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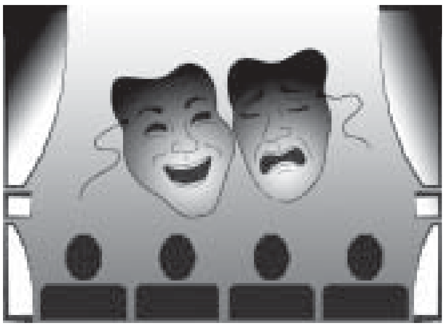
How theatre can transform managers into change leaders

Theatre teaches managers the art of utilizing their inner strength effectively to achieve larger corporate goals

By Benedict Paramanand



One would think that rapid progress in management knowledge and skills, assisted by friendly technology, would have made senior managers a confident lot. Not really. Traditional management education, and the way it is taught, seems to be reaching its threshold and managers seem uneasy about facing the unknown. But some management schools are quick to see this trend looming. They are beginning to employ non-traditional and innovative methods of teaching to equip managers with market-beating skills.

The Harvard Business School and the Indian Institute of Management, Bangalore, are perhaps the first two to spot this trend. The Harvard Business School recently introduced world literature as a course for its graduate students with the aim of drawing insights from the likes of Aristotle and Shakespeare. But IIMB has ventured into a more radical route and is applying principles from theatre into management and executive education.

The IIMB recently launched an innovative workshop for senior executives called *Ambalam*, meaning abstract space. The workshop uses theatre processes to enable participants to tune into their self and prepares them for leadership challenges.

Their premise is that to alter a company's terms of engagement with the market managers have to experience and enlarge their inner resources to face the challenges of the unknown. On the contrary, companies are specializing in training managers for better performance and not in creating space for self-exploration and inner discovery.

Says Prof. Ramnath Narayanaswamy, the main architect of the workshop: "Our aim will be to amplify awareness of the limits within which managers operate and relate to their environment – Are they victims of established norms, functions and expectations? Do they feel constricted by the presence of people, the character of space, the dynamics of a group or the intent of a structure? Or do they feel like opening out to new possibilities"?

The workshop strives to put managers in touch with a self that they might not have suspected exists – a self that has not been circumscribed by professional or even personal relationships and contexts. Within this self – which is inner-centered

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what's in...

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Mission

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

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lies the potential of managers to turn the tables in their work environment.

"Theatre is an important resource for managers. It facilitates a journey from self-consciousness to consciousness of self. Self-consciousness inhibits, consciousness of self liberates. Theatre enables us to shift our focus from other people and how we appear to them, to our self and how we experience it," he empasises.

How can companies re-envision themselves in response to a radically altered market place? How can managers, who perceive their corporate role in terms of specific tasks and responsibilities, become capable of inspiring, promoting and managing change?

The best companies embed a vision and adopt structures and processes to realize it. Companies need vision – to motivate thought and action. They need structure too – to direct thought and action. But what do they need to change habits of thought and action?

"This is how actors prepare for performance. They collapse their image of themselves to enter the skin of a character. In the process, they enter their own skin more deeply. They begin to explore their inner resources, listening to themselves more closely, but also erasing themselves to listen to others afresh. Theatre processes empower actors to experience the self as plastic, limitless, kaleidoscopic."

Theatre enables its participants to explore their capacity to tune into other people. Does their position or authority influence how they hear their own voice and how they listen to others? Or are they able to eliminate the noise of their professional self, which interferes with empathy and intuition? Can they achieve enough distance from their self-image to flow with the rhythm and expression of other beings?

Tuning into one's self and tuning into other people are parallel processes, the one reinforcing the other. So if managers begin to hear their own voice differently, others will be revealed to them differently, and vice versa. Only then can managers find true reciprocity in exchange and practice freedom.

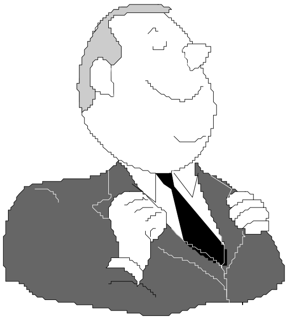
Ambalam is IIMB's second major experiment in creative learning after the success of the seven-year old course called Tracking Creative Boundaries. Through this course the business school teaches its students to think creatively by studying the ways that creative people think. The TCB is an elective course and is said to be a favourite of the students. The school offers elements of this course through workshops for corporate executives

Applying creative modules like these can be usefull for senior managers involved in human resources, product development, strategy, research and development and decision-making.

Clearly, experiments such as *Ambalam* are the need of the hour as they take creative techniques for fostering innovation in corporate strategy to a totally new dimension. However, the real test of such an approach is when managers are able to apply their new- found 'self' in fostering a visionary company.●

Return of gray hair and potbelly

2003 is witnessing the comeback of older classical managers in favor of the geeks. But the biggest fear is the return of bureaucracy and paper trails in the guise of accountability



The writing on the wall is loud and clear. The corporate world in India and elsewhere is no longer in awe of 'star' performers wearing Armani suits. Instead, it is witnessing the return of the once mocked 'old fashioned' manager.

Analysts who had ruled the markets' movement in the 1990s, have now taken a tumble and journalists who were bewitched by a 'smart' CEO touting visionary tales, are no longer in the scene.

HR consultants say that companies are now valuing experience over flair while recruiting people for senior positions. "Candidates who are not big names but who know the business in and out, stand a better chance," says a reputed HR consultant in Bangalore. Skills like attention to detail and those who are good at execution rather than strategy are the most sought after. "Walking the walk will become more important than talking the talk."

In the United States, *The Economist* predicts that business leaders will get older. In fact, there is a shortage of young managers, which is good news for the 40 plus. "At the height of the dotcom boom three years ago they all felt over the hill; in 2003 they feel that they have not yet reached their prime. The over 50s will increase their power, and the over 60s and the over 70s will get a look-in too."

Placement consultants believe that more senior appointments will be made from within companies. They expect greater value for certainty, a lower tolerance for risk-taking and a tighter job market will mean far less job-hopping. This could have a good effect on the morale and hence the performance of a company.

But what many management experts fear is the imminent return of the middle managers. What is worse, bureaucracy is showing signs of making a come-back. More regulation of the companies encouraged by the Sarbanes-Oxley act in the United States and SEBI's ever-increasing grip on Indian corporates means time demands and a heavy paper trail to go with it.

Flexi time and working from home are no longer fashionable. Managers will realize that there is no substitute to working with people rather than with their laptops. And with emails and voice mails clogging the network faster means of communication may be the good old snail mail.●

Metaphors and managers: New ways of thinking and seeing

Most of us pick up metaphors from our mother tongues without much effort. But putting metaphors to apt use in languages learnt over a period of time requires some effort. Interestingly, it has been found that the metaphors we use have wide-ranging implications for organizations and their management. Metaphors so far have been considered as just a decorative tool to garnish language, but advancement in cognitive science has revealed that they are an essential component of our thinking process as they influence the way we think, see, and act.

In a paper titled '*Metaphors and Managers: New Ways of Thinking and Seeing*' two authors from ACME Chennai - S Raghu Raman and S Ramachander, published by Vikalpa, an IIMA journal in July-September 2002, explore the nature and characteristics of metaphors and highlight some of the classic metaphors that underlie approaches to management. While the classic metaphors have been helpful, they have restricted the managers' world-view to particular ways of thinking. According to them, one of the ways of breaking out of this trap is by generating more metaphors. As a result, many new ways of seeing and applying management ideas are expected to emerge.

The authors also go on to indicate that metaphors are not only useful for macro perspectives, but also play a critical role in some of the processes like new product development. They conclude by briefly highlighting the techniques that are available for generating metaphors and how managers could make use of them for effectively managing their organizations.

Why 'good' governance is not resulting in higher profits

Interesting yet conflicting findings are emerging on the impact of governance norms on the bottom line of companies

By Benedict Paramanand

A company that has taken the pains to put good governance practice into place should reap decent if not rich dividends in the form of higher profits. Or is it? A recent Booz Allen Hamilton study found that turnover of CEOs at the world's 2,500 publicly traded companies increased by 53 percent between 1995 and 2001. According to the US magazine *strategy+business*, March 2003 issue, no fewer than 50 studies have been devoted to the question of whether board composition — specifically, measures of board independence — correlates strongly with financial performance.

Empirical research findings to date, however, have been inconsistent and conflicting. Studies of 'outsider' ratios and firm performance have produced correlations ranging from positive .33 to negative .15, whereas other studies have found that the effect of the board's composition on corporate financial performance is essentially value-neutral.

Sanjai Bhagat of the University of Colorado and Bernard S. Black of Stanford University Law School published the first large-sample, long-horizon study, last year, of whether the degree of board independence (represented by the fraction of independent directors minus the fraction of inside directors on a company's board) correlates with various measures of long-term performance among large American firms. Their conclusion was "no." Firms with more independent boards are not more profitable; indeed, there were hints in the data that they perform worse than other firms.

Corporate governance experts Ira M. Millstein and Paul W. MacAvoy came up with more encouraging news in their study of independent boards. Comparing the returns after the cost of capital for companies rated A+ in corporate governance by the California Public Employees' Retirement System with the returns of F-ranked companies, they determined that the performance gap exceeded 25 percent.

These studies were among the dozens analyzed in 2000 by the Conference Board, which concluded there was no quantitative evidence to either prove or disprove a link between corporate governance and performance (at least as indicated by externally observable measures). Similar studies conducted in the U.K., Southeast Asia, and elsewhere have generated similarly conflicting findings, the magazine reported.

In contrast, The *Economist*, early 2003, reported a study by Paul Gompers and two others at Harvard Business School, which examined 1,500 companies and found that those most responsive to shareholders gave 8.5 percent higher annual returns in the 1990s versus management dictatorships.

Some recent surveys in emerging markets have found that investors are willing to pay as much as 28 percent more for the shares of well-governed companies.

