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Is India ready for a native style of management?

The sharp decline of business ethics worldwide has woken up silent campaigners for a new style of management in India. Whatever the outcome, they have managed to bring spiritual issues to the forefront.

By Benedict Paramanand

When the chips were down, Djimon Hounsou invoked his ancestors' wisdom to win his freedom in Steven Spielberg's spellbinding film, *Amistad*.

In India, a growing number of management thinkers have started asking why very little is being done to draw upon the rich insights contained in our epics, such as the Vedas and Upanishads, to tackle pressing challenges. Although there have been tomes written by self-appointed management gurus on lessons that can be gleaned from the Indian epics, the issue seems to have caught the imagination of business leaders in India only recently.

Of late, few management seminars or interviews with corporate chieftains end without a question - 'If America and Japan can successfully pursue their style of management, why can't we in India have our own Indian style of management?

Fair question. But do we need one? Or is it too late in the day when globalization not only means accessing global markets but also adopting globally accepted ways of conducting business?

The debate has caught on with the revivalist group demanding creation of a distinct Indian style of management. The pessimists are however brushing aside the whole exercise as futile. But the moderates or pragmatists among them see Indian spiritual ethos playing an important role in global management thinking at a time when the entire ethical fabric of doing business is being re-woven following the recent scams.

Swami Bodhananda Sarasvati, founder of the Sambodh Foundation and spiritual head to several corporates, is spearheading the movement along with 'new-age' Indian management guru Arindam Chaudhuri. They believe that developing an Indian management style with Indian vocabulary is eminently possible. The Swami's institution is in the process of setting up a 'holistic management' institute in Bangalore for this purpose. "How to tap into our spiritual psychic talent to accomplish our economic and business goals is perhaps the most important question that we should ask today," says Swami Bodhananda.

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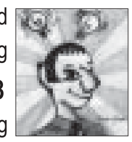

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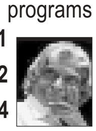

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To be an effective resource of information, knowledge and perspective to managers

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Swami Bodhananda is livening up the debate by not merely bringing in the spiritual angle into shaping management styles and thinking, he is also ruthless in his criticism of the Indian mindset towards work and leadership. He derides the Indian penchant for inaction in the name of achieving perfection. He says the Indian style of management should incorporate the philosophy of - "Don't work for happiness. Work as a happy person." This philosophy, he believes, will revolutionize the way people approach work and do business and will facilitate an explosion in creativity and innovation.

While Swami Bodhanada and many others strongly believe that Indian leaders can learn from the leadership styles of Lord Rama or Lord Krishna, critics like Prof Ramnath Narayanswamy of the Indian Institute of Management, Bangalore, feel that there are a lot of ambiguities in the interpretation and context in the Indian epics, which will show up. But he does not take away the importance of the spirituality in management.

The proponents of the movement are however not sure where and how to start this process at the ground level although the emphasis is on reengineering the self before taking the process ahead.

Some feel the Tatas, and, recently, the TVS group, exemplify a typical Indian style of management and there is no need to go anywhere else seeking role models. There are others who vehemently argue that the successful Indian business groups today are those that transformed themselves from an exploitative and staunchly hierarchical entities to those that are professionally run companies based on western management styles. That some have contributed to social philanthropy does not give them the credit of evolving a Indian style of management.

At a time when even Indian hockey had to adapt to European style of playing to survive senior executives give little chance to a full-fledged homegrown management style. But where the debaters seem to concur is that India can contribute in good measure to the universal quest for spirituality among managers. When existential dilemma is much too common, managers are beginning to focus on building a 'holistic personality' to muster spiritual strength to face material challenges.

But there are a few ultra pragmatists who believe that the debate about management styles is no longer relevant. Azim Premji, Wipro chairman, told a Management Review interviewer recently: "I find the debate on management style fruitless. I have found that people excel when they are provided a fair, free and apolitical environment. At Wipro we strive to provide an open culture, which encourages diversity of opinions. Operating as we do in a global environment, we try to bring in the best practices of our customers and associates."

Even if the evolution of a distinct Indian style of management is some years away, Indian managers are beginning to relate more closely with spiritual ideas in their work place than they ever did before. ●

Emotional Intelligence enhances leadership skills

Despite the media exposure and clear signs of popularity, many argue that EI still remains a poorly understood phenomenon in today's workplace. It is estimated that almost 90 percent of success in leadership positions is attributable to Emotional Intelligence (EI).

According to the Emotional Intelligence Homepage, EI has been around a lot longer than you think. The first traces of EI date back to a graduate student paper written in 1985 and further work carried out by two university professors in 1990. Since then EI has gradually grown in popularity and in 1995 even made the cover of Time Magazine!

Most of us have been conditioned to believe that emotions are not welcome in the workplace; that team and work decisions should be based upon cold, logical reason. True professionals, we're told, "leave their emotions at home." Yet leadership research tells us that the lack of interpersonal skills and the inability to adapt are the two principal derailment factors in careers. Today there is a growing body of science in the emerging field of Emotional Intelligence, indicating that proper understanding and use of emotions can be critical in helping us become more effective workers and better communicators.

What can be done to enhance EI at the workplace

- Prepare an assessment of your own EQ competence level
- Analyze your relationships with significant others in your work environment, and create plans to enhance those relationships
- Create an "emotional intelligence" map of your current team
- Create an action plan to develop more cohesive relationships with team members
- Explore your own ability to behave as a high performing team member
- Inventory your strengths and challenges as a leader and as a person
- Practice playing to your strengths and managing your weaknesses so that they become non-factors in your performance

Suggested reading: Primal Leadership: Realizing the Power of Emotional Intelligence by Daniel Goleman, et al

Azim Premji on how Wipro grooms its leaders

Wipro leaders develop a complete business perspective early in their career. Wipro leaders get early general managerial/CEO responsibility to get a good rounding, and exposure to all aspects of the organization: finance, (eg. P&L), operations (process, quality, cost etc.) and people perspective. This helps them develop the ability to see the big picture early in their careers.

The feeling of ownership is built through higher responsibilities early in the career. We strongly believe that strong ownership feeling and multiple opportunities lead to a passion for hard work.

Our leadership development program plays a major role in developing leaders. We have several life-cycle leadership programs like the Early Leaders Program, New Leaders Program, Business Leaders Program and Strategic Leaders Program, each being targeted at a particular stage in the life of a leader.

Finally, it is the self-confidence to stand up for one's view that builds entrepreneurial leaders. Our 360-degree feedback process helps personal development and builds confidence. Wipro is a meritocracy - competing with some of the best people builds tremendous confidence.

Courtesy: Management Review March 2003

CRM: Has it run its course?

What seems clear is that traditional approaches to managing customer relationships have run their course. For companies to break free, CRM needs to evolve as dramatically as the business context has

Has CRM, like other management ideas, gone out of style? Two CRM experts, John Freeland of Accenture and Robert F Lauterborn of the University of North Carolina have come in heavily on CRM, once acclaimed as the mantra for companies aspiring to build customer loyalty. Thousands of companies, in fact, have embraced CRM concepts and technologies during the past decade, often creating significant benefits.

Ironically, no one these days talks about what they have gained from CRM. It has, in fact, become a fashion now to talk why it has not worked. Accenture's experience identifies two principal reasons why customer relationship management may fall short of expectations:

- The disconnect between customer relationship management vision and execution: Too many customer relationship management projects focus on the mechanics, such as specific tools and single channels, rather than the ultimate goal: increasing the value of the customer relationship. At times, decisions about technology are made well before achieving clarity on customer strategy. In other cases, project execution is flawed, suffering from a lack of senior management support, poor project management or insufficient skills for completing the project, for example.
- The rising standard for customer relationship management excellence: The past decade was one of intense change and explosive innovation. New technologies emerged more frequently, disrupting the stability of entire markets.

Accenture, however, believes, that CRM is still one of the best strategies for growing revenue and increasing market share, and that CRM offers richer opportunities for developing the customer franchise and increasing brand value than most companies have realized.

New Guiding Principles

- Customer experience is essential to creating brand value: Strong brands and enduring relationships result from a consistent, satisfactory total experience with the company and all its products and services across all of its channels.
- Customer insight should inform and drive customer treatment: Every contact customers have with a company contributes to their perception of the company and either enhances or destroys economic value.
- Customer relationship management programs should be executed in a pragmatic way that mitigates financial and delivery risk: CRM is not about building elegant capabilities based on the latest software packages or serving customers at any cost.

Robert Lauterborn, in a recent article in Brand Equity, says that CRM requires a 180-degree shift in thinking. He calls for repositioning of marketing itself from a cost perspective to that of an investment. He insists on communicating with customers and not promoting to them - another 180-degree shift in management thinking that is required for CRM program to work.

For companies to break free, the practice of customer relationship management needs to evolve as dramatically as the business context has. Organizations will need to change the strategic focus behind their customer relationship management programs once more, adopting the new methods and tools required to satisfy a new set of customer expectations and competitive demands.

- BP

Pygmalion in Management

Limited expectations bring limited results, high expectations lead to exceptional results. This phenomenon is known as the Pygmalion Effect and it has been documented numerous times in both business and education. The good news is that you can teach your managers how to create the positive results of the Pygmalion Effect with their employees, improving productivity and morale in the process. It is now proved beyond doubt that the way we view subordinates can completely change the outcome of any given project.

