

How a 'pirate' turned big innovator

The journey of Dr. Anji Reddy as a 'copycat', ten years ago, to one of India's great innovators in the pharmaceutical business, is unparalleled

- By Benedict Paramanand



When Dr. Reddy arrived 15 minutes early for a conference of the World Intellectual Property Organization in Geneva ten years ago, he bumped into another early bird – the Controller General of Patents and Trademarks. The controller immediately recognized Dr. Reddy and after handshakes, he was told that he was quite popular in Geneva. Dr. Reddy felt good, but only for a while. Soon the controller added: "Whenever the topic of piracy comes up, your name tops the list." This happened ten years ago. Today, Dr. Reddy's image has metamorphosed from that of a pirate to that of a consummate innovator.

Till recently, Indian pharma companies were enjoying the protection of the 25-year old Indian Patents Act which recognized only process and not product patents. Soon after a drug was released globally, Indian companies would quickly launch the same product using a different process and were not ashamed of it.

While doing 'very well' on the processed drug manufacturing front, Dr. Reddy was simultaneously building basic research strength at a lab in Bangalore, as early as 1973. When Reddy cautioned the industry about the imminent threat of the product patent regime, he was ridiculed.

While most others were enjoying the fruits of the licenseraj, Dr. Reddy was working on an insulin resistant molecule for diabetes. Since the cost of clinical trials on this molecule were exorbitant, Dr. Reddy tied up with two multinational drug companies in March 1998 and earned a neat \$3 million royalty, a first for intellectual property for an Indian company.

To show that he was globally competitive Dr. Reddy set up a lab in Atlanta, a first by any Indian company, that too in the toughest regulatory regime. Here, he put his new business model to test.

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While the big pharma companies were suffering from a drought of new compounds, Dr. Reddy's was "having a feast with 10 compounds ready for trials and another 10 getting ready for trials in two to three years."

Says Dr. Reddy: "If we have 20 odd compounds, going by simple calculations where it takes \$200 million to introduce a drug into the market, and 35 percent of it is invested in preclinical research, Dr. Reddy's is sitting on a potential worth of \$1,400 million."

With so much earning potential, Dr. Reddy didn't want others to gobble up a larger share of the hard-earned pie. The new business model here is clear. Dr. Reddy's will only invest in discovering/developing new compounds and molecules and tie up with venture capitalists or other drug companies to take the product to market. Here, Dr. Reddy has a greater chance of earning big money, instead of cheaply making a one-time sale of his research work. Dr. Reddy says: "Innovation is not only in the laboratory. For succeeding in this field, innovation in financial engineering is as important."

Dr. Reddy's business acumen got its full worth in the Prozac drug story. He spotted an observation by one of his marketing guys that 60 percent of the prescriptions in the United States were for 40 mgs, while the dosage available at the counter were 10mgs and 30 mgs. A year before Prozac's patent was to expire Dr. Reddy filed a patent for a one single doze of 40mgs. The sheer timing earned the company a cool \$100 million. The investors were happy. "Since we didn't do this year after year, the investors are unhappy today and have beaten the stock down."

Dr. Reddy is not upset. Despite feeling the investor pressure, he is sure that being listed in the New York Stock Exchange, the only Indian drug company to have done so far, has its merits. He says he could recruit big names such as Dennis Langer, top scientist at Glaxo Smithline, with a bunch of attractive stock options. He also recently recruited Ish Khanna of Pfizer, the co-inventor of the popular drug Celebrex. "When you are an innovator and if you are bold, everyone respects you. You cannot become world class by doing generic drug manufacturing alone. You got to have something of your own."

Dr. Reddy's next big gamble is on treating ethrosclerosis, a heart ailment. To keep costs low he is conducting clinical trials in association with a Chinese company. If the trials succeed, he believes it will change the way coronary diseases are treated today.