In sum, the quantitative research done to date is inconclusive at best, suggesting that a board's performance should be measured by the merits: the quality of the dialogue, the insight of individual directors and the overall tone set by the CEO.

The fixes many firms are rushing to institutionalize may even be naively counterproductive. The drive to more tightly regulate the membership and functions of corporate boards is already encouraging companies to view governance as a legal challenge rather than a way to improve performance. Moreover, evidence exists that such externally imposed governance requirements may compromise long-term performance.

Gurcharan Das, well known author and columnist, has come up with a few valuable suggestions that could make boards a more effective body:

- Non-executive directors should hold meetings without the CEO and company management
- Limit an individual to five directorships, but simultaneously raise their remuneration
- Have a large investor on the board
- Too many rules might discourage risk-taking and innovation

Still, although governance regulations and management culture differ from firm to firm, the following best practices can and should cross borders: Select the right directors; Train them continuously; Give them the right information; Balance the power of the CEO and the directors; Nurture a culture of collegial questioning.

Clearly, what distinguishes superior performance among boards is the "qualitative" reforms that companies put in place between the structural boxes and the lines of legislative mandate. For tens of thousands of publicly traded companies around the world, the recipe for reforming the soft side of governance need to be adjusted to the specific circumstances of an individual company. ●

How CEOs' upbringing is influencing R&D spending

Despite market demands CEOs' background has a huge influence on the R & D spending strategies of companies

Studies are beginning to reveal that education, professional experience, company stock holdings and age may exert an undue influence on a CEO's approach to research and development.

Studies conducted during the past 15 years have focused largely on the nature of particular industries, corporate strategy and the level of ownership by institutional shareholders. However, in "CEO Characteristics and Firm R&D Spending," a paper published in the June 2002 issue of Management Science, Vincent L. Barker III, an associate professor at the University of Kansas School of Business, and George C. Mueller, adjunct faculty member at the University of Wisconsin-Milwaukee's School of Business Administration, identify another critical contributor. CEO backgrounds — in particular, their academic specialization and areas of management experience — appear to more strongly influence R&D spending than has previously been believed.

"CEO characteristics do predict a significant proportion — between 11 percent and 14 percent — of the variance in relative R&D spending among the companies we sampled, after controlling for time and ownership attributes," Barker and Mueller report. In addition, they point out that various CEO characteristics seem to have an equal or greater association with R&D spending than do other purported factors such as diversification strategy.

The authors investigate as to how a CEO's length of tenure, age, level of stock ownership, professional experience and/or level or type of education correlate to R&D expenditures. They used operations-research models to analyze data drawn from the 1989 and 1990 Business Week 1,000 lists and the Business Week R&D Scoreboard for the corresponding year. For each of the 172 companies that made R&D expenditures, the authors calculated the total R&D dollars spent per employee relative to its industry average, thus enabling them to correct for differences in R&D spending across industries. Data related to CEO professional experience was derived from special issues of Business Week about senior executives for the year of sampling. The authors coded CEO experience into categories (finance/accounting, legal, productions/operations, administration, marketing/sales, and engineering/R&D). In doing their analysis, they controlled for the influence of such factors as company ownership, company size, past performance and diversification strategies.

According to the authors, the CEO characteristics most relevant to R&D spending are type of education and professional experience. CEOs with graduate degrees in science and engineering, the authors note, are more likely to spend money on R&D than those with legal degrees, for instance. Similarly, CEOs experienced in technical and marketing areas tend to favor R&D spending more than those who rise through the ranks of the legal, accounting or finance departments.

In addition, a positive association appears to exist between the magnitude of a CEO's stock holdings and a firm's relative spending on R&D. "This finding is consistent with the argument that CEOs make longer-term investments that maximize firm value when their interests are closely aligned with those of shareholders," the authors report. And while the length of a CEO's tenure had relatively little influence, the CEO attribute that appears to be most strongly associated with R&D spending is age. "It may be logical for older CEOs to focus on short-term goals rather than long-term R&D investment."

These findings do have pragmatic influence. For one thing, they suggest the utility of profiling the CEOs of competitors as a factor in predicting the competitors' future spending on

While the length of a CEO's tenure had relatively little influence, the CEO attribute that appears to be most strongly associated with R&D spending is age

R&D. "The safest way to look at competitors," Barker points out, "is to develop a profile on the basis of their past R&D spending behavior, financial situation and stated goals. When a new CEO is appointed, our results might be useful in predicting a shift in spending. But they should be complemented by competitive intelligence about how the competitor's new CEO has behaved in past assignments."

Internal policies may also benefit from these findings. Companies committed to R&D might consider creating executive development programs that would rotate senior managers through significant assignments in research, engineering, marketing and sales functions. Certain technology-based companies, such as 3M, already have this kind of program.

"In terms of product development, CEOs and top executives at 3M have usually been part of new-product management teams before advancing to the upper echelons of the firm," Barker says. "This ensures that they understand the innovative process that drives 3M's fortunes."●

Supply chain innovation: five big, bold trends

Supply chain management, till recently, did not get the importance it deserved. The Internet, which revolutionized B2B and B2C, raised supply chain management to a totally new ground, making it one of the main components of a company's overall business strategy. Last two years has witnessed mind-boggling innovation in this subject. The recent issue of *Outlook*, an Accenture publication, has spotted innovative thinking taking shape around five major trends:

The front end of the supply chain is becoming as important as the back end in maximizing total economic yield.

Historically, supply chain management dealt largely with vendors, which meant that companies focused most intently on improving logistics or the back end of the supply chain. But because demand now manifests itself in many more ways—via the Web, through online marketplaces or in conjunction with partnerships—smart companies will likely increase their emphasis on the supply chain's front end.

As a result, front-end supply chain management—understanding and responding to customer needs—will become an inextricable part of supply chain strategy. A key component will be developing better visibility into hard demand using distributed commerce management tools. Another will be deploying new yield-management techniques to help build collaborative design processes and prioritize customers.

As companies migrate from internal-only to extended supply chains, collaboration is becoming the most strategic capability.

More than ever, companies that manage their businesses the old-fashioned way—by taking orders, buying supplies, building product and shipping it from the warehouse—may lose out to businesses that focus their energies on design, brand management, sales and marketing, and outsource the rest. The reason behind this trend is that supply chains are becoming too complex for any one entity to manage in a competitively dominant way.

Assets and functions that are not core to value delivery may be divested to specialists.

Historically, companies have outsourced non-core functions to the lowest bidder. But that is becoming a riskier strategy, because vendors operating on slim margins will be less and less able to match the types or levels of service offered by other operators. Also less viable will be vendors that continue to acquire low-margin manufacturing plants or warehouses, hoping to make profits on volume.

Instead, leading companies may find new ways to do business, perhaps through shared-profit arrangements in which suppliers benefit from their success. Companies can substitute new, variable cost outsourcing contracts for owned fixed assets such as trucks and warehouses, thus reducing capital on the books and using only the capacity that is needed rather than owning the excess.

The greatest margin potential may occur after a product ships, as service and support become as important as the product itself.

With more customers seeking solutions instead of specific products or brands, a growing number of goods are becoming commodities. Responding to this trend, supply chain winners most likely will work harder to bundle great products with strong service offerings, thereby maximizing long-term customer profitability and catering to customers' increased emphasis on total cost of ownership.

Customers increasingly will purchase those products that are conduits for content or services that exceed the intrinsic value of the product itself. Additionally, business customers are likely to change their focus from procuring a product based on its attributes alone to valuing the total service provided, such as maintenance and operational reliability.

As a result, connecting product sales to the service network could become a prime value driver for many companies. Supply chain executives will need to deliver not only the initial product, but also an ongoing stream of products and services to the consumer—often through different channels and even different locations. These changes will add complexity to most companies' supply chain operations, but they also could become a major source of revenue and profit growth.

The ability to integrate new and innovative capabilities with corporate business models will drive higher levels of value creation.

In the near future, a company's ability to adapt and change itself may become even more critical. Part of the reason is collaboration: Companies positioned to work efficiently with multiple partners probably will get most of the action, while those that are difficult to work with most likely will be ignored. Rapid and "virtual" partnering also will be key to new supply chain management strategies, as the best integrators work together to attain the biggest prizes.●

Can IT geeks see the big picture?

IT professionals seem to have an image problem: Senior executives persist in viewing them as analytical, detail-oriented and introverted — generally unsuitable for high-level strategic, "big-picture" responsibilities. Over the years, the use of numerous psychological studies in workplace settings — including the Myers-Briggs Type Indicator as well as surveys assessing attitudes toward goals and social interaction — has reinforced this perception. A recent study, however, once again challenges this IT stereotype and suggests that organizations are overlooking a valuable source of human capital.

Two Santa Clara University researchers collected survey data from 339 IT professionals working at more than 200 companies in the public and private sector in a variety of industries. They employed the InQ — a test consisting of 18 questions, developed in 1984 by communications and psychology researchers Allen F. Harrison and Robert M. Bramson — which examines how people process information (for example, "When I read a report, I am most likely to pay attention to … .").

Each question is followed by possible responses, which the person ranks from five (most typical of his/her style) to one (least typical). The InQ avoids categorizing subjects by personality measurement — for example, extroversion versus introversion — but instead focuses on their thinking style. Each response is linked to one of the five styles.

The study sample, which was not random (a majority of the participants came from California), revealed that a significantly large percentage of the IT executives had peaks in the idealist and pragmatist styles, not in the expected analyst style.

These results remained the same whether the significance evaluation was done with pooled or unpooled variance. The patterns indicate that most IT professionals may be far more capable of big-picture thinking and far less riveted on technical details than the prevailing stereotype would indicate.

Make your company a town

Architects have found a correlation between a city's architecture and the energy level of its residents. Four ideas have been found to be very effective in enhancing the motivation of companies.

Build a city gate: In the past several decades, office buildings have been built to accommodate cars, not people. By creating city gate, new comers can locate the entrance, and employees have a sense of arriving someplace other than a parking lot.