The Pygmalion Effect can be understood better from scenes in the classic movie "Pygmalion," where individuals are transformed through the positive (or negative) expectations of another. The four ways managers transmit expectations to their subordinates - climate, feedback, input and output - are also depicted. They can pick up insights such as:

- Understanding how positive/negative expectations create self-fulfilling prophecies
- Developing the skills to positively influence subordinates
- Raising the expectations they have for their staff members
- Believing more in their own ability to positively influence and lead others

In no man's land

Equity analysts are passing through their worst period of identity crisis. For this tribe to thrive again analysis must become completely independent of the sell side with investors paying for research

By Shankar Vishwanathan

Equity analysts are prime time news these days. Sometime a boon, sometimes a bane for CEOs, CFOs, investors and authorities around the world, this intrepid tribe has recently been under attack for a less than rigourous analytical framework, for becoming a tool of their investment banking heavyweight colleagues (and real bosses?), and for ignoring conflicts of interests. The so-called Chinese Wall between investment banking and equity research has turned out to be a mere myth and Grubman and Blodget have become history..

While much of the criticism may be valid, it needs to be acknowledged that equity analysis, like any other forecasting activity, is a risky profession. It has been said that only brave and optimistic fools would want to be an opening batsman or a wicketkeeper, and one dare suggests that only a brave fool would want to be an equity analyst. Most equity analysts are bright and highly capable individuals who undertake the almost impossible task of predicting stock prices. There are far too many external factors out of the control of an analyst, to be able to consistently make the right call and to get all the assumptions right. Also, many analysts lack hard core corporate operational experience, whether in the service or the manufacturing industry, and this sometimes results in impaired judgements.

The sometimes messenger boy role of equity analysts will come to an end and fair disclosure regulations will put pressure on companies to communicate equally and democratically with all investors

While there are multiple divergent views, almost a cacophony, on the subject, one feels that the days of the buy side (i.e., the investor) depending on the sell side (investment bankers and brokers) for advice must come to an end. For equity analysis to survive in its current form and shape, it must become completely independent of the sell side, with investors paying for research.

This in turn will impact how companies communicate information to investors; the sometimes messenger boy role of equity analysts will come to an end and fair disclosure regulations will put pressure on companies to communicate equally and democratically with all investors. The internet offers the perfect medium for companies to transparently interact with all investors, institutional or retail; who could then pay the analysts for expert and independent judgement on what the company says and its ability to deliver and execute.

As this game plays out, equity analysts are caught in no man's land, do and be damned and don't and be damned. Will India follow Wall Street and the City, or lead?

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Don't value intangibles: Kaplan

To a question on any particular approach to valuing information Robert Kaplan, the guru of Balance Scorecard, told CIO: Many people, particularly accountants like myself, want to apply values to intangible assets like information. The Balanced Scorecard quantifies those assets but does not value them. I don't think you can value intangible assets in a way that puts them on the balance sheet. Their value is contingent on their connection to the strategy and their connection to the other tangible and intangible assets in the organization.

When an organization is successful, it's because everything has been lined up. You have the right information, you have the right people with the right training, the right process, targeted customers, the right value propositions-everything works. If any one of those was not in place, the strategy might fail, and you won't get results. In that situation, economists technically call that a joint product. I believe you can quantify the intangibles and measure their state of readiness and their capabilities. But I don't believe you can put a meaningful financial value on them.

Feeble economy is a feeble excuse

"Bad market." "The market is tight." "Poor monsoon and the entry of cheaper Chinese products have hit our profits." Such confessions are pretty common in the cocktail circuits as well as at press conferences in India.

Increasingly, however, managers will not be able to get away with such feeble excuses unless they choose to look naïve. This is because shareholders now have better and quicker access to information of the performance of their companies as well as that of their competitors.

On the contrary, companies such as Reliance, TVS, Wipro, BEL, TCS and Infosys have posted healthy profits even when the global and domestic growth and sentiment were bearish in the last two years. The list of the laggards will out number the successful ones by a factor of ten. What they have done to stay profitable sounds simple but hard to execute.

Successful companies have shown that in hard times they become less intent on making their products and more intent on selling them. And, that has meant being more thoughtful, not forceful. But more important, successful CEOs would say is to appreciate the fact that customers too are going through hard times and to do that with a big smile.

Globally, examples of companies that consistently beat the market sentiment abound. Successful Japanese companies such as Honda, Toyota and Cannon have staved off the worst, decade-old recession in Japan, to post profits consistently. That their big market is the United States should not take the credit away from them. They are perfect examples of companies that treat globalization as a counter-cyclical business strategy.

A recent *Economist* survey has found that these companies, along with Siemen's and Daimler-Chrysler have excellent logistics management in place and use scale intelligently. Also, these companies did not borrow mindlessly and diversified smartly.

That the consensus on the projected percentage of Indian economic growth varies between 5 and 6 percent should worry companies. But economic growth is one thing and managing market dynamics is another.

Cost of miss-hire

The opportunity for success and the risk of failure hovers over each individual chosen for your organization. Her or his impact will be shaped by the abilities they bring and by the screening process you have used.

Too often a miss-hire slips through a well-intentioned selection process. Studies estimate that within 18-24 months following entry, forty percent of all executives entering new positions will leave voluntarily, receive reviews that are unsatisfactory, or be terminated. Such failure isn't cheap. When a newly minted MBA turns over within that time frame, Fortune magazine has informed us the average cost to an organization is 150% of her or his base salary. When turnover occurs at a more senior level, Geoff and Brad Smart, authors of Top Grading report their studies indicate potential costs can rise up to twenty-four times base salary.

Remember, being a star in one organization is absolutely no guarantee the candidate of your choice will succeed in your's!

Why is it so costly? How can the cost be avoided?

"How To Hire For A World Class Organization" Don Andersson. http://www.anderssongroup.com

Accurate knowledge is not always useful

Kathleen M. Sutcliffe and Klaus Weber of the Harvard University ask: more information improves accuracy, and greater accuracy leads to higher performance, right? Not necessarily. New research reveals that too much precision at the top-executive level is actually a source of competitive disadvantage for most companies. Accuracy is important, but what really matters is how information is interpreted.

Are you winning the battle for talent?

You can't keep your customers happy if your organization is filled with people who are unhappy (or untalented). And if you want to fill your company with great ideas, then you have to fill it with smart people. Fast companies recognize both of these principles, which is why they treat the human element in business -- whom they hire, whom they promote, how they keep everyone motivated -- just as seriously, just as creatively, just as rigorously as they treat finance, R&D, or marketing.

That's one reason why IBM consistently outperforms its bitter rivals: The company is without peer when it comes to the science of effective motivation and savvy hiring. SEI Investments, a fabulously successful player in an entirely different business, has organized itself around a team-based, fast-flowing, ever-changing workplace that makes it remarkably productive.

These and other companies understand that the best way to win battles in the product market or the financial markets is first to win the battle in the talent market.

Two answers, one question

You get an agenda a few days beforehand. The agenda is promptly buried on your desk or in your e-mail inbox. A few days later, Outlook barks at you that the meeting is in five minutes. You hit "Dismiss" then try to find the agenda. You head down to the meeting, which is long and rambling. You leave the meeting, not sure of what you're supposed to do or what was accomplished.

Don Andersson, a management and leadership expert, told Network World that it doesn't have to be that way. He said that he breaks meetings down into three types: All Hear This; Show and Tell; and Make a Decision. Last time he examined the first two types: All Hear These meetings are for information sharing, and Show and Tell should really be avoided.

That leaves the self-explanatory - yet critical - Make a Decision meeting. First, Andersson says you need to clearly state the basis of the meeting, specifically, the question that needs an answer. Then everyone invited needs to invest time in some significant prework, "so they don't just come in and shoot from the hip," Andersson says. He advocates that everyone come to the meeting with at least two answers to the question at hand.

"Each person or subgroup should have at least two ways of solving the problem," he says. "The reason they need two is that if I only have one, I'm going to defend it to the hilt. If I have at least two I know there are multiple ways of solving the problem. Each way will have advantages and disadvantages, but having multiple ideas will stave off territoriality and defensiveness."

It sounds simple, yet it can pass as an ingenuous trick. Imagine going to your next Make a Decision meeting and

everyone arrives with ideas and suggestions, instead of elongating an already long meeting by thinking up- and shooting down- ideas on the fly. If attendees arrive with proposals, Andersson says they're already predisposed to thinking creatively about the project or problem. By having a series of plans on the table, you're free to spend the meeting time debating and finding the best solution.

Next time you're at a 'Make a Decision' meeting, charge the attendees to arrive with at least two answers to the problem or issue at hand. See how much smoother the meeting runs and more importantly, you leave the meeting with what you need.●

Are you built to change?

The only certainty in business today is that some crucial elements of your strategy -- the competitive landscape, your customer's expectations, the underlying economics of your industry -- will be different tomorrow. The half-life of a great idea, a new product, or a popular marketing campaign has never been shorter. That's why change itself has become a core capability in organizations that prosper over the long term. The best companies may look to the past as a source of inspiration, but they don't allow it to become an excuse for imitation. They look to history for continuity but not for repetition.

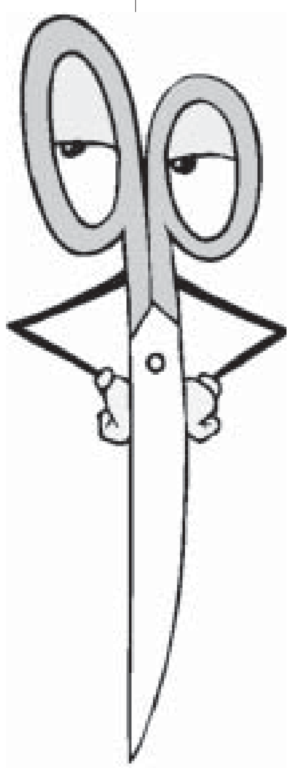
IBM and Microsoft have done masterful jobs of reshaping strategy, product offerings, and R&D priorities in the face of dramatically new circumstances -- from the explosion of the Internet to the surging popularity of open-source software to the mission-critical rise of Web services and e-commerce. The two companies are usually rivals, and they come at many business opportunities with different promises and products. But both have made radical (and often difficult) changes without dismantling their organizations or falling into a death spiral. Change, while far-reaching, has become a normal part of doing business.