The next big business innovation on Dr. Reddy's plate was contract research, which is not doing that well yet. Why isn't Dr. Reddy getting into biosciences or genetics? "You have to focus on whatever you are strong at. I cannot dissipate my energies although I can do it. I won't say we can't do that. Probably Kiran Majumdar of Biocon can do it better."

In just over ten years Dr. Reddys Lab has become the top Indian pharmaceutical company. A recent survey showed that companies wanting to do research in India preferred to associate first with Dr. Reddy Labs, second with Glaxo and third with Ranbaxy.

Despite earning big fame and money, Dr. Reddy's grand mission is to offer drugs that are affordable to Indian consumers. "Left to me, I'd like to be known as a guy who created affordable medicine in this country." Indeed, true innovators normally give more to the society than what they've taken from it.

Only innovation will take Indian IT to third wave

Indian IT sector has blossomed in the last five years and is gaining in confidence. Three of India's big IT giants, TCS, Infosys Technologies and Wipro Ltd, have crossed one billion dollars in revenue. Business Process Outsourcing is picking up steam even as it grapples against commoditisation.

If the IT services boom and the subsequent surge in BPO services are to be considered the first and second IT waves for India, to borrow a phrase, the third IT wave should be rooted in the innovative ability of its IT industry.

To stimulate innovation and encourage with bright ideas, NASSCOM suggests an India a year to give no-strings grants for promising ideas. Fund, which already exists and funds small-scale on the exceptional work by Prof. Anil Gupta of



Prof. Anil Gupta

Of prime importance at this stage is the need create wide spread understanding of the Indian economy.

NASSCOM wants actions to be taken on a (which often stifles creativity, especially through rote-learning and information-based tests) to the funding and patenting. "We, as a country, are extremely well-positioned to take advantage of innovation as an economic force multiplier. All we have to do is to play our cards correctly."

Initially, the India-advantage was based primarily on cost-arbitrage - whether it was in manufacturing or in services. Now, those who came for cost have stayed and grown because of the quality, productivity and rapidly scaleable skills available in India. Thus, better customer service and reduced time-to-market have become as important as cost. These will continue to be important factors, and India's unique advantages in delivering these will ensure large on-going business. "However, when we look at the next phase of growth, it is clear that this will be fuelled by innovation," says Kiran Karnik, president of NASSCOM.

"Three years from now we should reach a mature growth scenario where the current growth rates of 20%-odd for IT services and 40% for BPO services would more or less taper off. In such a scenario, the next growth proposition should come from innovation," Nasscom president Kiran Karnik.

In tandem with the innovation fund, Nasscom has also mooted a 'patent fund' to help out such innovative initiatives by IT companies, particularly smaller ones and start-ups, which are unable to patent their innovations for want of funding and expertise.

entrepreneurship and risk-taking amongst people Innovation Initiative, with a fund of Rs 200 crore This would complement the National Innovation innovations in the rural economy, based mainly IIM Ahmedabad.

to recognize the challenge of innovation, and to importance of innovation for the future of the

number of fronts - from the education system (which often stifles creativity, especially through rote-learning and information-based tests) to the funding and patenting. "We, as a country, are extremely well-positioned to take advantage of innovation as an economic force multiplier. All we have to do is to play our cards correctly."

Why India needs big innovation to grow faster?

The latest release from a respected rating agency stated that India can achieve 8% growth only if agriculture grew by 4% in 2004. Now, with agriculture still largely dependent on rains, the growth outlook is hazy. Is this kind of projection any new to India? How long do we delude ourselves of 'our great potential' without doing anything differently at the macro scale?

Shekhar Gupta, MD of Oracle India, who joined the debate on 'New Frontiers of Innovation' at IIM Bangalore recently said that the Indian leadership has failed the country big time. While several Asian countries are sprinting away, India is still trying to solve old problems with old solutions.

India has had innovation only in pockets. The Green Revolution was the first major innovation in India. This followed a series of bad droughts in the early 1960s. The White revolution pioneered by Dr. Kurien was another big innovation.