Put in a piazza: A company piazza should be a place where people come for a specific reason. It should be surrounded by the offices or cubicles of the people it's meant to serve, so that they can linger.

Power up a plaza: A plaza is a throughfare where people from different walks of life – or work – can meet, talk, move on and get someplace else with relative ease.

Create a quiet street: It's a place to take a breath and reflect - and creating such an area is surprisingly easy. Put a bench or chain in an outdoor area with sun or shade, depending on what environment you lack inside the office. Indoors, a row of plants with a chair facing away from the main traffic will do.

New rules of the Indian start-ups

If you are the type who goes by the market rumours and sentiments chances are that you have turned skeptic about entrepreneurship in India. But insiders in Indian B-schools, IITs and stronger financial institutions are seeing the rise of a new breed of start-ups, who could reshape the way start-ups are funded and managed.

Expectedly, angel investors are talking of a more realistic seven digit funding figures in rupees and not seven-digit funding in dollars. The entrepreneurs are increasingly approaching experienced entrepreneurs and not investment bankers turned venture capital firms for funding. Market watchers are seeing the stock market warming up to acquisitions.

Surprisingly, the new rules of the start-ups are simple. They are not going after duplicating what's done elsewhere. They are not going into a business because labour is cheap in India. And they are not looking at huge initial funding, say above Rs 50 lakh.

Is corporate strategy in a crisis?

Pervasive uncertainty following new risks, markets behaving different from what conventional wisdom teaches —the challenges defining today's business environment place a greater premium than ever on good corporate strategy.

Richard N Foster, a director at McKinsey, in the second 2002 issue of McKinsey Quarterly observes that thinkers on corporate strategy are currently exploring the uncertainties and risks of the new global business environment and new strategies for transcending them. Strategists are beginning to argue that companies must not only stop assuming that strategic destinations can be predetermined but also embrace a much more fluid approach to steering corporations.

Corporate strategists have coped with very demanding business environments before. During the 1970s, rocketing oil prices and staggering levels of inflation halted a great period of expansion. Equity returns sunk well below bond returns for the market as a whole. Risk capital dried up, and the economy changed little.

Knowing when to let go and take a new direction is a surer way to generate value and outperform markets than trying to protect what you have

But even then, some companies proved resilient. Then, too, modern strategic planning was born to help executives review all of a corporation's products and markets and decide which deserved more capital and which should be closed. Although operations were a part of such reviews, operational fixes were assumed to be insufficient. Often the answer was an acquisition or a divestiture.

The new process captured top management's attention. GE led the way, but practically all US companies, and many in Europe, accepted this new management art and its fundamental credo: destroying businesses—knowing when to let go and take a new direction—is a surer way to generate value and outperform markets than trying to protect what you have.

Why has that spirit faded," the author asks? Start with the fact that the economic forces that now seem so acute have been at work far longer than even the recent lengthy bull market. For several decades, we have celebrated big corporate survivors, praising their excellence and durability. But very few of these companies, which operate under an assumption of continuity and longevity, can keep up with the pace and scale of markets, which relentlessly remove them when they cease to perform. Of the 500 companies making up the S&P 500 index when it was introduced in 1957, only 74 remained there through 1997. Of these 74, only 12 outperformed the index from 1957 to 1998. If the S&P 500 now consisted solely of the companies on the list in 1957, the overall performance of the index would have been 20 percent a year lower than it actually was.

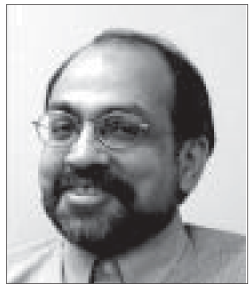
Discontinuity is increasingly recognized as an organizing principle of the global economy by executives who know they can't build their strategies, structures, and systems on the old assumption of continuity. To meet the challenges of discontinuity and to perform like markets, a corporation must learn to change as rapidly as they do, without losing control of operations. Management's great task will be taking strategic control of companies and simultaneously decentralizing operational control—loosening controls without losing control.

Managing the brand space

Brands have become increasingly difficult to manage. As many brands become more global, for instance, they are expanding beyond relationships just between manufacturers and customers to relationships that include employees, the investment community, the media, suppliers, governments — even competitors. Thus, the meaning of a brand is not merely the result of a dialogue between buyer and seller; it instead arises from a *multilogue*.

Indeed, brand management has become a complex undertaking, requiring new approaches and models. To that end, the article in Sloan Management Review (2003) illustrates a theoretical framework that companies can use to manage their brands more effectively.

Specifically, the authors propose the concept of a *brand space*, which is based on two dimensions: the degree of *abstraction* (whether the brand has become independent from its associated product) and the degree of *enactment* (whether the brand focuses more on the meaning of a product or its functionality). By understanding the various dynamics of the brand space, companies can make wiser branding decisions, particularly as they confront escalating competition and rapidly changing markets.●



Indian managers are short on social capital

Don't be fooled by the media glare on a few top Indian executives in the US. In reality, the number of Indians in senior management positions is miniscule

By Prof. Tojo Thatchenkery

If higher percentage of Indian managers, especially in the US, want to move up the corporate ladder faster, they have to start investing seriously in building social capital assets right from the beginning of their career. They have to hone their networking and political skills constantly.

The reason why only four percent of Afro-Asians make up the senior management positions in the United States is because of their assumption that human capital is all that is important. They strongly believe that merit will do the trick. They have not yet appreciated the hard fact that organizations are not always run on principles of meritocracy. They should know that organizations are essentially political systems where power relations are very important.

This essentially requires strategic thinking. Because Indians place education and values on a high pedestal they completely ignore the other aspects of career growth. They'll typically say, – "I went to Harvard, success will surely come to me." In a competitive environment nothing comes to you – you have to earn it.

I find that Indian managers are on an individual track. They assume that climbing the corporate ladder is an individual pursuit and growing in an organization is a lonely process. Indian managers discover very late that they have not created enough social goodwill - when they are passed by

Once you realize that organizations are political systems you start looking at constituents that you can subscribe to. You should start asking yourself – "What kind of support I need to move up the ladder?

Is Indian culture a hindrance?

It is ironical that India is a collectivist culture and yet when it comes to managing a business, Indian managers think like their Western colleagues. They don't understand that going up is not just about you. You need friends and you have to create a social network to climb the hierarchy.

Indians feel that social capital has a negative connotation. It is high time they changed their mindset. It is not as difficult as it's made out to be. Just look at those who have got to where they are. They would have got there not because they thought they are good but others thought they are good for the job. There is a difference between I being smart and you thinking I'm smart. One should not look at corporate politics as pain in the neck. Politics is inevitable. It is natural. It is present in every system of society.

Ironically, social capital is not purely a Western concept. It is an Asian concept, which we have not recognized. The collectivist cultures of the East are supposed to be good in social capital.

I recently coined a concept know as 'Hindu social capital'. The concept describes the positive characteristics and competencies associated with the Indian software professionals operating overseas. The term 'Hindu' is used to simply describe the Indian mindset. The concept has nothing to do with the Hindu religion per se. It is a form of social capital in the sense that it allows the Indians to leverage the positive perception to their advantage in the early stages of their growth.

How can they do it?

The only way executives can learn about social capital is through mentoring. Unfortunately, mentoring has not been a strong concept in India unlike in the US. It's not that a senior manager should mentor a junior manager. In fact, a junior guy can find a person whom he admires in an organization. Ask him to take him under his wing. The mentor need not be in the same department.

Mentoring is not just top down but it can also be bottom up. It should also be inter-departmental. A marketing manager can have a mentor in the finance department. The main thing to ask oneself is whether I admire this person. Do I want to be like him or her?

Secondly, it's the education programme. Unfortunately, this is not taught in the business schools. You need to have workshops to bring awareness about social capital. The lesson to be learnt is – unless you convert human capital to social capital you will not go anywhere.

In addition to mentoring, communities of practice can help managers' progress. This started in Xerox. Organisations should start communities of practice around a certain discipline and encourage people to learn.

Indian managers no doubt have a big potential to man powerful corporate positions around the world. With adequate social capital under their belt they can change the current perception that they are just a nation of engineers and not a nation of capable people.●

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Ideas and insights from research papers

Managerial Ethical Behaviour: Results of a Comparative Study

Kanika T Bhal (Faculty, IIT, Delhi), Poonam Sharma (Scientist, IARI, New Delhi), IIMB, Management Review, Dec. 2002

Issues connected with business ethics have recently acquired prominence in the global scenario in general and in the Indian context in particular but there are hardly any studies that delve into the issues of ethical behaviour in Indian organizations. The situational approach in ethics places heavy emphasis on the role of external environment/culture of an organization in ethical behaviour of the individuals.

In line with this argument, the present study focuses on ethical behaviour of managers in public and private sector organizations. Responses of 319 managers reveal that though there is not much of a difference in the ethical frameworks (logic for making a decision in a situation of ethical dilemma), there are some differences in the nature of decisions (ethical or unethical) that the managers make in these two types of organizations.

Corporate Finance Practices in India: A Survey of CFO's Views

Manoj Anand (Panjab University, Chandigarh) Vikalpa, IIMA Journal

The present study surveys 81 CFOs of India to find out about their corporate finance practices vis-à-vis capital budgeting decisions, cost of capital, capital structure, and dividend policy decisions. It analyses the responses by the firm characteristics like firm size, profitability, leverage, P/E ratio, CFO's education, and the sector. The analysis reveals that practitioners do use the basic corporate finance tools that the professional institutes and business schools have taught for years to a great extent. The study also reveals that the corporate finance practices vary with firm size.