No lay-off policy has winners

Southwest Airlines has proved that it's the people that make or mar a company. When the airline industry worldwide, particularly in the US, is in a shambles with tens and thousands of people retrenched, Southwest is booking healthy profits. CEOs who normally take the easy route during the downturn can pick up insights from Herb Kelleher

Southwest Airlines' chairman Herb Kelleher's success story is there for anyone, including competitors to see. During a talk at Wharton April 22, 2003, the chairman didn't say anything dramatic. Yet, his achievements have left most CEOs dumbfounded.

Kelleher's management principles are look plain - obsession with keeping costs low and treating employees well and a commitment to managing the company during booms with an eye to the busts that will inevitably follow.



Do that, Kelleher said, and most of the rest takes care of itself. "To be successful in business, you need a sense of historicity and futurity," he said. "What does that mean? Hell if I know, but it sounds good. Seriously, what I'm saying is, be prepared because the bad times are going to come. In our industry, it happened twice in the last decade. It happened twice in the decade before that, and twice in the decade before that."

"After Sept. 11, we didn't cancel any flights," he said. "We didn't furlough any employees." Southwest could do that because it had the lowest costs and strongest balance sheet in its industry, according to Kelleher. The Dallas-based company reported its 48th consecutive profitable quarter, earning $24 million, or 3 cents a share, up 14% from the comparable quarter a year earlier. Over the last five years, its shares have gained 67%, compared with a 61% loss for the Dow Jones Airline Index. The company, Kelleher states, has made money every year for the last 30.

Good treatment also translates into a variety of non-financial measures. The most important of them is the company's no-layoff policy. Kelleher says it ends up serving as a form of financial discipline because it prevents managers from hiring too many people when the industry is thriving. Having happy employees saves money, too. It has stemmed labor strife at Southwest, despite the fact that the airline is the country's most unionized. "Once labor leaders realize that you're trying to take care of your people, most of the edge [in contract negotiations] is gone."

Low costs have given Southwest its market niche - and its competitive advantage - of having US's lowest fares. And that, in turn, has created a phenomenon known in the airline industry as the "Southwest effect." Airports served by Southwest have lower average fares than those that aren't because other carriers feel compelled to match Southwest's fares.

Where's the conundrum?

If a CEO instills the right kind of culture, employees will work hard, too, at keeping costs low, Kelleher said. The tale points to the second reason why Kelleher believes his company has succeeded: its treatment of employees. "It's sometimes been held out to be a conundrum in business - 'Who comes first, employees, customers or shareholders?' We've never thought it was a conundrum. If employees are treated well, they'll treat the customers well. If the customers are treated well, they'll come back, and the shareholders will be happy."

At Southwest, treating employees well doesn't mean handing out big paychecks. In fact, the company's wages are lower than competitors. But the airline makes stock options widely available, so all employees - not just executives - can share in the company's financial success.

Southwest even has a policy that its officers receive pay increases that are no larger, proportionally, than what other employees receive. "And in bad times, we take reductions," Kelleher said. "Every officer of Southwest Airlines is paid less today than in 2001."

Southwest has never shied away from doing things its own way. Early on, this meant flying only Boeing 737 jets, so that every pilot, crew member and mechanic would be familiar with every plane in the fleet. Lately, it has meant refusing to let its fares be published on travel websites such as Orbitz, Expedia and Travelocity. Southwest doesn't want someone else to control its distribution of tickets, Kelleher said. Plus, "Orbitz is a consortium owned by our competitors. And they do charge for it; it ain't free."

But he points out that for carriers to make money on lower fares, they will have to lower their costs. And that may prove difficult. After all, the airline business is one of the toughest in America. It's capital intensive because planes are expensive. It's labor intensive and requires highly skilled workers. - **BP**

Use the compass not the map

A campass helps leaders face the unknown better

By R Gopalakrishnan

In a climate of uncertainty, leaders look for maps to get from one place to a target destination. Psychologist Karl Weick has pointed out that maps can help in known worlds, which have been charted before. Where the world has not been charted, the compass is required, he argues, because amidst uncertainty, it gives you a general sense of direction. One needs to rely on one's instinct to move ahead. The problem in India is that leaders don't want to lead because they are afraid of facing too many hassles.

The homing pigeon is unique in that it has a sense of direction (compass) as well as a sense of location (map). Jonathan Hagstrum, a researcher at the US Geological Survey, has postulated how. Pigeons can hear very low frequency sound, called infrasounds. When the ocean waves bang against one another, infrasounds are generated. Infrasounds travel thousands of miles from their sources, so the pigeon always has a sense of where the ocean is. These infrasounds also reflect from the local terrain like mountains and cliffs, so the bird gets an excellent acoustic picture of its surroundings. This is what makes the pigeon's compass and map sense so unique.

On Sunday, 29th June 1997, a great race was held to celebrate the centenary of the Royal Pigeon Racing Association. More than 60,000 homing pigeons were released at 6:30 a.m. from Nantes, France flying to lofts all over Southern England. They should have arrived at their lofts by early afternoon. They didn't. A few thousand out of the 60,000 straggled in over the next few days. In pigeon racing terms, this was a disaster. What happened? Hagstrum found that at about 11 a.m. when the pigeons were crossing the Channel, a Concorde airliner was flying along the Channel. A supersonic airliner generates a shock wave down towards the earth, almost one hundred miles wide. Most of the birds must have been caught in this shock wave. This prevented them from listening to the infrasounds which guided them, thus they lost their bearing and their way. The most important requirement for a leader, therefore, is not to get caught in a shock wave that prevents him from sensing.

Leadership is about change, and change can be technical or adaptive. When organizations face problems for which solutions are known i.e. maps are available, then the bosses set out to do the work and they do so by applying available current know-how e.g. structuring an acquisition or merger. This kind of leadership is somewhat safe. However, organizations also face large issues for which there is no ready solution. The solutions have to be discovered through adjustments and experiments e.g. consummating an acquisition or merger through the people in the organizations. In this situation, adaptive change is required which means the grassroots people with the problem have to do the work by learning new ways. This type of leadership is risky; change appears dangerous to people because they confront loss or challenge to lifetime beliefs. The leadership challenge is to disturb people, but only at a rate they can absorb.

Work closely with opponents

To survive and succeed in exercising leadership, you must also work as closely with opponents as you do with supporters. In fact, opponents deserve more of your attention not only as a tactic of strategy and survival but also sometimes as a matter of compassion.

Many leaders are excellent thinkers. They develop the correct visions, often grand ones. They go public with their thoughts or even launch their initiatives in the hope that somebody will dot the i's and cross the t's. Then too late, they notice a gap between what they want to achieve and the ability of their organization to achieve it. Strategies often fail because they are not executed well, not because they are bad strategies.

While strategy thinking has been recognized and taught as a discipline, strategy execution has not. Top management knows deep down that something is missing when commitments consistently fail to get delivered. They search and struggle for answers, benchmarking competitors, rationalizing the differences and looking for answers in the organizational processes, culture and structure. In the name of delegation and trust of subordinates, they fail to do persistent and constructive probing e.g. Where will the increased sales come from? What will competitors do? What if the economy takes a turn? And so on.

When a leader has sensed, thought and done a few things, signals for corrective actions and improvements emerge. Those have to be picked up, internalised and actioned. This requires the leader to engage his top team in collective learning.●

The author is the Executive Director, Tata Sons

Excerpts from the Bangalore Management Association Golden Jubilee Celebrations Talk, April 2003

Ideas and insights from research papers

CEO Succession Planing: Investors Reward it

Researchers Wei Shen and Albert Cannella studied investor reactions to a company's public announcement of an heir apparent for the chief executive officer.

The researchers identified heirs apparent as those who take the title of president and/or chief operating officer and who are at least five years younger than the CEO. They then examined the heirs' promotion to CEO or exit from the company between 1988 and 1997 among 400 companies reporting at least $200 million in sales at the start of that period. The investigators found that investors reacted

- Neutrally when the heir apparent was first appointed
- Favorably when the heir was finally promoted to be chief executive (compared with an unplanned CEO succession)
- Unfavorably when the heir left the firm before promotion
- Most favorably when the heir was promoted and the firm had been performing very well
- Most unfavorably when the heir exited and the firm had been performing very well

By implication, succession planning is viewed by shareholders as valuable, but a company's initial selection of a CEO heir apparent is on average a non-event. But later, investors do place a premium on an expected succession, especially if the company is doing well.

Identifying and mentoring an heir apparent is expected by stockholders to be good for a company's performance in the longer run. If investors are right, it points to the value of good succession planning, and that may be true for lower positions as well.

Note: Wei Shen and Albert A. Cannella, Jr., "Will Succession Planning Increase Shareholder Wealth? Evidence from Investor Reactions to Relay CEO Succession," Strategic Management Journal, 24 (2003), pp. 191-198.

http://leadership.wharton.upenn.edu/digest/index.shtml

Strategic Planning Processes in Chaotic Environments: How to Calm a Turbulent Sea?

This research examines the multi-dimensional treatments of environmental turbulence, strategic planning processes, and process effectiveness. In particular, it focuses on the need to scrutinize the relationship between planning and process effectiveness in various environmental contexts. This study analyses the planning-process effectiveness construct across two industries.