China is where it is because its leadership is committed to a larger purpose and is open to try innovative ways. Even if we don't agree with its ways, the results are stark. In 1947, India's per capita GDP was the highest in Asia. Today, it is 29th. China's poverty ratio today is 20 percent, while India's is still high at 40 percent. China's GDP today is \$1.4 trillion, while India is still a little more than \$500 billion.

India will have to open up to global markets from next year when WTO comes into affect and Indian banks have to adhere to the Basel-II norms by 2007. Will commitment to international agreements force India to innovate or will the leadership continue with its benign style of letting the cart take its own course?

Say good-bye to blockbuster model



Top innovators are worried that the United States is on the verge of losing its supremacy in innovation around the world, says Dr. Bhaskar Chakravorti, partner at the Monitor Group. Dr. Chakravorti's latest book *Slow Pace of Fast Change* has received rave reviews.

Also, the blockbuster 80:20 one-hit model of innovation is slowly disappearing. The reason underlying this concern is that the source of innovation is coming from the ability to connect or the ability to transmit information that are emanating from different points. Also, the source of creativity is moving away from the centralized locations while a group of people is contributing to innovation. Therefore, the center of gravity is getting dispersed and the world is becoming perhaps more equalized. Dr. Chakravorti spoke at a recent conference at IIMB in Bangalore.

The latest example is of Microsoft which confirms the threat of open sources software and is beginning to reexamine its business model of high-priced software, both to developing and developed markets.

The pharmaceutical companies are wondering how long the blockbuster model is going to work. Currently, the model involves spending enormous amounts of money with the hope that one out of ten or 100 tries will result in a multi-hundred or a billion dollar product. That prospect is slowly going away as the potential for blockbusters are diminishing and personalized medicines become more and more popular.

What does this mean to Indian companies that are looking to partner with global companies? Indian and Chinese companies today are moving away from merely being outsourcing points to that of having strategic capabilities.

There is a belief today of the need to set up a parallel organization, away from the core and is organized differently. This company can handle different classes of customers and light upon an idea which wouldn't automatically strike if managers were sitting in an atmosphere of the market and if they were serving high value customers. There is an inherent conflict in serving high value customers and coming up with disruptive alternatives.

Mr. Chakravorti's favorite subject is networks. In "*The New Rules for Bringing Innovations to Market*," *Harvard Business Review* March 2004, he wrote: "It's tough to get a critical mass of consumers to adopt innovations—and it will continue to get tougher. That's because more and more markets are taking on the characteristics of networks. The interconnections among today's companies are so plentiful that often a new product's adoption by one player depends on its systematic adoption by other players. The traditional levers marketing executives use to launch products—such as targeting unique customer segments or developing compelling value propositions—don't work as well in this new environment."

How Google pushes user experience limit



One of the ways of innovation in business model is to take the advertising product and make it relevant to the users. The key differentiator is our focus entirely on the user. To the extent that any commercial product that makes us money but if it doesn't enrich the user experience we don't do it. For long time, for almost two years, the amount of money we made from advertising was very very low because we didn't have the compelling way to deliver that experience.

Our philosophy is: if you are an advertiser and don't have a big budget, and if you are also a niche player, and want to sell through a network, Google will allow you to find those users. This allows us to find the kind of business that was not possible before. If you are a website provider and have very valuable content, Google helps you to make money on it by leveraging our advertising network.

The entire company is structured around – think innovation, talk innovation and bring them to market.

The next big thing in the search engine space is speech-based retrieval. Today, if we are in the top first five, we are in the job. But in a voice based retrieval it has to be right the first time.

One of the HR innovations at Google's new India office in Bangalore is to give very high mobility to people. Engineers are given the free choice to work in any of the Google offices in the world. The aim is to create a collegiate environment.

Another innovation on the HR front is on the promotion front. There is no logic to the assumption that good engineers can make good managers or vice versa. "It's not a good idea to find good engineers and promote them to managers. An engineer can join fresh and go all the way to vice president without anyone reporting to them.