Competitive Strategies and New Venture Performance

Vikalpa-July-Sep 2002, Rinalini Pathak Kakati (AIM, Guwahati) U R Dhar (Gauhati University, Guwahati)

This paper presents the results of a longitudinal survey of 100 owner-managed new and small ventures. The survey was designed to explore the strategic orientations of new ventures and their performance implications. Results of the analytical study based on the application of factor analysis and cluster analysis indicate the existence of multiple strategies adopted by new ventures in order to remain competitive. The multiple regression models and cluster-wise performance analysis further indicate that a ventures' competitive strategy significantly influences its performance. On the other hand, a complete lack of strategic orientation in a new venture may lead to negative performance and subsequently may even threaten its very survival.

Using Choice Modeling in Service Management - A framework for gaining a clearer understanding of customer preferences

"Understanding Customer Value Drivers: A Key to Successful Service Management,"Authors Rohit Verma, associate professor of operations management at the University of Utah's Eccles School of Business, and Gerhard Plaschka, associate professor of management at DePaul University's Kellstadt Graduate School of Business.

Product-development and marketing managers know that customers make purchasing decisions on the basis of many criteria, including service quality, delivery speed and price. But since no company can excel in all aspects of service delivery simultaneously, companies must make trade-offs on the basis of what they do best, what criteria matter most to their customers, and what their competitors are offering.

An August 2002 white paper, "Understanding Customer Value Drivers: A Key to Successful Service Management," offers managers a way to assess customers' choices in order to optimize return on their product-development and customer-service investments. Authors Rohit Verma, associate professor of operations management at the University of Utah's Eccles School of Business, and Gerhard Plaschka, associate professor of management at DePaul University's Kellstadt Graduate School of Business, base their framework upon choice modeling (CM) — an approach first introduced in the 1970s by Daniel L. McFadden, Nobel Prize-winning professor of economics at the University of California, Berkeley.

McFadden's research focused on both the economic reasons for individual choices and the ways researchers could measure and predict these choices. He began with the macroeconomic theory that says people will act to maximize their self-interest and applied it to the most complex microeconomic choices, such as why people take certain jobs, whether they marry, and how they travel to work. McFadden's work subsequently led to applications in various fields, including marketing, natural resource economics and transportation, as well as service management.

Verma and Plaschka believe that most companies lack a clear understanding of their relevant customer and market drivers and, as a result, their product or marketing managers tend to take a scattershot approach, hoping that at least one product-service offering will succeed. Using McFadden's theories and subsequent work on experimental choice analysis (introduced by Jordan Louviere of the University of Technology, Sydney, and other researchers), the authors developed a three-step process to assess and challenge management preconceptions of how customer offerings will be received.

Leadership for New Managers:Business Fundamentals series

Harvard Business Review, Jan 2003

The Business Fundamentals series presents the basics that every student interested in a management career should have. This second edition of "Leadership for New Managers" features several new readings that address topics of concern to the new manager, such as learning how to persuade others and developing an authentic leadership style. Includes readings by Linda A. Hill, John J. Gabarro, Rob Goffee, Gareth Jones, John P. Kotter, and Michael D. Watkins.

E - Commerce Investment Appraisal: The situation of Irish SMEs

Eoin M. Whelan, 2002; Centre for Information & Knowledge Management

This research is an exploratory study into e-commerce (EC) investment evaluation, focusing specifically on indigenous Irish corporations. With so much hype surrounding the Internet and EC, many companies have been falling into the trap of blindly investing in web technologies and automatically expecting the benefits to follow. The first phase examines the issues involved in evaluating EC investments. Survey methodology is employed during this phase. It is envisioned that a significant finding from phase 1 will be that managing costs is a problematic area.

The second phase focuses on this issue in more detail. The specific focus of the case study will be to identify the total life-cycle costs of an EC investment and also, to study and document the intangible costs involved. An output of the case study will be the creation of an EC audit checklist. Companies that are considering developing EC systems in-house can use the checklist in order to gain a more accurate estimation of what the total tangible costs are, and gain a perspective as to what the impact of the intangible costs are likely to be.

Enterprise Resource Planning System Implementation: Analyzed in the context of Agency Theory, Human Asset Specificity and Organizational Resistance

Eoin C. Nolan, 2000; Centre for Information & Knowledge Management

This dissertation analyses the implementation of an Enterprise Resource Planning (ERP) system using Theories of Resistance and an implementation model derived from Agency Theory and Transaction Cost Economics by McGrath (1997). It is shown that resistance can be overcome by applying structure and control to the implementation process

Toxic Emotions at Work: How Compassionate Managers Handle Pain and Conflict

McKinsey Quarterly, Jan 2003

In "Toxic Emotions at Work," the author argues that managers must work to institutionalize compassion if they want to avoid the debilitating effects of pain on performance. Making a compelling case for compassion in business, this book helps leaders transform pain from an occupational hazard to a force for healthy organisations.

Next Generation Growth Conference Report: Andrew Grove on uncertainty and road ahead

McKinsey Quarterly, Jan 2003

Andrew Grove is one of the world's most respected executives. He participated in the founding of Intel in 1968 and has been a key force in driving its growth. We were fortunate to have him join us in Cupertino in October for a conversation with Clayton Christensen of Harvard Business School and Walter Kiechel, Editorial Director of Harvard Business School Publishing. His thoughts on uncertainty and the road ahead provide an interesting perspective for starting 2003.

Vinod Gupta School of management, IIT Kharagpur

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Weird ideas spark innovation

Managers don't have to be told that to innovate they need to embrace drastically different practices from the ones they use for routine work. So why don't they do it? According to Robert I. Sutton, co-director of Stanford University's Center for Work, Technology and Innovation, when business leaders see what innovation actually requires, they often recoil. The right practices seem strange, even wrongheaded. Understandably, it's hard for any executive to take action that will lose money today in order to test ideas that might never make money — in hopes one idea will make money tomorrow.

Nevertheless, Sutton contends, that is just what cutting-edge companies do, bravely tackling ideas that at first blush seemed weird. From his research on such organizations, Sutton has developed eight techniques to move teams and companies from working by rote to innovating.

The first two techniques are designed to provoke emotions that interrupt mindless action (provoke unpleasant emotions in others; make yourself uncomfortable). The second two are for smashing mindsets (treat everything like a temporary condition; ignore the experts). The third two help people identify and reject their dearest beliefs (plan to do something ridiculous; hold a "sacred cow" workshop). The last two are for exploding the composition of organizations and teams (bring in some slow learners; keep changing the composition of teams).

Sutton cautions, however, that the exact methods a company uses to spark novel ideas and actions should differ depending on the situation. He recommends giving people freedom to play around with a wide variety of offbeat notions until bringing in new knowledge and helping people see old things in new ways finally enables the company to break from the past.

Technology and strategy

A survey conducted by McKinsey Quarterly provides interesting glimpses into the mindset of innovation-minded businesspeople. Here are some of the key findings:

The survey was sent to approx. 11,500 people and almost 1,200 responded - Almost 2/3rds of those who responded were from outside the US (is innovation a hotter topic outside the US?)

- Respondents generally remain confident that their companies can pursue growth opportunities despite current economic conditions and almost three-quarters said that their organizations had not cut R&D significantly relative to levels of two years ago
- Only 23% felt that their organizations should stick to the core in looking for new growth opportunities while 68% felt they should look for opportunities wherever they could find them - Customer demand is the most significant driver of continued investment in innovation for about half of the respondents with the company's strategic principles being the second most important driver. Third is the need to stay "ahead of the curve."
- Fewer than 10% of respondents felt that their company's technology strategy was extremely well aligned with its overall business strategy. Thirty-nine percent felt that is was well aligned and another thirty-nine percent felt that it was about average - Fifty-eight percent were concerned or very concerned about their ability to implement new technologies once they have invested in them.

Innovation and discipline

Any company needs continuous flow of creative juices and showers of brilliance to regularly hit the market with blockbuster products. But creativity and fresh ideas are not enough. Big ideas have to be turned into big action. Otherwise the stellar ideas remain stardust.

Innovation guru Theodore Levitt is one of the foremost proponents of the innovation-action theory. In 'Best of HBR on Innovation - 'Creativity is not Enough,' Levitt says that mundane realities of implementation are just as – if not more – important than fresh ideas. "Without it, ideas swirl around, spawn chaos – and eventually die from lack of follow-through.

The solution, he calls Responsible Creativity – when people come to you with hot ideas, demand to know what they entail – costs, risks, manpower, time. But at the same time reassure risk-averse employees that their company makes innovation safe.

Andrall E Pearson also believes that competitive innovation springs in large part from discipline. His emphasis is more on institutionalizing innovation – systematically improving every aspect of business: sales, marketing, R&D, production. To make it work, Pearson's mantra is – cultivate an organization-wide innovation mindset by fanning desire to beat the competitor.

Organizing the firm's creative and operational parts differently like spinning off operations into small divisions to promote entrepreneurial spirit. And if a great idea gives first-blood advantage, throw all the resources behind it. Pearson is sure that most innovations fail not because of overspending but under spending.

Do's and don'ts in dealing with media

Managing the media is a tough call for any company anywhere. Two specialists share their insights on maximizing media returns for their companies

by Carol Metzker

More than ever before, Indian companies are capturing the attention of the global media.

Software firms touting top credentials are featured more often in financial, trade, scientific and general publications around the world. But for emerging global Indian companies capturing the attention of the US media still remains a big challenge. The bigger challenge for those who manage to make the first impression is - how to sustain the initial gains.

Gaining visibility: Pam Murphy, former vice president of corporate communications at Texas Biotechnology Corporation, worked diligently to establish a relationship between reporters and her emerging biopharmaceutical company. For two years even their local newspaper, one of the largest circulated daily papers in the country, "was loath to pay attention to companies … unless there was bad press," Murphy recounted. To counteract this attitude, Murphy set out aggressively to find and build a relationship with a reporter who would develop an interest in her company. Her plan worked, resulting in a number of reporters who take turns following the company. Now, "the reporters trust us to let them know what is important and what isn't," said Murphy.