It also broadens the multi-dimensional treatments of planning and process effectiveness by adding the aspect of environmental turbulence into the equation. A large-scale survey was used to investigate the strategic planning process in a high turbulence (automotive) industry and a low turbulence (beverage) industry. The results show that firms stress different components and contextual elements in various levels of environmental turbulence.

Carolan McLarney, Dalhousie University, Canada

Organizational Environment and Information Systems

As business environment gets increasingly complex, organizations need to ensure effective utilization of informational resources for achieving their goals. This can be achieved when the climate of the organization is conducive to change. This paper suggests a 3-ring model comprising of ongoing processes to Adapt, Collaborate and Evaluate in order to establish such a climate.

The study of Indian automobile industry presented here shows lack of healthy environment for growth of IS/IT. The companies must reinvent themselves to reap benefits from the ever-increasing investments being made in information technology.

Kamna Malik, D P Goyal (IMT, Gaziabad)

Source IIMA papers

The Art of Growing a Company: An Entrepreneurial Monologue

This paper addresses the practical aspects of starting and growing a company and deals with the trials and tribulations of being an entrepreneur. Based on the author's own personal experience, he discusses the various phases that an entrepreneur goes through and the key issues to be focused as he/she plans out a new venture. The paper concludes with a discussion on the 'hard' issues of entrepreneurship - finance, marketing, technology, growth, etc.

Rajesh Nair (ILPL, Bangalore)

Source: IIMA

Growth Challenges of Software SMITs: A Strategic Analysis:

The paper takes a strategic management perspective, looking both 'outside-in' and 'inside-out' of the growth challenges facing small and medium IT (SMIT) companies. The authors begin by marking the factors that pushed the growth of the Indian software industry in the 90s and note that despite the abatement of the software 'wave' since the beginning new millennium, there are compelling reasons for SMITs to adopt growth as a strategic priority.

The authors look at the market not through the customary lens of the types of products and services offered but through its constituent buyer segments, their specific needs and their decision-making imperatives and processes.

K Kumar & Rishikesha T Krishnan, Management Review IIMB, March 2003

Going Beyond Motivation to the Power of Volition

Enterprises as varied as Micro Mobility Systems, ConocoPhillips and Hilti have discovered that motivating managers is not enough to activate long-term commitment. New research suggests that to go beyond motivation to the dedication that creates purposeful action requires a three-stage transformation: from intention formation to "crossing the Rubicon" to intention protection. Lessons from the research offer executives specific strategies for helping their managers make this journey.

Sumantra Ghoshal and Heike Bruch

Spring 2003, MITSloan Management Review

Scaling up Community-driven Development: The Theoretical Underpinnings and Program Design Implications

The Policy Research Working Paper Series disseminates the findings of work in progress to encourage the exchange of ideas about development issues. An objective of the series is to get the findings out quickly, even if the presentations are less than fully polished. The papers carry the names of the authors and should be cited accordingly. The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the view of the World Bank, its Executive Directors, or the countries they represent. Policy Research Working Papers are available online at http://econ.worldbank.org.

Hans P. Binswanger and Swaminathan S.Aiyar

World Bank Policy Research Working Paper 3039, May 2003

Developing First-Time Managers

One of your recently-hired junior managers is consistently under-performing. Now he's working on a presentation to management that has your name on it. Is it time to supervise him more closely--or to give him room to make his own decisions?

Developing new management talent is a critical managerial skill--invaluable for the newcomers, critical to the organization, and essential to your own career advancement. Good direction and mentoring can launch great careers, while lack of attention or the wrong techniques can hinder your managers' career growth, as well as your own.

The Developing First-Time Managers Collection will help you master the skills proven to be most effective in developing new managers. It combines interactive real-world learning on CD-ROM with practical insights and advice from "Harvard Business Review" and Harvard Business School Press.

Why Leadership-Development Efforts Fail

Large investments in leadership development often do not pay off because of what the authors identify as three pathologies: the "ownership is power" mind-set; the tendency for leadership ideas to be treated as undifferentiated products; and the focus on metrics that don't link programs to business results. The authors explain how some companies, such as IBM, have successfully avoided these diseases.

Douglas A. Ready and Jay A. Conger. Spring 2003, MITSloan Management Review

Why Hierachies Thrive

Horror stories about hierarchies abound. Yet just about every human Organization is--or becomes--hierarchical. Here the author explains why hierarchies persist, despite regular predictions of their imminent demise, and how to make sure they don't become toxic to your organization.

Harold J. Leavitt. http://hbspalerts.harvard.edu

Big Picture: What Becomes an Icon Most?

Every company wishes it could turn its brand into an icon--a symbol consumers identify with and celebrate. A close look at one great icon, Mountain Dew, shows that the process of creating one isn't random, but neither does it look like conventional marketing.

Douglas B. Holt. http://hbspalerts.harvard.edu

Hiring and Keeping the Best People

Offers managers a clear understanding of how to hire more effectively and increase retention, covering topics such as recruiting the right people, cultivating the right culture, avoiding employee burnout, and calculating employee turnover.

http://hbspalerts.harvard.edu/

How Good Managers Cause Great People to Fail

Based on ten years of studying boss-subordinate relationships, respected researchers Jean-Francois Manzoni and Jean-Louis Barsoux show how supervisors can hurt the performance of their under performing direct reports through micromanagement and excessive control, taking a heavy toll on productivity, morale and, ultimately, organizational results. Through hundreds of interviews with bosses and perceived under performers, the authors expose the mental biases on both sides that fuel this dynamic--and how it can be interrupted or prevented altogether.

http://hbspalerts.harvard.edu/

Are CEOs doing enough to ensure business continuity?

A slew of recent corporate scandals, WTC attack and Sars have brought the neglected subject of business continuity to center stage. How prepared are the companies or are they waiting for the threat to show up at their doorstep?

By Carol Metzker

How many managers wake up one morning and announce, "We're anticipating a crisis at noon today. So let's put together our contingency plans by 11:00?" Not many, I'll bet. Crises are unexpected and unpredictable, so the best defense against them is proactive preparation.

Yet, many companies do not have a written crisis plan in place. They cite a number of reasons: lack of time to prepare a plan, concerns that a written plan could not cover enough or different eventualities, or that information changes too rapidly to put it in writing, even lack of management interest in such a plan.

An event doesn't have to be the magnitude of a large-scale earthquake or war with a neighboring country to disrupt operations, reputation or stock price. According to Rick Honey, vice president of investor relations and corporate communications at Minerals Technologies Inc., a specialty mineral product developer based in the U.S., a corporate crisis is "an event, series of events or set of circumstances that significantly affects or threatens to affect the company's business, employees, properties, communities, environments or reputation."

Every company needs to take steps to know how to respond to the crisis and to communicate the same to stakeholders. Plans for both crisis management and communication go a long way in minimizing the impact and in getting the company on track again. The adage, "an ounce of prevention is worth a pound of cure," still rings true.

Why Plan?

Crisis management plans are critical. While it's nearly impossible to address every potential crisis, the existence of a plan makes clear the steps required to develop an appropriate response, through whom and the company will communicate the issue to the public.

Wipro Limited, a large-cap global information technology services company based in Bangalore, has set out their "Plan B" in the event of power loss, communication links or computer systems due to war or any other crisis. And they take their business continuity plan a step further. Their plan is posted on the company's website. "Our shareholders expect us to have a business continuity plan in place," said Jaganathan, corporate treasurer of Wipro. Communicated to shareholders, clients and employees, the plan boosts confidence that Wipro is prepared for any eventuality, he added.

With luck, most companies will never need to activate their crisis response and communication teams. But since most crises are unpredictable, companies need written and agreed-upon guidelines, preparation that includes periodic drills or simulations, and training for communication and awareness. In the words of Honey, "Crisis management is every employee's concern."

A Checklist

Not sure where to begin to develop a plan? While written crisis plans aren't "one size fits all," you can begin with the following list of questions to create a business continuity plan that works for your company or division

- How do you define crisis? Does your company's threat perception include: natural disasters, staff reductions or accidents, accusation of criminal behavior, product failure or criticism, safety issues, service outages, Internet rumors or other challenging situations?
- What are your objectives? Are procedures in place to prevent panic, maintain credibility and employee morale, protect the community or environment, put business growth back on track, etc.?
- Who are your target audiences - Who are your stakeholders? Employees, government, regulatory agencies, the press, neighbors or community members, customers, investors and others?
- Who should be notified? In what instances or what type of crises? What are the telephone numbers (home, office and cell) for people pertinent to executing the crisis plan?
- Who is on the crisis management team? What are their guidelines for responding to a crisis? Who has authority over what areas and under what circumstances? If one member of the team is unable to fulfill their role, who will assume those responsibilities?
- Who is the designated spokesperson? Who is authorized to speak on behalf of the company, to whom and under what circumstances? What sort of approvals is required before giving information to the media? What training is necessary?

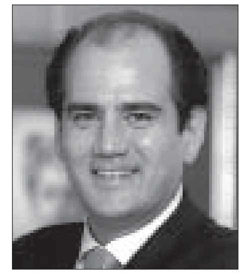
When a crisis hits, it's hardly the time to start from scratch to plan your business continuity. So pull out pen and paper and start today!

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

Say no to cookie-cutter approach

When a company operates in different cultural and social domains enforcing a single management style is counterproductive. Good leaders quickly figure out what works well in a given context

By Eric Swanson



"I like to race sailboats out of Marblehead Harbor. Every time I go out on the water, I am struck by the fact that we all race the same boats with the same number of crew in the same weather conditions. But one crew always manages to win. Why? Because their captain understands that the ability to lead and inspire a team make the pivotal difference in sailing…. and the same is true in management."

