of research and most certainly does not depend on the likes and dislikes of the brand manager and his immediate universe of consumers. The nether domains of the gut-feel of the brand manager play no part in it all as well!

A peep into the trends that have prevailed in the past will reveal a motley history of sorts. Let's look inwards at India itself. The oldest of India's brands, were of two types. One set were the ones, which were imported from the Western shores, which were indeed the precursors of the clearly distinguished brand effort. In came brands like "Sunlight" "Red Label" "Surf" and others of their ilk. Many of them were pretty basic in their meanings.

Many of the early 'desi' brands that made an entry either simultaneously or in the wake of these 'videshi' brands followed one of two tacks. The staid old guy followed in the steps of naming the 'desi' brand of Indian intent with a name that was as English sounding as possible. Remember, "Red Monkey Tooth Powder"? It could have been anything else! Naming a brand in English meant instant recognition and indeed instant levels of imagery-tags that put these brands in the league of those that came in through ships that traveled long distances to reach Indian shores.

The not-so-staid marketer of the 'desi' brand took a route that was different. He named the brand in the vernacular; he named the brand after the name of his favorite Gods and goddesses (many as they are), after the name of his first-born and indeed the name of his wife, mistress and anybody else of importance in his life. His view was simple. A brand name is a name after all! And what's in a name? "Lakshmi" Phatakas, "Hanuman", "Raju" Supari and a whole host of equally memorable and equally forgettable brand names.

And then came a generation that started understanding the significance of brand names. Managers of this art put in substantial amount of thought and a moderate amount of research into the process. Nice names happened thereafter. Short names. In came "Bru" which played on the generic word 'brew'. In came basic word plays like "Frooti"; in came the numeric brand names. Remember "77" the cola?

As brand managers and their many bosses grapple with the reality of the importance of the brand name, and as names such as "Alpenliebe" continue to fox the consumer in his quest for the easy sounding and the memorable brand name, the trend is changing again. The years of the 2000 series see a trend that is coming in again from the foreign shores.

Brand minds in the advanced brand world of the United States, the UK and many parts of continental Europe have realized that going back to the good old days of the generic brand name is indeed a wise thing to do. Generic brand names do indeed have instant recall and there are indeed positive memory-tags to literally everything generic and positive!

So there you are! Look around. "Orange" is not a citrus you love. It is a mobile phone operator! "Mango" is no the Indian delight, it is a brand! "Tamarind" is not the 'imli' in your dish. It is a range of shirts plugged for by Hrithik Roshan! The generic name is back! And with vengeance!

So run now and block all those brand name domains that will be in demand in the future. A "Potato" is still going, I hear. "Brinjal" and "Yoghurt" are still available, I hear!

Touché!

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

Walt Disney ate dog food

As Mickey Mouse turned 75 on November 18, 2003, it's time to see what hardships Walt Disney had to go through to create the most successful cartoon character of the 20th Century. It's indeed an inspiration for entrepreneurs not to give up when their business falls apart. Stephen Schochet, a popular animation artist, chronicles some of Walt Disney's difficult days.

Walt Disney's toughest days were when he formed his first animation company in Kansas City in 1921. He made a deal with a distribution company in New York, in which he would ship them his cartoons and get paid six months down the road. Flushed with success, he began to experiment with new storytelling techniques, his costs went up and then the distributor went bankrupt. He was forced to dissolve his company and at one point could not pay his rent and was surviving by eating dog food.

Walt created a mildly successful cartoon character in 1926 called Oswald the Rabbit. When he tried to negotiate with his distributor, Universal Studios, for better rates for each cartoon, he was informed that Universal had obtained ownership of the Oswald character and they had hired Disney's artists out from under him.

When Walt tried to get MGM studios to distribute Mickey Mouse in 1927 he was told that the idea would never work-- a giant mouse on the screen would terrify women.

Snow White and the Seven Dwarfs was sneak previewed to College Students in 1937 who left halfway during the film causing Disney great despair. It turned out the students had to leave early because of dorm curfew.

For the premiere of Pinocchio Walt hired 11 midgets, dressed them up like the little puppet and put them on top of Radio City Music Hall in New York with a full day's supply of food and wine. The idea was they would wave hello to the little children entering into the theater. By the middle of the hot afternoon, there were 11 drunken naked midgets running around the top of the marquee, screaming obscenities at the crowd below. The most embarrassed people were the police who had to climb up ladders and take the little fellows off in pillowcases.

Managerless organization
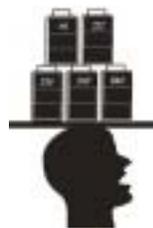
Did you know that more than 5,000 Mumbai dhabbawallas who work to near Six-Sigma standards have no managers? What's interesting is that they are a self-regulated organization. Do managers add a negative value?

Gulshan Grover's tantrum

India's Batman, Gulshan Grover is miffed that the advertising industry is cold towards him while the cricket stars make all the money. He picked adasia 2003 held at Jaipur, early November, to make his point. He even went up the steam engine turned bar and shouted to a 'mock' TV channel interviewer to catch the attention of the big guns who were there chilling out after a hard day's conferencing. He challenged the creative guys in the agencies to break the rules - the theme of the conference - to pick 'bad' Bollywood stars and make a success of their ads. Has anyone taken his cue?

Teetotaler boss
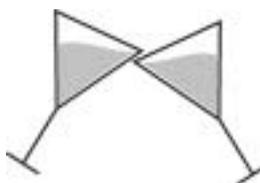
That executives can never grasp the local culture of their offshore partners fully is evident from this incident. Recently, four Indian executives went out to celebrate a deal with their Japanese partners to a bar in some small Japanese town. After the drinks were brought in the Indians couldn't wait and were almost half way through their first drink. To their surprise they found that none of the five Japanese guys who were with them had even started and that their beer was getting warm. When asked one of them pointed to the boss, who was a teetotaler and was busy with the menu. The Japanese culture requires that even teetotaler bosses have to raise a toast even if it's with a glass of water and no one can start before that ritual takes place.