With fourteen years of experience in corporate communications, Murphy offered the following tips for maximizing media program results:

Know your audience: Murphy sees financial, trade, scientific and general media as different audiences and she knows the interests of each. For example, Murphy provided technical information to Wall Street Journal journalists with MDs or PhDs and to scientific journals that give their company the clout needed for partnering with other pharmaceutical companies and scientists for their advisory board. However, for general local newspapers, Murphy focused on the ways Texas Biotech and the life sciences business positively impact the local community.

Use your limited resources wisely: "The amount of work to reach numerous audiences and publications can be overwhelming," Murphy said, so she recommends sharpening your focus to gain efficiency. Initially, select a few appropriate publications to convey your message. Choose writers who follow competitive products or similar subject areas. Develop relationships with those reporters—invite them to see what you do and to talk with people in your company who have relevant subject matter expertise.

Once you have the media's attention, you must communicate your message effectively. How you come across to the press can be as important as your message itself.

United Parcel Service (UPS) Director of Investor Relations Paula Norton is an advocate of both media and speaker training for members of the company. She suggests training for dealing with the media in the tough situations below and also offers her own tips from experience:

When you don't know the answer to a question: "Don't fumble through an answer or make up something. Say 'I don't know' and that you'll get back to them with the answer," Norton strongly recommended.

When news is negative: "Know your message. Know what you want to say and what you don't want to say." Even if your message is only two or three sentences, practice saying it aloud in your office behind a closed door. If your message deals with a crisis, acknowledge the situation, include steps that are being taken to resolve the crisis, and say when your company will deliver the next news update.

When an interviewer is tough: Watch previously televised interviews with a reporter. Read articles a journalist has written. Anticipate the types of questions an interviewer will ask and prepare answers in advance. At the same time, keep a positive attitude about the reporter. In the 20 years that Norton has dealt with the media, she has found that most reporters aim to present both sides of a story.

In the 20 years that Norton has dealt with the media, she has found that most reporters aim to present both sides of a story

"You always have a choice whether or not to do an interview," remarked Norton. "But if you can do the interview, do it. It builds a reservoir of good will." She stressed the importance of not turning down an interview just because the particular media is insignificant or because the interviewer is tough. "Take advantage of the opportunity even if you're uncomfortable."

You cannot underestimate the importance of the media and the critical role they play as a component of your marketing, public relations, hiring and overall management strategy. Remember to always have a plan. Know your message and know the best way to convey it to your specific audience.

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

Extramural reengineering

In ***The Agenda*** Michael Hammer said that the last vestiges of overhead lurk not deep in a company but at its edges. He said exploitation of the real power of the Internet to streamline the processes that connect you with the customers and suppliers will help in getting extramural engineering under way.

Job sculpting

Given the start differences between the long-term and short-term trends, success calls for a kind of double vision: keeping an eye on motivating your most productive workers while simultaneously focusing on the potential near-term need to make strategic layoffs. The art of effectively doing this is called job sculpting – the iterative task of aligning workers' responsibilities with the long-standing passions that determine the activities that make them happy.

Sensitivity training

Sensitivity Training (ST) is a process through which an individual explores the journey of human existence to ask some basic questions about life, relationships, interface across many roles, and purpose of one's own life. ST has many forms; each form has its own philosophies.

The term traces the historical roots of ST in the West and the developments and innovations in its applications in India. The Indian and Western forms of ST differ in the content, process, and the underlying philosophies.

Circular reasoning

When a reason is the same as the object being explained. Thus, no explanation is offered.

Example: We are giving small raises because we are not giving large raises.

Negative declaration

Giving a statement about what is not the case. The statement that something is not the case does not say what is the case.

Example: "Our president will not be fired. This does not imply the president will not leave the firm. He may retire, quit, pursue a better offer, change careers or be forced out."

Band aid

A quick, temporary fix. When the fix works the problem is quickly ignored. Example: "Can we put a *band aid* on the problem?"

Dehire

The firing of employees

Ping

Discuss, mention, verify, notify

Squeaky wheel gets the grease

A vital employee can get a raise by asking for it

Fully paid moving expenses

Pay for some part of each major expense incurred for employee relocation. Pay only the minimum fees for services such as moving insurance

Example: "We offer *fully paid moving expenses*"

Granularity

Detail

Example: "We need to see these reports with more *granularity*"

Hired gun

A consultant with an expertise who may or may not have better knowledge than almost any employee

Matrix management

Many employees report to more than one manager allowing each manager to have more employees reporting to him

Example: "He reports to three managers thanks to our *matrix management*"

Payroll orphans

Employees who were fired

Rising tide raises all boats

If the overall picture improves then everyone will benefit, yet some of those on the lowest levels have difficulty identifying their benefit

Heritage

A firm's traditional lines of business that are rarely abandoned

Rainmakers

People hired by companies to bring new customers

Targeted Pricing

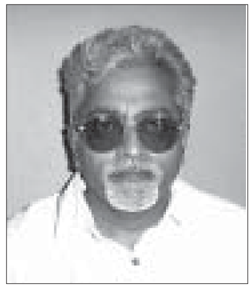
Should your firm target your competitors' customers with lower prices than the competition charges them? When might it make sense, instead, to offer discounts to your own customers? Under what conditions might this sort of approach - known as "targeted pricing" - backfire by driving everyone's prices down too far?

Affinity Card

A credit card issued on a condition that specified amounts are paid by the issuer to a named charity. The card is usually produced in a characteristic style to indicate this and also gives publicity to the charity concerned when the card is used.

AH4

Both a verbal and non-verbal general intelligence test (and also an element of numerical aptitude test), taking about an hour to conduct and used with different norms according to the level being tested.



Beyond analysis, into intelligence

The Western analytical approach to crisis management seems to have run out of steam. Indian managers therefore should embrace emotional and spiritual intelligence to stay ahead.

by Prof. Ramnath Narayanswamy

I see the challenges facing an Indian manager in three different levels. A manager requires three sets of intelligence. The first is analytical intelligence. The value of analytical intelligence lies in its ability to impart to the learner the uses of tools and techniques. That is fundamentally important. Its ultimate value lies in learning.

The second type is emotional intelligence (EI). EI refers to a manager's ability to articulate to his Self. Often this is a messy enterprise. Not many of us undertake that because it is messy. Nevertheless, it is absolutely critical. I think the value of EI is creativity and it helps managers handle chaos. The idea being you cannot handle external chaos if you are not internally aligned yourself.

The third level of intelligence is what might be loosely referred to as spiritual intelligence (SI). SI refers to a manager's ability to recognize an invisible sense of order in worldly disorder. And the value of SI is that it helps managers understand ambiguity. In fact, ambiguity is necessary but managers often run away from it. The reason why they do so is because of Western preponderance over management theory and practice. And a large part of Western management philosophy addresses analytical intelligence. Now, the problem is, analytical intelligence is useful in conditions which are by and large stable, routine and predictable.

As for EI what is true of individuals is also true of organizations. Spectacular growth takes place under conditions of chaos. I'm not sure how good Indian and Western managers are at this. However EI is being recognized in the West in the last two decades. But it is more talked about than practiced.

Now, SI helps managers to cope with ambiguity. Their ability to grapple with spiritual intelligence helps a company embed a philosophy. When they do so it's no longer a profit-seeking company. It becomes an institution embedding a philosophy of service to the community. If you look at visionary companies in the developed world, most of them don't work for profit. They work for building ties with the community.

In fact, the rash of scandals afflicting North America in the last two years is because of the failure of American firms to address spiritual intelligence at the level of the firm.

Copying the West blindly

Indian managers are copying Western management philosophy and standards blindly and are therefore finding it hard to manage crisis in the Indian context.

I think the problem with Indian corporates is something I deeply sympathise and empathise. At the core of it is their lack of faith in themselves. I think that's our national core incompetence. And business is no exception to it.

But there is hope. The process of liberalization of 1991 has unleashed creative energy of our people. This is bound to grow at a spectacular pace. While there is no guarantee that we can see the light at the end of the tunnel the good news is there is simply no other way but to reform hard. There are no soft options left for us.

Take the IT industry in India. It has grown spectacularly at an astonishing pace of 40 to 50 percent. This is the first time in the context of global economic slowdown that the industry is facing an external shock. If the industry needs anything it needs creativity to navigate this crisis. Academically, it will be interesting to see how the industry extricates itself from this crisis. Are Indian corporates prepared? The answer is mixed. Not all of them are prepared. Some who are intellectually prepared are those who acknowledge the gravity of the challenge.

To me the themes of creativity, leadership and spirituality are all deeply interconnected. All the three tap into a manager's quest for deep purpose. And it is only deep purpose and motivation that comes from inside. Unless a manager heightens to the internal accountability structures we cannot expect spectacular performance

I think Indian corporates suffer from absence of location. That comes from our history. We've had a history of invasions and colonization. Our sense of modernity is one that is fractured. Very often we retreat into the mythical golden age, which never existed, or retreat to something else which invariably comes from the West. Neither of them speaks our language. It is in between these two poles that our creative energies get released. How do we identify those points that can bring back the best in us? That's the real challenge.●

Prof.Ramnath Narayanswamy is a faculty at the Indian Institute of Management, Bangalore

"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

Victor India: Brand Building

Victor India Ltd (VCIL) was established in 1989 as a public limited company for manufacturing and marketing cocoa-based products, mainly chocolates. The company launched its cocoa-based brown milk beverage brand Victor in 1996 and expected that it would be able to do well in the market against established and aggressive competitors, leveraging on the costing and pricing advantage.

Victor's sales in the initial year could not reach the expected target. However, in 2000, the company initiated a brand-building programme to revitalize the brand by making interventions in the brand's attributes, benefits, and package leading to modifications in positioning.

The results were encouraging, but the brand was still struggling to break even. The company was reviewing the costing of the product as well as its promotion strategies. The case focuses on the challenges faced by VCIL in its brand-building programme. ***Source: TA Pai Management Institute, Manipal***

GloBank: Are outside consultants worth the cost?