Prof. Robert H. Hayes, Harvard Advanced Management Program

Over the years I have witnessed some of the best and mediocre business minds in action. Both have had an impact on my management style as it has evolved today. Beginning my career with The Ritz-Carlton Hotel Company as an executive committee member at 26 put me into contact with some rather different management styles. The order of the day at Ritz was to emulate the style of the founder and president.

He was tough, demanding, relentless in his pursuit of excellence, and demanded loyalty above all else. Style is the leadership approach of top management and the organization's overall operating approach. Although one or two leaders of the organization may set the style, it is used here to refer to the general behavior patterns of management team members. For example, how do managers spend their time (in meetings versus walking around the office)?

Effective leadership demands a delicate balance between sensitivity and authority. However many managers fail to establish sufficient balance to make the equation work.

The president's approach at times was dictatorial - I am the boss, I know what is best - kind of an attitude. You do the way I say you should do it. I don't tolerate suggestions, questions, or feedback. By functioning as a dictator, he failed to build, nurture, and leverage the power of teamwork. Looking back, this was critical to the early success of the company.

My career has taken me to many countries in Asia, Europe and the Middle East. Being a successful leader means that one must adapt their individual styles to suit the existing situation. However this does not mean that the leader must adopt the cultural nuances in order to be successful. Because management styles change all the time, it is important to understand that what worked for you when you were looking for someone to lead you is probably not the way you should be trying to lead others in a new era characterized by a completely different business and cultural environment. Good leaders lead by rewriting the rules of their leaders. In other words, the "cookie cutter approach" to management does not work. If you want to be a leader, you have to be adaptive.

I have noticed that the Asian management style is strong yet gentle. Managers earn respect by demonstrating a determination to engage the organization forcefully to achieve their objectives. This requires flexibility and courage as opposed to brute force. You must be strong in confronting the obstacles to success when they are identified in superiors, subordinates, the corporate structure, or your own shortcomings.

Paradox of empowerment

Effective leadership demands a delicate balance between sensitivity and authority. However many managers fail to establish sufficient balance to make the equation work. They operate under the wrong internal message, which tells them to be either laissez-faire or overly controlling. The laissez-faire manager—isolated, detached, and benign—creates more problems for themselves and the business than the autocrat they are determined not to be. Ironically, what appears to authorize an exceptional level of personal freedom and flexibility turns out to be a trap. Call this the paradox of empowerment!

I have always understood that people need to work within a framework of boundaries and ground rules. This provides a context for mobilizing their skills and energies in pursuit of personal and collective goals. In India I have adapted my style to include a blend of the best of management styles, never loosing sight of who I am and my personal value system. Most importantly, successful leaders continuously improve their models by engaging in a perpetual process of interactive learning.

I believe that there is nothing called the best management style. The secret of a good leader is to figure out what works best in a given context.●

The author is the General Manager of The Leela Palace Bangalore

Emotional Intelligence at Work

A form of social intelligence that involves the ability to monitor one's own and others' feelings and emotions, to discriminate among them, and to use this information to guide one's thinking and action.

Defrag Technology

New clientless defragmentation servers can deliver improved end-user productivity; faster, more trouble-free system operation; and decreased support overhead, all with minimal disruption to IT infrastructure. It is supposed to produce a faster return on IT investments.

Corporate Dysfunction

"Our industry is in upheaval but our people don't recognize it, or won't do anything about it." In essence, they're all asking the same question: "Why is it that everyone agrees, but nothing changes?" Many companies suffer through this, and curing it could mean the difference between achieving a superior performance and red ink on their books.

Tipping Point Leadership

For organizations struggling to remake themselves, the key is to reach that critical point where performance improvement feeds on itself. The key is how you can produce extraordinary change and bring your organization to the tipping point--even when time and resources are tightly constrained.

Responsible Creativity

Where companies reassure risk-averse employees that their company makes innovation safe, but when people come with hot ideas, demand to know what they entail - costs, risks, manpower and time.

Spiritual Intelligence

Ability to see a sense of order in a world of disorder

Silent Commerce

This term is used for ordinary objects that are made intelligent and interactive. Imagine if your products and equipment could tell you where they are and how they 're being used. Imagine that the components and products you buy or sell carried a unique identifier that would enable real-time authentication with 100 percent accuracy. What if you could reduce theft by knowing exactly when and where your products were disappearing?

Mind of the Market

The complex interplay between consumer and marketer thinking that determines the fate of every product launch.

Knowledge Discovery Tool

Researchers at Accenture Technology Labs have developed a Knowledge Discovery Tool, a knowledge integration application that probes the most current, pertinent data repositories and displays knowledge as if stored in a single, holistic database. The Knowledge Discovery Tool goes beyond basic search engines by enabling users to find relevant materials and links that they never knew existed. Then it identifies and introduces parties with similar research interests and connects them in a chat room where they can share findings.

Open Innovation

Open innovation unlocks the latent economic value in a company's ideas and technologies. It is the new imperative for creating and profiting from technology.

Disruptive Technologies

Seemingly benign innovations often disrupt entire industries and industry leaders consistently lose out to the upstarts, even when the disruptive innovations come from the leaders' own labs.

Bottom-Feeding

Bad customers aren't all bad, as some smart organizations are discovering: Instead of weeding out buyer segments that don't traditionally bring in the big bucks, these bottom-feeding companies have revamped their business models to turn a profit from other people's pariahs.

Customer Equity

"Customer Equity" is the first book to provide a unifying framework and practical tools for measuring customer value--the potential profitability of each customer to the company--as a financial asset

Micro Modeling

Micromarket modeling offers a set of tools that combine local-customer segmentation, capacity analysis, and financial modeling to provide more robust insights for managers of distributed service networks. These tools improve performance at all levels of the network: at the individual service locations, within local or regional markets, and, ultimately, across the overall network.

360-degree Insight

This insight allows companies to understand the relationship of costs to employees, profitability to customers and products, marketing strategies to sales success rates and much more.

CORBA

The Common Object Request Broker Architecture, is the Object Management Group's answer to the need for interoperability among the rapidly proliferating number of hardware and software products available today. Simply stated, CORBA allows applications to communicate with one another no matter where they are located or who has designed them, providing networking transparency. SunSoft's JAVA provides a portable object infrastructure that works on every major operating system, providing implementation transparency.

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

How to build a Knowledge Corporation

The success of TVS, Dr Reddy's and Samtel is because of their sharp strategic focus

By Prof. Rishikesha T. Krishnan

Today, every industry is considered to be a 'knowledge industry' and being able to create and use knowledge effectively is considered essential for competitive success. However, for Indian companies, putting this into practice is a challenging task as they face constraints due to the administrative heritage of their organizations or to features of the environment over which they have little control.

Thanks to prolonged dependence on borrowed technologies, Indian companies often lack the confidence to create and use knowledge of their own. Until recently, they also lacked role models to whom they could turn for ideas and reassurance. Scarcity of resources made managements reluctant to try out new things. Efforts at capturing organizational knowledge were sporadic and often hypotheses were not verified and validated before being classified as knowledge for use in the organization.

Key insights from relatively junior members of the organization were likely to be missed out because of multi-level hierarchies in organizations, even though these employees are often the ones closest to customers and new technologies. Seeing that most power and authority were linked to position in the hierarchy, organizational members sought managerial roles even though they are better suited to technical or functional roles. Top managements have been reluctant to disturb the status quo, fearing loss of control. Though, in public, they have frequently asserted the importance of people assets, in private they try to build "people independent" corporations.

Fortunately, all this is changing, at least in some prominent corporations. The startling success of the 110 cc, 4-stroke motorcycle, the Victor is not an accident. It is the happy outcome of the TVS Motor Company's effort to build a knowledge corporation. Right since the late 1970s when the first version of the TVS50 moped was produced, the top management has displayed a strong commitment to product development and innovation. They unequivocally demonstrated their confidence in internal capabilities by breaking their joint venture with Suzuki and by investing in a new plant at Mysore to expand volumes of new products.

Internally, the organization has focused on implementing the Japanese philosophy of Total Quality Control with great success leading to the company being the recipient of the prestigious Deming award. At the same time, the company has used external consultants in those areas where it lacked competence and made a concerted effort to absorb these new skills in the company. Failure has not deterred the company, instead they have used failure as an opportunity to learn - e.g. the failure of Spectra due to its high cost and lack of clear value proposition made the company strengthen its focus on costs (target costing, value engineering, supplier involvement) and key differentiators (choice of power or economy mode literally at the click of a switch) in the development of the Victor.

A clear pattern emerges when you look at TVS in conjunction with other companies like Dr. Reddy's Laboratories (DRL) and Samtel Color that have been successful in building knowledge corporations. Given the resources and attention required to build knowledge-based competencies, a sharp strategic focus is essential to build a knowledge corporation. Just as TVS is focused on two wheelers, DRL limits its activities to certain therapeutic domains and Samtel to the display technology industry. In all three companies, the top management is strongly involved in, and committed to, internal efforts in developing new products and technologies.

All the three companies believe in learning by doing, support multiple initiatives, are open to external inputs and collaborate with others when necessary. However all these efforts are coordinated internally. These companies prefer to use independent consultants who are less expensive and more likely to share tacit knowledge with people in the company. They share a systematic and step-by-step approach to capability development.