Why W.L. Gore & Associates is the most innovative company in America

The company celebrates failure, has small teams and associates have no bosses

Fast Company went about choosing the most innovative company in America this year. The criteria it laid out was unusual because innovation being intangible is difficult to quantify. It was not the maximum number of patents a company had won or the most creative product or process or even services that worked. R&D spend isn't a criteria either. Microsoft has poured \$5 billion or more a year into research, but its vast expenditures still haven't yielded the next big thing.

The magazine therefore looked for a company with a long history of innovation, proof of sustained inventiveness through multiple waves of technological and economic change. With this criteria the obvious names that come to mind fell by the wayside.

This criteria knocked out Amazon, Google, and the other Silicon Valley startups. It wanted a company that is as adept at product innovation as it is at process innovation. That eliminated Dell, which is highly innovative at making its operations incredibly efficient — but not at bringing original and inspiring offerings to consumers. Apple, on the other hand, keeps coming out with dazzling new technologies, but process was wanting. The company relies too much on the inscrutable instincts of one man.

It then looked for a company where innovation is resilient and doesn't depend on the ingenuity of a single individual or even a small cadre of geniuses. That led them to a few big operations that have hatched countless new products over the decades such as 3M and General Electric. After much debate *Fast Company* zeroed on W.L. Gore & Associates as the most innovative company in America.

Gore-Tex fabrics, which have a transparent plastic coating that makes them waterproof and windproof but keeps them breathable. Gore is big — with \$1.58 billion in annual revenues and 6,300 employees.

Gore makes so many products that the total is hard to pin down — with all the variations, the count rises above 1,000. Gore's medical products, such as heart patches and synthetic blood vessels, have been implanted in more than 7.5 million patients. Its cutting-edge fabrics are worn by astronauts and soldiers, as well as trekkers at the North and South Poles and on the world's highest mountains. It makes the number-one products in industrial and electronics niches ranging from filters for reducing air pollution at large factories to the assemblies for fuel cells that convert hydrogen to electricity.

Gore, a privately owned company, doesn't release its annual financial data, but a spokesperson has said that the company has had “double digit” revenue growth for the past couple of years. In many businesses, Gore has come out of nowhere and seized the market lead, as it did with its smooth Glide dental floss, the first floss that resisted shredding, and its Elixir guitar strings, which last three to five times longer than normal strings. “When Gore's people think they can create a much better product, they're fearless about attacking new markets,” the report states.

“Gore is a strikingly contradictory company,” states the report published in the December 2004 issue of the magazine. “It's a place where nerds can be mavericks; a place that's impatient with the standard way of working, but more than patient with nurturing ideas and giving them time to flourish; a place that's humble in its origins, yet ravenous for breakthrough ideas and, ultimately, growth. Gore's uniqueness comes from being as innovative in its operating principles as it is in its diverse product lines.”

Could its success be because it is far away from the Wall Street's quarterly reporting pressures?

Team is your boss

Gore tries to keep its teams small. At Gore Associates there's no one anyone reports to. So, new recruits are at a loss until they figure out that their teams are their bosses because no one likes to let their team down.

Employees, dubbed “associates,” have “sponsors,” who serve as mentors, not bosses. Associates decide for themselves what new commitments to take on. Committees evaluate an associate's contribution and decide on compensation. There are no standardized job descriptions or categories: Everyone is supposed to be like an amoeba, taking on a unique shape.

There's no hierarchical chain of command; anyone in the company can talk to anyone else. Gore discourages memos and prefers in-person communication to email. Associates usually spend around 10% of their time pursuing speculative new ideas. Anyone is free to launch a project and be a leader, so long as they have the passion and ideas to attract followers.

They celebrate failure. When a project doesn't work out and the team kills it, they celebrate with beer or champagne just as they would if it had been a success. Celebrating a failure is known to encourage risk taking. **-BP**



How to take computing to the masses



-By Rajesh Jain

Innovative strategies and pricing are a must to tap computing needs of India's 100-million strong middle of the pyramid

The challenge to me today is how to get the price of computing to 100 million users in India in the next five years. If we are to achieve this target to reach IT to the masses, we have to be innovative. We have so far done a great job targeting the international market. It's time now to look at the mass market within India.