GloBank has a new CEO who is very enigmatic and wants to slash extensive use of consultants. For ten years, Jeff Patterson's firm Flynn Fuller Consulting has worked on projects for financial services giant GloBank. Now this means that division presidents like Bill will have to justify major consulting projects.

Firms like Flynn Fuller will have to sell themselves again to GloBank. How can Jeff persuade Maloney that outside consultants are worth the cost? Jeff pulls together a team to make the case, but he hears as many approaches as there are people in the room. Should they outline a vision for the future of financial services? Or should they focus on demonstrating the firm's expertise or do they cut straight to GloBank's return on investment? P. William Bane, a retired VP and Director at Mercer Management Consulting; Tom Van Berkel, President and CEO of the insurance firm and others make the case study analysis. ***HBR Feb. 2003***

Navendors India: Professional v family management

Nand Varman, who headed Navee Group's Navendors India had signed a joint venture agreement with Fine Grey of Holland (FG). The deal was that Nand would remain president for three years and would appoint his successor. Bhirgu Thomas was appointed as the CEO of Nav Grey, Difference in management styles created issues between Bhirgu and Nand that affected the management of the business.

On the one side, the business owner needs money. On the other side, the business head cannot help him. In such a situation the debate is whether the latter has to lose his job? The case is analyzed by Matangi Gowrishankar, vice president (organization effectiveness) for Cummins group of companies in India and Achal Bhagat, a psychiatrist and psychotherapist at Apollo Hospital, New Delhi. ***Business World Feb 3, 2003***

Morro Group: Retailing

The Morro Group had entered retail a year ago with a huge store called Galaxy. But for all the gloss, Arun the advisor realized that the old manufacturing mindset prevailed. They were planning to expand the Galaxy chain into other metros. But Arun's advice was to wait for a year and utilize this time to understand the concept of retailing. Manufacturing is a quantifiable business which takes into account production, lead times, inventory – all measurable numbers.

But the issues such as meeting the consumer needs and values in service are not quantifiable but they are experimental. Arun feels retailing needs mindset of humility and service. So how will manufacturing firms entering the secotr or acquire that orientation? Aravind Nagaranan, an alumnus of the IIMB and presently working with Arcus, a home improvement retail chain, Rajan Chhibba, runs a business advisory called Intrim Business Associates, which focuses on strategy, operations and supply chain management discuss the case.

Business World Jan 13, 2003

(*The above three case study abstracts is courtesy Gleanings, an IIMB publication)*

Indiaco: Smart investing

Indiaco is a private equity investment firm that invests in hi-tech start-ups in India that can access global markets. Indiaco's investment strategy hinges on its ability to invest value added capital through providing early stage hi-tech start-up ventures with operational support and infrastructure, management support and coaching, and access to a network of service providers, vendors, customers and next stage investment capital resources.

Indiaco is a symbiotic constellation of start-ups, R&D organizations, investors and service providers to the hi-tech sector. Presently located in India, US, Australia, and Chile; Invested in 37 tenant companies; 40,000 sqft of commercial space, with internet bandwidth, plug and play offices: Helped tenant companies raise over Rs.35 crores (US$7 million) in private equity; Generated over Rs.200 crores (US$40 million) in market capitalization; Provided employment to over 800 professionals; 1 IPO, 4 acquisitions .

Source:www.1000ventures.com

Gold Seal Engineering Products Ltd (India): Lean manufacturing

The company resorted to non-capital changes by using world-class manufacturing methods such as single minute exchange of die (SMED), 5S activities (Sort - Straighten - Sweep - Standardize - Self-discipline), and other recognized methods of generating productivity gains.

Through this method a number of space and time utilization improvements were achieved. Shop-floor organization included leveling and repainting, with the additional benefit of improved safety and material flow on the shop floor. A 45 percent gain in production space was due largely to 5S activities.

These activities combined with a red-tag campaign also contributed to a reduction in machine down time by 60 percent. Another contribution in this respect came from a systemic analysis of machine down time at each workstation, followed by remedy-search sessions held in the engineering department.

Production set-up time was reduced by 33 percent by the application of single minute exchange of die (SMED) method. Gold Seal engineers participated in a training programme which focused on standardization of changeover procedures and streamlining internal operations.

Subsequently, standard operating procedures (SOPs) were expanded to include manual work. Consequently, approximately 50 percent of the production processes performed on the company's shop floor were standardized. This led to reduction of the lead time required for production and completion of goods by 25 percent.

Through training, workers were able to develop additional skills, which led to an increase in workforce flexibility. Skills matrix was developed for each department. The outcome of such as exercise revealed that 57 percent of the workforce at Gold Seal was multi-skilled.

A prevailing "culture of blame" was replaced by a more productive climate. A major contribution came from a female executive who exhibited a high level of motivation and ensured that the activities agreed upon were properly carried out.

Quality circles (QCs) were established and they increasingly involved the workforce. A suggestion system was also introduced, with suggestions being reviewed twice a month.

These mechanisms combined with SOPs for manual work, and the utilization of new measuring devices had a significant impact on product quality. Scrap volume was reduced by 75 percent.

Tangible results that accrued were: **Production space** increased by 45 percent; **machine down time** reduced by 60 percent; **machinery breakdown** reduced by 42 percent; s**crap** reduced by 75 percent; s**tandard operating procedures (SOPs)** increased by 50 percent; w**orkforce flexibility** increased by 57 percent.

Source:www.1000ventures.com

Rojee Tasha Stampings Ltd (India): Lean manufacturing

The company applied non-capital changes by using world-class manufacturing (WCM) methods such as single minute exchange of die (SMED), 5S activities (Sort - Straighten - Sweep - Standardize - Self-discipline), variations of the Kamban system and other recognized methods of generating productivity gains.

A number of improvements in time utilization were achieved. The reduction in set-up time was achieved through the introduction of single minute exchange of die (SMED) method and preparation of standard operating procedures. In a practical example, workers on two press machines broke down the entire changeover process into small activities in order to determine the time wasted for adjustments and readjustments.

As a result of this exercise, the changeover time was reduced by 80 percent (from 62 minutes to 13 minutes), with a similar result obtained in the case of the second press machine. This, together with a 30 percent improvement in achievement against time contributed to a 50 percent cut in throughput time.

A major concern of the company was machinery breakdown. A maintenance worker was recruited, which dramatically reduced response time to machinery breakdown, and resulted in a successful implementation of preventive maintenance programme.

The company engineers were trained on error proofing. This paved the way for the identification of ten major quality-related issues and for consequent recommendations for action covering various production areas.

Significant improvements have been achieved through enhanced awareness and corrective measures in the area of production efficiency. A number of contributions came from improvements and the planning and strategy-formulation stage. For example, the company adopted strategies for improving time utilization and reducing reject and rework volumes, as well as for maintenance and 5S activities.

With these measures turnover: increased by 36 percent; **Production space** increased by 43 percent; **Machine down time** reduced by 100 percent; **Lead time** reduced by 50 percent; **Product rejection by customer** reduced by 50 percent; **Changeover time for press machines** reduced by 80 percent; **Staff training investment** increased multifold;

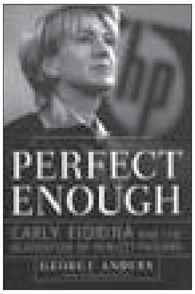
Workforce flexibility increased by 100 percent; **Productivity awareness** increased dramatically; **Quality awareness** increased and **Staff motivation** improved significantly.

Source: 1000ventures.com

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

Perfect Enough : Carly Fiorina and the Reinvention of Hewlett Packard

George Anders, Hardcover, 288pp



Hewlett-Packard grew up as an old school, old-fashioned family business with strong values and integrity. So much so that their value as a tech company was compromised at times—products had to be perfect before they could be shipped out of the plant. By the time some products made it out of the shop, they were already obsolete, or the market rush had already passed it by. Then comes Carly Fiorina. She changed the whole philosophy of HP without sacrificing its integrity.

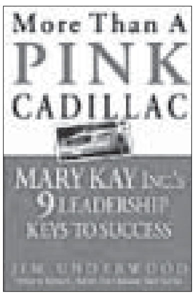
George Anders book is a fast-paced, detailed story of Carly Fiorina's induction into HP and her later transformation of the company.

Fiorina's biggest feat was the HP merger with Compaq. Not only did she have to negotiate with the people at Compaq, but she had to face harsh internal scrutiny from Walter Hewlett. The skills Fiorina had to use in this battle really showed her value and worth as an exceptional leader, strategist, and overall human being.

In this book, readers will find out how Fiorina's motto of "perfect enough" led HP to actually become a virtually perfect, innovative, thriving company. She is an awe-inspiring leader.

More Than a Pink Cadillac : Mary Kay, Inc.'s Nine Leadership Keys to Success

Jim Underwood, Hardcover, 250pp



Mary Kay, Inc., has made its trademark "pink cadillac" an icon of female empowerment throughout the world. And it's not just Mary Kay's 800,000 associates worldwide who know it is an outstanding company. From the Harvard Business School to the CIA, organizations around the world are studying and attempting to emulate the incredible success of this powerful marketing machine.

More than a Pink Cadillac reveals the leadership and success principles that have made the company a global success — and an inspiration to women everywhere. Jim Underwood is the first outside author to have unlimited access to the company's employees and management. Featuring inspirational stories about leaders and associates at Mary Kay, More than a Pink Cadillac imparts nine keys to sustainable success that any leader or independent businessperson can use to inspire others and succeed in business.

The Trusted Leader : Bringing Out the Best in Your People and Your Company

Robert M. Galford, Anne Seibold Drapeau, Hardcover, 288pp

Robert Galford, David Maister and Charles Green together wrote last year's best selling The Trusted Advisor. This year, Galford returns with co-author Anne Seibold Drapeau with an extremely well written book about trust in leadership.