Realizing that the success of this is largely dependent on people, they have built a loyal cadre of committed employees by giving them challenging tasks, good facilities, competitive remuneration and, importantly, fair and transparent treatment. In the future, acquisition of specialized technology companies will be another important means of gaining access to technical knowledge - Samtel has shown the way by acquiring a German specialty display tube manufacturer.●

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"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

TI Cycles: New Product Strategy (A)

TI Cycles, a leading bicycles manufacturing company from Chennai, has turned around after a series of measures initiated by Ramkumar, vice president, in improving the efficiency of the shop floor and building a performance-oriented culture. On the competitiveness front, however, the company continues to lag behind Hero Cycles that has been offering competitively priced 'standard' cycles. TI Cycles continues to have its head start in the 'specials' category but the competitor is catching up. The overall demand for cycles is expected to grow at a steady pace. There are differences in the demand prospects in the urban, rural, 'standards' and 'special' segments of the bicycles market. Ramkumar, and K K Paul, general manager (marketing), of TI Cycles are required to think through the options before the company and develop a strategy for accelerating its growth and enhance its competitiveness.

Mukund R Dixit, Abhinandan K Jain (IIM, Ahmedabad)

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

R&D comes to services: Bank of America's path breaking experiments

Unlike manufacturers, service companies have traditionally lacked rigorous processes for innovation. Service development, as a result, has been a haphazard affair--sometimes it has worked, often it hasn't. But by turning branches into laboratories for testing new ideas, Bank of America has shown that with deep discipline, innovation in services can be achieved--and produce rich results.

http://hbspalerts.harvard.edu

Gujarat Cooperative Milk Marketing Federation

GCMMF is a farmers' cooperative in India marketing the dairy products of the milk cooperatives in the State of Gujarat. It has been a successful enterprise, and its flagship brand Amul has become one of the best recognized brand names in India. Due to supply side difficulties thanks to the growth rate in milk procurement hitting a plateau, and intensified competition in the dairy products, GCMMF is considering diversification into processed foods such as juices, jams and sauces, possibly leveraging its name and brand image. The case describes the history of GCMMF, and the characteristics of the dairy as well as the processed foods businesses.

The case also describes the organizational parameters of GCMMF to enable an assessment of its strengths and weaknesses. It ends with the question of whether to diversify, and if so, the implications; and if it does not, what it should do about its milk business.

This case was prepared by Prof. S. Manikutty of the Indian Institute of Management, Ahmedabad for classroom discussion rather than to illustrate effective or ineffective handling of an administrative or business situation.

Source: Asian Case Research Journal December 2002 www.worldscinet.com

Vision-driven organizational culture

Hi-tech Communications Limited (HICOM) is an Indo-US joint venture between Communication Limited and Hi-tech Network System, incorporated in India in 1992 to provide satellite-based value-added business communications in India. It began providing satellite-based communication services in 1995. This case explores the leadership challenges and some of the organizational issues while the leader attempts systematically to develop a vision-driven strong organizational culture through various intervention mechanisms in HICOM. It is based on observations and a series of interviews conducted by the first author with the employees to explore their perceptions and feelings about the HICOM culture as experienced by them.

ABINASH PANDA and RAJEN K. GUPTA Management Development Institute Gurgaon; , E-mail: abinash@mdi.ac.in; E-mail: rgupta@mdi.ac.in.

Source: Asian Case Research Journal December 2002 http://www.worldscinet.com

How to take on a monopoly

Dainik Bhaskar, a Hindi newspaper, after achieving leadership in Madhya Pradesh, a central Indian State, is looking for growth opportunities. It is looking at the Hindi Belt and has identified Jaipur as the market to enter. Rajasthan Patrika dominates Jaipur with about 80% readership share. Dainik Bhaskar uses market research to understand and reach the readers and starts with a confirmed circulation. Within a very short time it has overhauled Rajasthan Patrika.

The case addresses the issue of identifying opportunities for growth by a language newspaper. It is unique because never before had a Hindi newspaper, and for that matter any language newspaper, gone beyond its stronghold. The case is also valuable because it indicates the detail that a company needs to bring into its marketing plan when fighting a long established competitor in a "habit" based product.

The case describes the process that Dainik Bhaskar adopted for analyzing the potential in the identified markets and then choosing Jaipur as its target market. The innovative use of research to not only understand the readers but also lock them in for a long enough period to keep competition at bay is another aspect of the case. It is an instance where for the first time in India, a newspaper was launched with a confirmed circulation. The case is also unique in the sense that the launch was carried out without the support of the main daily, Rajasthan Patrika, as it was the main competitor. The case brings out the importance of following up a launch for sustaining leadership.

The case is useful in discussing the development of marketing strategies when tackling a monopolistic situation. The case can be used in marketing classes for bringing out the issues of growth, competition, product design, research, and market identification.

Professor Piyush Kumar Sinha of the Indian Institute of Management, Ahmedabad, India and Kunjesh Pariher of Navabharat Times, Madhya Pradesh, E-mail: pksinha@iimahd.ernet.in.

Source: Asian Case Research Journal December 2002 http://www.worldscinet.com

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The Employee Ownership Experience at Hot Dog on a Stick

Dave Barham, founder of Hot Dog on a Stick, was a charismatic visionary, who understood the value of treating people to an experience as opposed to a service. Before he died in 1991, Barham decided to give something back to the employees who helped build this popular eatery.

By Melinda Maas Gaffney, Beyster

http://www.fed.org/onlinemag/may03/profiles.htm

Lastminute.com

Founded early in 1998 Lastminute.com has come to epitomize the spirit of enterprise and adventure of today's Internet society. The simple but brilliant idea of matching last minute sellers with last minute buyers has created a virtual market where buyers are found for perishable items such as airline seats, hotel rooms, holidays and restaurants. The Internet represented the perfect distribution platform for the company's service with its inherent characteristics of speed, directness, and responsiveness.

The Problem

Last minute deals are a great idea but the principles of 'where and when' are even more prescient than usual. It's great to find a half price theatre ticket, but it's of little use to me if I'm based in Pimlico and the ticket is for Aberdeen. In fact most of lastminute.com's deals are location dependent. This presents an added layer of complexity in finding the right deal for 'me'. This takes time in an environment where time is inherently in short supply.

The Solution

Lastminute.com perhaps represents the perfect need for spatial enablement of an Internet database - where time is of the essence and location is paramount. Through whereonearth's location infrastructure lastminute will direct users to deals that not only match their interest criteria but which are also logistically practical. Also it enables lastminute to aggregate deals that may be complementary and of interest as part of a tailored deal package.

Key Benefits

- Faster searches gives valuable extra time for last minute deals
- Reduces cancellation rate due to fewer over ambitious deals
- Improved user experience - more relevant searches
- Up rated conversion rate through fewer missed opportunities
- Improved targeting for lastminute content providers
- Higher customer return and retention rates

Decision criteria

An important requirement for lastminute.com was the ability to show experience in implementing a similar system elsewhere. Our proven work with Yahoo! and Virgin Net gave them cause for confidence. They are also keen to spatial enable their whole site so our global, scaleable solution with its sound development strategy was another decisive factor.

Source: www.whereonearth.com

Marks & Spencer

Facing intense competition, global retailer Marks & Spencer (M&S) decided to turn its already strong customer service operation into a highly efficient system that responds more quickly and effectively to customer needs. An innovative Accenture solution helped M&S transform operations at its Head Office Customer Services call center.

M&S Head Office Customer Services now has powerful, fluid capabilities that enhance the way the company serves its customers. Each agent knows a customer's M&S history as they answer a call. Customer inquiries are resolved consistently, completely, accurately and fast-and at the first point of contact.

The system is tuned to sub-second response times on all screens. With one enterprise-wide system, M&S now has:

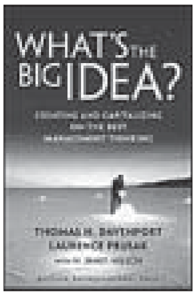
- Historical tracking of all customer contacts.
- A single view of customer information.
- Shared customer information across call center operations.
- Quick resolution of and reporting on service issues.

Call handling and work processing times are shorter, lowering operating costs. And with workflow and skill-based routing, agents can efficiently provide high quality, personalized customer service. In this era of "customer economy," the new call center system is one way for M&S to enhance and extend its tradition of world-class customer service.

Source: www.accenture.com

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

What's the Big Idea?: Creating and Capitalizing on the Best Management Thinking



Laurence Prusak , H. James Wilson , Thomas H. Davenport

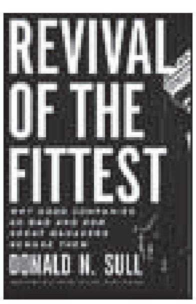
HBS Press Book, April 2003:

Today's organizations face an onslaught of new management ideas from the fast-growing "business advice industry." Managers must determine whether to adopt an idea aggressively and risk fad-surfing or to sit on the sidelines too long and risk stagnation.

The authors of *What's the Big Idea?* argue that new business ideas can both improve organizational performance and bolster a company's image as an innovative leader.

The key is choosing the right ideas to implement--at the right time for a specific organization. Drawing from decades of consulting, academic and business experience, and their novel study of more than 100 "idea practitioners"--individuals who introduce and champion new ideas within organizations--the authors provide practical tools and frameworks for understanding where new ideas come from, evaluating which ideas are worth pursuing, customizing ideas to suit an organization's unique needs, and more. Encouraging managers to embrace the power of ideas while avoiding the hype that often accompanies them, this book is a pragmatic guide to the art and practice of new management ideas.