Computing goes through dramatic changes every 12 years. I call this a Kumbh Mela. Every 12 years, dramatic changes have happened in computing. The last one was in 1994, when internet came into prominence. Before that, in 1982, personal computers started coming in a big way. The next big thing is just two years away.

The big challenge today is how we can offer computing to the next billion users globally. Today, the numbers are very small. The number of users can be increased only if we make computing attractive to emerging markets such as India. So, how can we reinvent computing?



Essentially, computing today has been developed for the developed market users. Fundamentally, we require two things to take computing to the emerging markets. First is how do we simplify cost and complexity. In fact, the next big thing in IT, as reported in the recent issue of the Economist, is the conquest of complexity. Although the survey is relevant to developed markets, one can see trends which can help us leap frog in computing.

There's also the 10:90 challenge. The top 10 percent of the market will comprise of solutions for the developed markets. Then, the 90 percent gap is very big. This cannot be done by merely making computing a little cheaper, a little faster or a little better. The approach should be totally different. For example, the Tatas are talking of a Rs. 1 lakh car. It's a complete reinvention of a car. They are not taking a Maruti 800 and offering a cheaper version. And the Tatas again have shown, with IndiOne in Bangalore, that the concept of a business hotel can be reinvented at a particular price point.

To achieve this, it's the middle of the pyramid that we should target. People have been talking of the top of the pyramid and some also get excited about the 600 million poor at the bottom of the pyramid in rural India. But we forget the middle of the pyramid. We forget that the way to the bottom is through the middle.

India's middle is where the big opportunity is. The middle too needs whole solutions like the top, not bits and pieces. This can be done by looking at the eco-system as a whole and

aggregating solutions across the entire value chain. Recent example is Steve Ballmer speaking of a \$100 dollar PC.

There's a latent market already in India. The middle of the pyramid is a strong 100 million computing opportunities in the next five years and 45 million urban and semi-urban households. Twenty percent of them have the ability to afford.

The problems holding them back are desirability and manageability. We see poor families able to afford private tuitions for their children. Why don't we aggregate the best of material for say classes one to ten, link it through broadband and deliver it by video? We have to lead. There is no point saying these things don't exist. We have to create this entire value system.

The first attempt to achieve the goal is the Rs. 5,000 PC, in which IIT Madras has a role. Another attempt is the Rs. 3,000 computer without the monitor. But stopping here is not the end of the challenge.

How do we make computing available everywhere? Cyber cafés are there everywhere, but do they have the ability to run applications? The way out is to have computing centers in the neighborhood where you can pay per use and the user can store all his files safely.

Time has now come for affordable networked solutions. Desirable content with greater interactivity is another big need and how to make people work together on a common platform where they can collaborate, share things online.

How do we make use of PCs for business owners? People now have to figure out for themselves. They need hardware, software, broadband connectivity, front-end support – all this at Rs. 700 a month. These are achievable price points.

What's strange is the general impression that there isn't enough broadband available. Actually, there's plenty of it. What's lacking is the content that can be put to use along the broadband pipeline. There's enough broadband available through the cell phone and the cable operator. We have to think creatively how we can make it happen.

To achieve this, what we need is Computing – computing plus communication. We can't separate the two. We need to reinvent computing in an era where wireless broadband network exist.

Abstract of a talk by Rajesh Jain, MD Netcore Solutions Pvt. Ltd, Mumbai, at the 2004 Bangalore IT.com. www.netcore.co.in

iPod – beyond the digital jukebox

by Ranganath Iyengar



Meet the iPod – yet another maverick idea from Apple that was built around a simple need– carry ALL your favorite music around anywhere and play it like a jukebox (the size of a card deck). With decent price points, it has been a runaway success with almost a cult following!