The authors have identified three areas of trust that leaders must accomplish. They are Strategic Trust—employees trust that mangers are correct on how the company is positioned, priced, and located in the marketplace. The second trust is Organizational Trust—employees trust the way things are being done in both processes and decision-making. The third form of trust is Personal Trust—employees trust the people leading the company. Later in the book, Galford and Seibold Drapeau list the top 10 benefits of trusted leadership with a thorough (sometimes lengthy) explanation.

After the big corporate scandals, the issue of trust is an important one for any organization's leaders. This book goes right to the point and will help readers gain and maintain their employees' trust.

Making Rain : Secrets of Building Lifelong Client Loyalty

Andrew Sobel, Hardcover, 256pp

The book Clients for Life, which Andrew Sobel co-wrote with Jagdish Sheth has been an 800-CEO-READ bestseller ever since it came out two years ago. Now, Sobel is on his own and brings us Making Rain. It's sort of the natural extension of Clients for Life. Where the first book gives you what you need to establish client loyalty, Making Rain goes on to tell you how to maintain that loyalty for the long haul.

Sobel argues that "rainmakers," people hired by companies to bring new customers, are ineffective because they are there for the short-term—they do their job and leave the organization behind. He believes that it would be better to bring out the rainmaker in everyone in an organization, and increase value and loyalty that way—for the long-term—so an organization is always "making rain" for itself.

Overall, this book is based in common-sense ideas, but Sobel goes the extra mile to show us how to use those common-sense ideas that we all have. Books like this are the best kind to read because they make us fully understand and clearly see what we have always had an inkling of, but were never able to put into action.

Ascending the Value Spiral - From Insight to Innovation

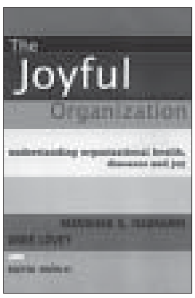
S Ramachander, Institute for Financial Management and Research and Academy for Management Excellence, Chennai
Published 2002; Pages: 280; Sage India; Price Rs 250

This delightfully written book is designed to help managers become more thoughtful, creative and intuitive in their thinking. It shows how to apply innovative thinking to all aspects of the value chain, from insightful discovery to designing and developing a product to deliver it to the consumer. The author improves upon the value chain metaphor to bring in the concept of a cycle of continuous change. As this cycle repeats itself, it becomes an ascending spiral of increasing value to the customer.

With the help of vivid examples, S Ramachander argues that while there is enormous scope for new product development in India, building a brand or a successful business requires resourcefulness, creativity and, above all, a flexible approach along with large doses of patience. He presents an array of techniques and tools for creative problem solving and introduces several new frameworks, which have all been tested in real life situations. In particular, he develops the notion of the value spiral and the concept of meta marketing, both which will help practicing managers to understand customers and develop perceptive mental models; Link insights to business goals; and create innovative strategies along the value chain to achieve these goals.

The Joyful Organization - Understanding Organizational Health, Diseases and Joy

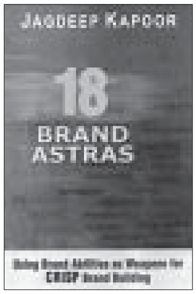
Imre Lovey, Founding Managing Partner of Concordia Inc, Hungary; Manohar S Nadakarni Chairman, Behavioral Science Center (India) Pvt Ltd, Mumbai; Eszter Erdlevy, Management Consultant, San Francisco
Published in: 2003 Pages: 268; Response Books; Price Rs 350



This book maintains that a truly strong organization is one whose employees experience joy in performing their tasks, which inspire them to give their utmost to realize organizational goals. Based on over sixty years of combined experience in organizational development gained in five continents, the authors have developed a holistic framework of organizational health and diseases to better understand a flourishing organization in today's world. They present an entirely new analysis of organizations in order to bring them to the stage of being joyful and thus effective in realizing the organizational vision as well as for individuals to live a fuller, more satisfying life.

18 Brand Astras - Using Brand Abilities as Weapons for CRISP Brand Building

Jagdeep Kapoor Managing Director, Samsika Marketing Consultants Pvt Ltd, Mumbai
Published in 2003; Pages: 136 ; Response Books; Price NA



At a time when marketing is nothing short of warfare, this practice-oriented book by ace-marketer Jagdeep Kapoor presents the 18 major weapons that a marketer must have up his/her sleeve to make a brand successful. These 18 astras—like Reliability, Credibility, Serviceability, Visibility and Usability—are brand abilities necessary to launch, build and rejuvenate winning brands.

This direct and hard-hitting book explains brand ability in detail. Jagdeep Kapoor then explains how they should be used together to form his unique CRISP brand-building module. CRISP is an effective strategy, which covers all the important aspects of brand building and marketing to ensure that any brand is a success. A Brand Health Scan is provided which tells the reader how his brand measures up to that brand ability.

Beyond Appearances? - Visual Practices and Ideologies in Modern India

Edited by Sumathi Ramaswamy University of Michigan, Ann Arbor
Published in: 2003 ; Pages: 458; Sage India; price Rs 780

A striking feature of modern-day society is the ubiquity of visuals and images in everyday life. The 11 essays in this book analyze the material and political impact of a wide array of artifacts, media, and habits with the aim of understanding the principal contours of the visual practices and ideologies that distinguish an Indian modern art.

Recognizing the enormous power contained within images to transform and mobilize self and community, the contributors focus on a variety of visual media including fine art and calendar art, theatre and popular cinema, photography, documentary films and propaganda videos, and maps. In the process, they also examine the inter-visual dialogue between these diverse media, exploring their underlying technologies of production and modalities of circulation and exchange.

Source: Sage India

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

Start Date	Title	Area	Director
21- 25 Apr 03	Managerial Effectiveness and Personal Growth	HR Management	C Manohar Reddy
28 May- 13 June 03	Practical Management Of Commercial Contracts	Finance & Control	Krishnamurthy S
11-13 June 03	Managing Hi-Tech Firms	Marketing	Y L R Moorthi
16-18 June 03	Management of Banks and Financial Institutions	Finance & Control	Ashok Thampy
18-21 June 03	Management Of Exports-Imports- Forex- International	Finance & Control	Krishnamurthy S
19- 21 June 03	Leadership Training For Software Professionals	Software & IT Management	N M Agrawal, Vasanthi Srinivasan
23-26 June 03	Life Insurance Demystified	Finance & Control	Sankarshan Basu, Shubhabrata Das

THE ALLIANCE Wharton INSEAD

Date	Title	Cost	Place
2 -6 June 03	Business-to-Business Marketing Strategy Programme	--	Budapest
29 Jun - 4 July 03	Designing and Implementing Knowledge Strategies	--	Fontainebleau
22 - 27 June 03	Strategies in Services	--	Fontainebleau
15 - 20 June 03	Market Access: The Management of Marketing Channels	--	Fontainebleau
25 May - 13 June 03 31 Aug - 19 Sept 03	Young Managers Program	16,050 Euros	Fontainebleau
22 June - 4 July 03	Young Managers Program	--	Singapore
29-30 May-03	Forbes Executive Women's Forum	--	New York
26 May - 6 June 03	Asian International Executive Programme	US $ 7,850	Singapore
10 - 21Nov 03	Asian International Executive Programme	US $ 7,850	Singapore

Indian School of Business - Hyderabad

Date	Title	Cost	Place
15 - 24 June 03	Strategic Leadership in the Info-Tech Age	--	ISB
18 - 31 May 03 29 June - 4 July 03	ISB-Wharton Global Advanced Management Programme 2003Leading the Family Enterprise (LFE)	-- --	ISB 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

Harvard School of Business

Date	Title	Cost	Place
4 - 7 May 03	Financial Innovations: Raising Capital and Managing Risk	$5,000	HBS
4 - 7 May 03	Women Leading Business: Innovation and Success	$5,500	HBS
7 - 10 May 03	Top Management Seminar for Retailers and Suppliers	$5,250	HBS
7 - 10 May 03	Trading & Arbitrage	$5,000	HBS
11 - 14 May 03	Doing Private Equity Deals: From Business Plan to Term Sheet	$5,000	HBS
11 - 29 May 03	Owner/President Management Program	$18,750	HBS
14 - 17 May 03	International Managerial Finance: Creating Value Across Borders	$5,000	HBS
18 -23 May 03	Strategic Human Resource Management	$7,300	HBS
28 -30 May 03	Creating Corporate Advantage: Strategy in the Multibusiness Firm	$5,500	HBS
28 -31 May 03	Performance Measurement for Effective Management of Nonprofit Organizations	$3,150	HBS
8 - 13 June 03	Restructuring for the Global Economy	$5,000	HBS
1 - 6 June 03	Competition and Strategy	$10,500	HBS
1 - 6 June 03	Leadership and Strategy in Pharmaceuticals and Biotech	$8,000	HBS
1 - 6 June 03	Managing the Supply Chain: The General Manager's Perspective	$7,300	HBS
8 - 10 June 03	Compensation Committees: Preparing for the Challenges Ahead	$3,500	HBS
8 - 13 June 03	High Potentials Leadership Program	$8,250	HBS
8 - 13 June 03	Strategic Negotiations: Dealmaking for the Long Term	$8,250	HBS
10 - 12 June 03	Audit Committees in a New Era of Governance	$3,500	HBS

Indian Institute of Management - Kolkata

Date	Title	Taken by	Cost	Place
23 - 25 June 03	Navigating Business with the Balanced Scorecard	Prof. P.K.Sett	Rs. 15000	IIC -New Delhi
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

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

There seems to be some kind of insecurity over here that you need to get over with.
Just relax, guys, you are also part of the human race,
- ***Scott McNealy,*** co-founder and CEO of Sun Microsystems,
when asked what strikes him about India.