Revival of the Fittest: Why Good Companies Go Bad and How Great Managers Remake Them



Donald Sull, HBS Press Book, 2003

Much has been written about how companies can go from good to great, but the reality is that most companies go from good to bad--or worse--with only a handful ever returning to their former glory. Ironically, argues Donald N. Sull, corporate leaders sow the seeds of failure during a company's most successful times, when they make a set of commitments--whether to a core strategy, a key customer, or an innovative manufacturing method--that constitute the company's success formula.

Managers become so married to the formula that they can't divorce themselves from it when the next wave of change comes--a phenomenon Sull calls "active inertia." Based on extensive research into successful and failed transformations in many industries, Sull unveils a new model for effecting change that centers around transformational commitments--specific actions that help eliminate status-quo behaviors in five areas: strategic frames, relationships, processes, resources, and values. He introduces practical tools that managers can use to diagnose and fight active inertia and to choose--and successfully implement--the right commitment for the right dilemma.

Narratives from the Women’s Studies - Recreating Knowledge

Edited by DEVAKI JAIN Founder-Director, Institute of Social Studies Trust, Panjab University, Chandigarh. Published in: 2003; Pages: 356; Imprint: Sage India; Price Rs 350

This unique volume brings together the personal accounts of 17 scholars and activists who have initiated and/or nurtured centers for women's studies. The heterogeneous group represented here covers the entire range of the women's studies' family in India. The contributors highlight the inroads that women's studies has made to the knowledge base in the social and material sciences and where it has inspired a shift in policy or a change in curriculum.

Purple Cow: Transform Your Business by Being Remarkable

Seth Godin, Format: Hardcover, pp, Publisher: Portfolio,2003, Price: $15.96

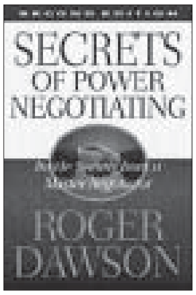
The one and only time I offered a money-back guarantee was with Lou Gerstner's story of the IBM turnaround, Who Said Elephants Can't Dance? However, I just finished a book that is so powerful, it is compelling me to offer the same money-back guarantee again! The book is Seth Godin's latest, *Purple Cow*. It is absolutely laser-focused on a subject that is near and dear to all of us: how to sell/market our products. The title comes from a story Seth tells about when his family was traveling in France and marveling at the pretty cows. After awhile, there were so many cows that they became boring.

This brought to Seth this idea: "A purple cow, though. Now that would be interesting. (For a while.) The essence of the Purple Cow is that it must be remarkable." To help you understand what he means by remarkable, he states that the opposite of remarkable is "very good." Not bad or mediocre, but very good. He states that he doesn't think that there is a shortage of remarkable ideas; he thinks that what is missing is the will to execute the ideas. He says:

"My goal in Purple Cow is to make it clear that it's safer to be risky-to fortify your desire to do truly remarkable things. Once you see that the old ways have nowhere to go but down, it becomes imperative to create things worth talking about."

Order books @: www.1800ceoread.com

Secrets of Power Negotiating, 2nd Edition

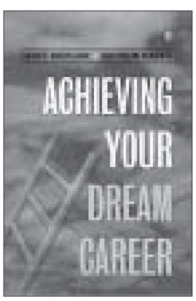


Roger Dawson, Penguin India, 320 pages, List Price: Rs 275.00, Published : May2003

Inside Secrets From a Master Negotiator

Are you a power negotiator? Master negotiator Roger Dawson shows you how to make the most of all your negotiations in the new paperback edition of his classic Secrets of Power Negotiating. This Second Edition has been completely revised and updated to reflect the changing dynamics of business today. Readers learn how to win negotiations and leave the other person feeling like he or she has actually won. Secrets of Power Negotiating covers every aspect of the negotiating process with practical, proven advice: from beginning steps to critical final moves, how to recognize unethical tactics, key principles to the Power Negotiating strategy, why money is not as important as everyone thinks, negotiating pressure points, understanding the other party and gaining the upper hand, and analyses of different negotiating styles. And Power Negotiating can be applied to any situation:

Achieving Your Dream Career



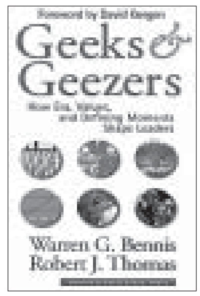
Andrew Banks , Geoff Morgan Penguin India, Paperback, 304 pages, List Price: Rs 250.00, Published : May 2003

Your dream career is not just a dream

- When you think of your current job, do you feel: Motivated? Fulfilled? Challenged? Bored? Uninspired? Trapped?
- What are you looking for in a career: Satisfaction? Learning? Excitement? Stability? Career Path? Responsibility? Wealth? Status?
- Does your current job fit in with your short-term and long-term personal goals?
- Do you have skills that are not being fully utilized?
- Are you learning and growing?

To be successful you have to start by working on yourself, establishing your talents, passions and goals. Only then can you begin to go forward and find your dream career. This book explores career change and identifies the work that takes you along the road to self-realization, providing enjoyment, challenges and success. It is packed with all the best tips Geoff Morgan and Andrew Banks have discovered in over twenty years in the recruitment industry. It also covers the new dimensions created by a globalizing world connected by the quintessential career tool of the century: the Internet. An inspiring and empowering handbook, Achieving Your Dream Career is a must for all those interested in managing and developing their career.

"Geeks and Geezers: How Era, Values and Defining Moments Shape Leaders



Warren Bennis & Robert Thomas

Do you know what makes the difference between leaders who succeed and those who fail? The answer could determine whether or not you meet your next leadership challenge.

If you are like many managers, you are facing more--and more varied-leadership challenges than ever before. Today's flatter, more flexible organizations demand leadership throughout the organization to allow it to seize rapidly emerging opportunities and operate effectively with offices around the globe.

The problem, however, is that many traditional skills-based leadership development programs aren't geared to identify, develop, and deploy the leadership resources their organizations need. They teach technical competence without addressing the more fundamental challenge of developing the capacity to lead.

Whether you are interested in your own leadership development or are responsible for the development of others, Warren Bennis, perhaps the most respected and authoritative voice on management leadership today, and Robert Thomas, a noted specialist in leadership and transformational change, help you address these challenges.

Unlearning the Fifth Discipline - Power, Politics and Control in Organizations

DEVI AKELLA Indian Institute of Management, Kozhikode, 2003 ; Pages: 272; Imprint: Response Books; Price Rs 540

Learning organizations have been regarded by many as ideal workplaces, where employer-employee relationships have matured to a degree where the common focus is to create a shared vision. This extremely interesting study on learning organizations seeks to provide a critical insight into what really goes on in these so-called perfect work environments.

Written in a simple, narrative style, the book generates a new perspective on work environments and the type of relationship that may exist between employers and employees in learning organizations. The book also combines theoretical data and practical experiences of managers in contemporary organizations and seeks to answer: - What is a learning organization? - What are the sources of power and control mechanisms within a learning organization? - How far is such a form of control absolute and complete?

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

Indian Institute of Management - Bangalore

Start Date	Title	Area	Director
01- 05 Jul 03	Strategic Analysis for Competitive Advantage	C S	Ganesh N Prabhu, P D Jose
07- 09 Jul 03	Creating Successful New Products	POM	Ganesh N Prabhu, Rishikesha T Krishnan
21- 23 Jul 03	Creating Successful Software Products	ITM	Ganesh N Prabhu, Rishikesha T Krishnan
21- 27 Jul 03	Fast Track General Management Programme	GM	M S Narasimhan, L S Murty, Shainesh G
28- 31 Jul 03	Management of Indirect Taxes (Customs-Excise-Sales Tax-VAT-Service Tax)	FC	Krishnamurthy S
08- 09 Aug 03	Managing the Knowledge Organisation	HRM	N M Agrawal, Abhoy K Ojha
11- 13 Aug 03	Negotiation Skills	GM	S Raghunath
18- 20 Aug 03	Managing Call Centres	HRM	V Anand Ram , Prof. Narendra Dev
26- 29 Aug 03	Communicating for Corporate Advantage	CS	DVR Seshadri, P D Jose, Bringi Dev
1 - 3 Sep 03	Risk Management for Banks and Financial Institutions	FC	Sankarshan Basu
1 - 3 Sep 03	State-of-the-Art Decision Modelling and Analysis	GM	Ishwar Murthy, Rajluxmi V Murthy

Date	Title
14 - 25 Jul 03	Wharton-SMU General Management Programme
Mod 1. 4 - 6 Aug 03 Mod 2. 1 - 3 Sep 03	Mercer-SBF-SMU Strategic Human Capital Management
11 - 15 Aug 03	Wharton-SMU Strategic Leadership & Change Management Programme
11 - 15 Aug 03	Wharton-SMU Corporate Finance Programme
24 - 26 Sep 03	ESSEC-SMU Managing Successful Luxury Businesses in Asia

SINGAPORE MANAGEMENT UNIVERSITY

Date	Title	Place
29 June - 4 July 03	ISB-Wharton Global Advanced Management Programme 2003Leading the Family Enterprise (LFE)	Wharton School
29 June - 3 July 03	Strategic Thinking and Implementation	ISB
4 - 8 July 03	Credit Risk Management	ISB
12 -13 July 03	The ISB CEO Forum Series 2003Leadership Forum for Health Care in India	ISB

ISB

Indian Institute of Management - Ahmedabad

Date	Program	Director	Price
06 Jul - 2 Aug 03	Middle Management Programme	Sanjay Verma	Rs. 70,000
3- 23 Aug 03	Senior Management Programme	Sunil Maheshwari	Rs. 75,000
2 Nov 03 - 14 Mar 04	Management Education Programme	Piyush K. Sinha	Rs. 2,25,000
18 Jan - 14 Feb 04	Middle Management Programme (Repeat)	Sanjay Verma	Rs. 70,000
4 - 17 Apr 04	Small and Medium Enterprises Programme	Rakesh Basant	Rs. 38,000