So...what can you do with a digital jukebox? Listen to ONLY your music endlessly (no boring commercials), stream music to your home stereo, be a DJ with an ever ready party shuffle, make iMixes, cut your own favorite CDs with designer jewel case inserts, discover new music perpetually....

Cool!! – but is that all?

At a mundane technical level, the iPod is a sophisticated and portable HIGH CAPACITY STORAGE device with data assimilation, extraction, portability and rendering capabilities. Let's look beyond the obvious:

Music videos? No problem with 20GB or more at your disposal. Firewire and USB2.0 ports ensure rapid data transfer. Add a Bose docking station too for that ultimate sound effect.

Photographs? – Carry all you can– made possible with the iPod Photo edition...

Rolodexes? - Problem with several of them in the office especially since they are not exactly mobile? Well! With the iPod, you can carry as many vCards as you want.

iPod or PDA? Well! Consider taking the following on your friendly neighborhood iPod - your Microsoft Entourage or Palm desktop calendar and be on top of your appointments with a clock, scheduler, alarm, to do list etc. If you want to snooze, you could always have your favorite music wake you up!

Downloads? - Since you can download information and read text -based information, how about restaurant reviews, news, directions, work-out routines. Great to have such information at your fingertips isn't it?

Entertainment? - Stay engaged beyond just music. How about a game during those long waits or commutes? Just perfect!!

Data Portability? - Wanted your data but not your laptop? Connect the data cable and transfer word documents, keynote presentations, excel spreadsheets, photoshop files – name it

and you have it.

Dictaphone? - Record something – an interview, discussion or just take notes while driving – well just talk to your iPod...

Memos & instructions? - You are at the gym and the instructor is not in. No sweat - just pull up your workout routine on your favorite iPod and follow the instructions or maybe you like it better in your gym instructor's baritone on you iPod...

Listen? - How about audiobooks with commercial free commutes. The iPod will even 'bookmark' your audiobook so that you can continue where you left off.

Entertain? - How about wearing an Ashlee Simpson special edition iPod and lip sing away 12 hours straight if you like. Now, that's 'instant Karaoke' for you any place, any time. So go ahead and entertain. May be a U2 special edition in black? Or the multi-hued iPod Mini?

Battery life? With 12 hours of charge, that's not too bad. After all, even the iPod needs some rest and charging while you recharge your own batteries. Maybe I will let you check out the accessories yourself.

What did we learn?

What we have is an excellent example of creativity as the driver of competitive advantage and creating a compelling value proposition in a very crowded market.

In iPod, what we see is a single, simple core idea leveraged to straddle several day-to-day needs by extending the potential of the core idea. It is an excellent example of a Synetics (a creative idea generation technique) at work that has helped the organization realize the full business potential of an idea.

Creativity is the judicious combination of both convergent and divergent thinking.

So, wear your attitude with an iPod.

Let me leave you with a thought. How about adding a camera and mobile phone capability to the iPod? Now, would that not be creative? Well! It may be happening soon since it is already being talked about!!



The author is the founder of Strategic Interventions India P Ltd. (www.siplconsulting.com) He was fill recently a country solutions business manager with HP ISO.

Virtual Vineyard

In California’s wine country, sensor technology is combining with wireless communication in a prototype that could revolutionize farming. Sensor telemetry is providing companies in with more and richer information at lower cost.

The sensor network, based on Millennial Net wireless network technology, represents an application of an innovation in the process of breaking out. Sensors have been around for a long time, of course, and wireless communication is now well established, but when the two technologies combine, they open a world of possibilities. No longer tethered to base stations by communication and power cables, the sensors can operate in remote and hostile environments. Experimental applications include dropping sensors onto glaciers, even onto battlefields, to gather and transmit information that might otherwise be available only at a high risk to human lives.

These networks are both flexible and robust. If a single sensor should fail, the network continues to operate without it—the signal just bounces to another sensor and the network reorganizes. It’s also easy to add more sensors and expand the network; there’s no need to string wires—just drop in another sensor and the network will accommodate it.