The only real security that a man can have in this world is a reserve of knowledge, experience and ability. - ***Henry Ford***

I don't waste too much time philosophizing about wealth, I just recommend it to everyone.- ***Malcolm Forbes***

In our factory, we make lipstick. In our advertising, we sell hope. - ***Charles Revson***

Trust your instincts. Your mistakes might as well be your own instead of someone else's. - ***Billy Wilder, Producer.***

Whatever your life's work is, do it well. A man should do his job so well that the living, the dead, and the unborn could do it no better. - ***Martin Luther King, Jr.***

Discoveries are often made by not following instructions, by going off the main road, by trying the untried.
- ***Frank Tyger, in Forbes***

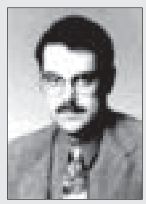
Try not to become a success, but rather try to become a man of value - ***Albert Einstein***

There are times when even the best manager is like the little boy with the big dog waiting to see where the dog wants to go so he can take him there. - ***Lee Iacocca***

Daring ideas are like chessman moved forward; they may be beaten, but they may start a winning game.
- ***Goethe***

If you have built castles in the air, your work need not be lost; that is where they should be. Now put the foundations under them. - ***Henry David Thoreau***

Success is a lousy teacher. It seduces smart people into thinking they can't lose. - ***Bill Gates in The Road Ahead***



Anyone who has never made a mistake has never tried anything new'- ***Albert Einstein***

Some folks want their luck buttered. - ***Thomas Hardy***

I have yet to find the man, however exalted his station, who did not do better work and put forth greater effort under a spirit of approval than under a spirit of criticism. - ***Charles M. Schwab***

Once you consent to some concession, you can never cancel it and put things back the way they are.
- ***Howard Hughes*** *(1905-1976) US manufacturer, aviator, producer*

When your work speaks for itself, don't interrupt.- ***Henry J. Kaiser***, *American industrialist (1882-1967).*

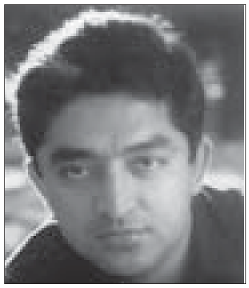
Ask five economists and you'll get five different explanations —six if one went to Harvard.
- ***Edgar R. Fiedler***, *U.S. economist, government economic advisor, investment fund manager*

If people know how hard I work to get my mastery, it wouldn't seem too wonderful at all. - ***Michelangelo***

Self-reverence, self-knowledge, self-control - these three alone lead to success.- ***Alfred Lord Tennyson***

Brand politics at war time and beyond

by Harish Bijoor



As a savage war rages in Iraqi territory, I worry for the life of every Iraqi. I equally worry for something new that is raising its head in our contemporary lives. Brand Politics!

As war rages, let us visualize the mind and mood at play in times of turmoil. Let us take paces through the lives of a people under stress. Think Iraq. Think Iraqi as well!

War brings the best in people. The worst as well! A turmoil that is bound to have a deep-rooted significance. Significance that is going to impact the commerce, social life and psychological divide that society is going to witness in the region.

As segmentation further deepens and morphs into an acute state of polarization, let's remember that every ideology will have its own set of brands. Every ideology will shun what the rival camp will offer. Each of these camps will want to nurture ill will for a long time. Suspicion is going to be around even longer. A lack of trust is the dominant mood for the next several decades for sure!

Time then to look at commerce. Time to look at what a war can do to brands. Brands that represent the overt symbols of commerce, whether it is selling a tank or a tampon to a society craving for the offering that is packaged, pre-priced, and built with a dominant imagery of perfection and quality delivery.

The brand for a start is a simple offering. Markets all over the globe are full of brands that offer a distinct identity to your range of pianos and panty hose alike. Brands offer distinctiveness. Brands add appeal. The brand is a colour, an insignia, a logo, a feeling and at times even a mere scent!

The brands that clutter our physical day-to-day lives clutter our mind-space all the while. The brand is an association. This association, most of the time, is rooted in culture! The real world brand is one that is rooted in cultural imagery that seeks to pick on that universal want and need and desire. More universal this basic building block of brands, bigger is the potential of the brand occupying dominant geographic spaces in terms of its stretch. Brand managers of the world will however give this universal desire a visual tag. A visual tag that seeks focus. It is this very focus that will polarize the world in the post-war days ahead!

Let's pick some trends from the dominant markets of the day. "Arab Cola" competes for attention from Muslim brethren on the streets of liberal London. Expressing a choice for "Arab Cola" versus the ubiquitous "Coca Cola" is a political statement many a consumer is making today. The movement is niche, but one to be watched! Iran has its stores packed with "Muslim Cola" and Pakistan will even offer a "Jihad Cola"! How long then till the dominant American Colas are thrown out of the super-markets of the Muslim world?

Can Levi's expect a ban on garnishing the butts of many a young man and woman in Muslim world? How long for McDonald's to pull down its shutters in Karachi? When will the attacks start?

As society polarizes, brands will suddenly find themselves in the grip of factors more powerful than commerce. War is just not good for brands. A polarized society will invent for itself its own set of solution-providers; brands that are local in nature and brands that emote with the dominant psyche of the region.

Brands represent cultures and cultures that want to preserve their uniqueness will not allow an intrusion from the "enemy-brand" from alien culture and territory. This war is going to be one of preservation of what is ethnic. The bombs can destroy the Palaces and the mosques, but the brands will not be allowed to touch the fabric of a society that will want to regress in its mind-set. Watch Italy for one! City fathers in many a region have banned the entry of McDonald's. There is a clarion call to preserve food habit, which is a cultural icon for Italy! The American Burger will not be allowed an opportunity to fight the Italian Pasta!

War is just not good for brands. A polarized society will invent for itself its own set of brands that are local in nature and brands that emote with the dominant psyche of the region

As the Muslim world will invent its own brands that will fight the dominant ones from America that aspire to colonalise society in a subliminal way, America will have its own share of brand bigotry. Remember, the French Fries are in trouble! French wine is in trouble in the politically correct homes of Los Angeles and Las Vegas alike even today!

A divided society will fight one another. The battle will happen on the battlefields. But this will be a short battle. Long after, the battle will continue. This battle will be fought with brands! For a long, long time to come! ●

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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Harvard's arrogance!

As we interact with hundreds of people daily, we have a tendency to stereotype people for how they look. This story reminds us to look beyond what we SEE, to see the real people behind the looks.

A lady in a faded gingham dress and her husband, dressed in a homespun threadbare suit, stepped off the train in Boston and walked timidly without an appointment into the Harvard University President's outer office. The secretary could tell in a moment that in such backwoods, country hicks had no business at Harvard and probably didn't even deserve to be in Cambridge. She frowned. "We want to see the President," the man said softly. "He'll be busy all day," the secretary snapped. "We'll wait." the lady replied.

For hours, the secretary ignored them, hoping that the couple would finally become discouraged and go away. They didn't, and the secretary grew frustrated and finally decided to disturb the president, even though it was a chore she always regretted. "Maybe if they just see you for a few minutes, they'll leave," she told him.

He signed in exasperation and nodded. Someone of his importance obviously didn't have the time to spend with them, but he detested gingham dresses and homespun suits cluttering up his outer office. The President, stern-faced with dignity, strutted toward the couple. The lady told him, "We had a son who attended Harvard for one year. He loved Harvard. He was happy here; but about a year ago, he was accidentally killed. My husband and I would like to erect a memorial to him, somewhere on campus".

The President wasn't touched, he was shocked. "Madam," he said, gruffly. "We can't put up a statue for every person who attended Harvard and died. If we did, this place would look like a cemetery". "Oh, no," the lady explained quickly. "We don't want to erect a statue. We thought we would like to give a building to Harvard". The president rolled his eyes. He glanced at the gingham dress and homespun suit, then exclaimed "A building! Do you have any earthly idea how much a building costs? We have over seven and a half million dollars in the physical plant at Harvard".

For a moment the lady was silent. The President was pleased. He could get rid of them now. The lady turned to her husband and said quietly, "Is that all it costs to start a University? Why don't we just start our own?" Her husband nodded. The President's face wilted in confusion and bewilderment. And Mr. and Mrs. Leland Stanford walked away traveling to Palo Alto, California, where they established the University that bears their name, a memorial to a son that Harvard no longer cared about - Stanford University.

Three-legged chicken

A management consultant was driving along a freeway when he noticed a rooster along side his car. He was amazed to see it keeping up with him because he was doing 50 MPH. He accelerated to 60 and the bird stayed right next to him. He speeded up to 75 MPH and to his surprise it passed him up. The man noticed that the rooster had three legs. So, he followed it down a road and ended up at a farm. He got out of his car and saw that all the roosters there had three legs.

He asked the farmer "What's up with these birds?"

The farmer said, "Well, everybody likes chicken legs. I bred a three-legged bird. I'm going to be a millionaire." The consultant asked him how they tasted.

The farmer said "Don't know, haven't caught one yet."

The moral of the story he thought – a bird in hand now is better than three in the bank later.

The KISS Theory of Management

There are several ideas put around which may seem amusing but have a grain of truth to them. Most of the following office "theories" are anonymous. That does not mean that they lack validity. It is always difficult to keep things simple - as expressed by the abbreviation **KISS**. There are a number of explanations for what **KISS** stands for. Take your pick:

- Keep It Simple and Sexy
- Keep It Simple and Straight
- Keep It Simple Sweetheart
- Keep It Simple Stupid
- Keep It Simple for the Suckers.
- Keep It Sugar Sweet

Kitchen Confidential

One of the surprise bestselling business books of 2002 was 'Kitchen Confidential' by New York's favourite chef, Anthony Bourdain. He is set to become a new management guru on the strengths of the managerial structure of his kitchen, which is terrifyingly hierarchical and totally inflexible.

Making an ass of oneself

A standard phrase heard all the time is "I assume that...." This often really means, "I haven't a clue but I am guessing that...." It's OK when you get it right, but not when you get it wrong. A golden rule before "assuming anything" is to think of the letters that make up the word 'assume'. Whenever you make an assumption and get it wrong - you will have made an **Ass** of **u** and **me**.

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