Indian Institute of Management - Kolkata

Date	Title	Taken by	Cost	Place
14 - 17 July 03	Management of Creativity and Innovation	Prof. Vidyanand Jha	Rs. 20000	IIMC Campus
4 - 8 Aug 03	Managerial Leadership and Team Effectiveness	Prof. Sunita Singh Sengupta	Rs. 25000	IIMC Campus
21 - 23 Aug 03	Ethics in Business	Prof. Tanmoy Datta & Prof. S. Elankumaran	Rs. 8000	IIMC Campus
21 - 23 July 03	Responsible Leadership	Prof. C.Panduranga Bhatta	Rs. 14000	Taj Coromandel, Chennai

Harvard School of Business

Date	Title	Cost	Place
6 - 12 Jul 03	Strategic Perspectives in Nonprofit Management	$4,250	HBS
7 - 11 Jul 03	Leading Product Development	$7,300	HBS
13 - 19 Jul 03	Finance for Senior Executives	$8,500	HBS
20 - 23 Jul 03	Making Corporate Boards More Effective	$5,750	HBS
20 - 25 Jul 03	Driving Corporate Performance: From Scorekeeping to Strategy	$7,300	HBS
20 Jul - 1 Aug 03	Delivering Information Services	$11,500	HBS
27 Jul - 1 Aug 03	Building Competitive Advantage Through Operations	$7,300	HBS
17 - 22 Jul 03	Changing the Game: Negotiation and Competitive Decision Making	$7,750	HBS
2 Sep - 30 Oct 03	Advanced Management Program - Fall 2003 Session	$49,000	HBS
3 - 26 Sep 03 Part I 2 - 21 Nov 03 Part II	The General Manager Program - Fall 2003 Session	$38,500	HBS
9 - 12 Sep 03	Executive Renewal Seminar: An Exclusive Update for PMD Classes 55-73	$3,000	HBS
14 Sep - 14 Nov 03	Program for Management Development	$48,500	HBS

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

Creative leadership means changing the traditional role from commander to coach, manager to mentor, from director to delegator and from one who demands respect to one who facilitates self respect. The higher the proportion of creative leaders in a nation, the higher the potential of success of visions like "developed India."
- Dr A P J Abdul Kalam, *Indian President at IIMA convocation 2003.*

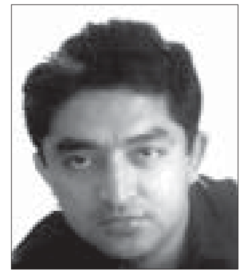
The strength of a chain is the strength of the weakest link
- Swami Bodhananda Saraswati*, while speaking on the human face of management*

The Indian mindset is inaction in the name of perfection. No action is perfect because there is nothing called perfection
- Swami Bhodananda

It's only when the tide runs out, that you know who's been swimming naked
- Warren Buffet

Internet is the viagara of the modern organization
- Jack Welch

If you don't stand for something, you will fall for everything
- Zip Zagler



Is the Indian brand manager in freeze-frame?

The path-breaking and brand-myth-defying brand manager is rare to find in India. The 'savvy' brand manager of the day is too stuck in mediocrity!

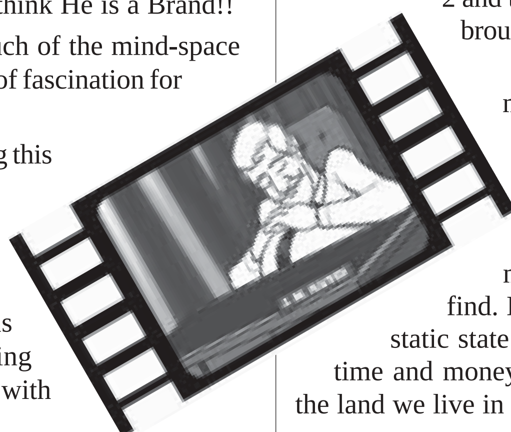
by Harish Bijoor

The brand is omnipresent. It is there in everything modern day man, woman, child and robot. The brand is omnipotent. It is a powerful entity that represents value on the balance sheet. It is an image that can make or break a market entry. The brand is omniscient as well! We surely do live in a brand new brand age!

The last time I heard these three big O's used was about this great big guy around in our frail old human lives. God! The Big G!

What then is the difference between Brand and God? Well, the cheeky answer first: God doesn't think He is a Brand!!

The brand is surely occupying much of the mind-space in contemporary management. Plenty of fascination for the entity called the brand!



How are Indian managers managing this fascination? Do Indian managers really understand this movement that is creating quite a churn in every shore, Western or Eastern? What then are the trends out here in this space? Are Indian managers grappling with what is out there in brand-space with enough savvy?

Let's explore.

Some accusations!

The Indian manager is a product-led creature. The brand is a fashion statement the 'desi-daddu' is yet to understand fully!

As the late years of the nineties dawned, in came the recognition of the importance of brands. Selling alone was not enough. The consumer looked forward to an image. The brand was an image! A sign. A colour. A recognition. An identity! All of great intangible consumer value!

The Indian manager occupying top-rung of management-hierarchy in an organization has been through every era of this change, but the one he least understands is the era he lives and thrives in. The brand era!

Accusation 2: The Indian manager who understands brands is too low in the hierarchy of decision making.

Admittedly so, branding is new science, art and philosophy (all packed into one). The guy who understands it best at the level of theory and to some extent in practice is this teenybopper in branding. The guy has been through a Management school fed on a staple diet of Al Ries and Aaker (the rice and 'sambar' of Positioning and Branding). He is the brand manager of the day. He sits too low in the hierarchy of decision-making to make enough of an impact. He depends a great deal on his boss-in-hierarchy, who just might be a great brand guy as well….hopefully! If not, the young brand manager has a tough ride on this roller coaster of branding!

Accusation 3: The savvy brand manager of the day is too stuck in mediocrity! Every breath he takes and every step he moves has its genesis in the early stages of his brand education!

Aaker is dead in many ways! Brand Loyalty is a myth today! But brand managers in the country still go by Chapter 2 and the 24 pages of seminal thought Mr.Aaker brought into our early lives many years ago.

Brand management is changing every moment of our marketing lives. The brand manager in the country is however in freeze-frame. There is not enough dynamism in what he attempts to do.

The path-breaking and brand-myth-defying brand manager is rare to find. Brand management in the country is in a static state! There is just not enough investment of time and money in research. Research that is unique to the land we live in and the consumer we cater to.

Let's remember, the Indian consumer is less clonal than the one you find on the shores of the US, the UK and Japan! The culture of variegation is yet to be grappled with in the Indian context and this is where branding falls on its face in the Indian context!

I have many more accusations in my Brand-kitty to throw at the Indian manager. Will leave all that for the next time then! Let's correct three of these for the moment. If we do these three right, the Indian manager is on his way to out-run his brand management counterparts across the rest of the easy world. India is difficult!

Three action points

1.Understand the importance of brands. Let the subject get under your skin. Deep into your psyche as a manager.

2.Invert the Brand Management pyramid. Give decision-making teeth to your brand manager instead of non-biting dentures as of now.

3.Forget learning. Learn Forgetting. Tom Peters.●

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

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Jay and Robin

In the Britain of the early 1900s, milk bottles supplied to homes were without any caps. Two garden birds, the blue jay and the robin, had both perfected the art of sipping cream from the bottle. After the Second World War, tin foil caps on bottles were introduced. The blue jays soon learnt to peck the caps open and continued to sip the cream while the robins could not. On researching the success of one species, zoologist Alan Wilson found that blue jays moved in flocks of 14 or 15 birds. The parents stayed with their young ones till they were old enough to take care of themselves. Hence, the learning by one bird was quickly and efficiently shared among the entire flock. On the other hand, the robin was a loner. The male robin defended his territory rather fiercely and was antagonistic to other birds of the species if they came too close. Hence, sharing between robins was non-existent. His conclusion was that innovation, social propagation and mobility allowed blue jays to enjoy the cream and grow healthy.

Undeterred by the fire

The founder and CEO of large chemical company once spoke to a group of his employees who were candidates for top management. He told them the story of a farmer who had problems with pigeons in his barn. The pigeons became more and more of a nuisance as they ate the chickens' food and left droppings all over the barn. One day the farmer resolved to get rid of the pigeons. He took his shotgun into the barn and fired at the pigeons. The gun malfunctioned, causing an explosion and setting the hay on fire. The farmer threw water onto the fire, but unable to extinguish it himself, he called the fire department. Because the farm was far out in country, by the time the fire department arrived the barn had burned to the ground and many of the nearby crops were destroyed. The farmer lost his business.

Listeners had various reactions. They questioned the farmer's judgment, wondered why the gun malfunctioned and questioned the method of fighting the fire.

Only one young candidate asked, "Did he get rid of the pigeons?" It was this young employee whom the CEO promoted to a position of leadership. The CEO explained: only the person who could hold onto the goal in the story, he believed, could hold onto the goal of the company - even when business became complex, chaotic and crazy.

Same questions, different answers

A manager was giving a tour of a technology company's corporate education facility to a visiting consultant who was there to conduct a seminar. The two men paused in front of a computer screen where a sample continuing education exam was posted on the intranet.

"This looks like a pretty sophisticated test," the visiting chemist noted. "Is it for your long-time employees?" The manager said no, that it was for new hires. The consultant was impressed. "Wow!" he remarked and asked: "So how do your exams for the experienced employees look like?

Pat came the reply: "The questions are the same. Only the answers will change."

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