<http://www.accenture.com/>. Outlook Oct. 2004

7-Eleven, Inc. (Marketing)

Bell, David E., and Hal Hogan

Can 7-Eleven (United States) replicate the successful experience of 7-Eleven (Japan) in selling fresh foods through convenience stores? Describes the Japanese system, both logistical and store, and shows the steps the U.S. company is taking to try to achieve the same success. Teaching Purpose: To discuss the future distribution of prepared foods.

http://www.hbs.edu/research/recent_cases.htm

Akamai Technologies (Entrepreneurial Management)

Eisenmann, Thomas

As the leading content delivery network, Akamai helps Internet companies deliver web site content to end users with fewer delays and lower costs. Describes strategic management challenges facing Akamai in early 2004. The company is poised to offer its next generation of services for enterprise customers, which will allow them to run Internet-enabled applications (“web services”)—on demand, with minimal capital investment—from Akamai’s network of 15,000 servers located in ISP facilities at the Internet’s “edge”—close to end users.

Many large enterprise software companies have developed proprietary platforms for creating and managing web services. Akamai must decide which of these software companies would be attractive partners and whether it can and should remain platform agnostic as it helps customers deploy web services. Teaching Purpose: To explore the nature of network effects

and winner-take-all competitive dynamics in the context of first-generation content delivery networks (CDNs) and application delivery networks (the third-generation CDNs). To explore the trade-offs in pursuing a platform-agnostic partnership. strategy and the factors that will determine whether web services will tip toward a single standard. A rewritten version of an earlier case.

http://www.hbs.edu/research/recent_cases.htm#0

Public-Private-Partnership (PPP) Experiences

CII Discussion Paper on Sustainable PPPs in Infrastructure Development. 2004
www.ciionline.org

Development of Mundra Port

Mundra was identified for development of a direct berthing deep-water port in the joint sector. Subsequently, in July 1997, the Government of Gujarat announced the Build-Own-Operate-Transfer (BOOT) guidelines, which were to serve as the framework for involvement of private sector in port development.

Assets worth more than Rs. 11 billion created at the port. Long-term commitment by one of the world’s leading terminal operator – P & O Ports as also by leading oil companies in the country.

Swarna Tollway Private Limited

Swarna Tollway Pvt Ltd is a special purpose vehicle promoted by the Government of Andhra Pradesh and the Government of Malaysia on a build-own-transfer (BOT) basis. The project was substantially covered by the promoters against cost overruns through bank guarantees for performance security for execution of the project. The National Highway Authority of India is not providing any traffic guarantee, however, revenue shortfall loan is being provided in case of force majeure event.

New Tirupur Water Supply Project

This project is one of the most well known PPP conceived way back in 1993 by the Government of Tamil Nadu and Tirupur Exporter’s Association. Finance firm IL&FS was roped in to develop the project on a public-private partnership model. The culmination of the project in 2002 presents a remarkable example of commitment by the key project participants and also hold important lessons for others considering similar initiatives.

The Tirupur project underlines the need for PPP sponsors to manage the public opinion and political support in a more comprehensive manner. Although the project commenced operations in April 2004, it is yet to reach a stage where it could be declared to be a successful experiment. It has clearly overcome the first major hurdle by achieving financial closure, and by doing so, it has already shown the way forward for similar projects in the future.



How to improve offer-to-joining ratio

Innovative ways are needed to improve the joining rates of candidates to cut losses

By Raghava Rao

“I have a couple of offers, but I’ve not yet made up my mind,” said Rohit to his HR manager at the time of exit interview for XYZ Software Company. This is most commonly used dialogue by the people who quit.

One of the areas of concern to the HR and recruitment fraternity is the growing rate of fall-off candidates. According to a latest study 70% of the candidates have declined to join after receiving offers. The joining ratio for large companies is much better. It is the small and medium companies which are generally at the receiving end.

One disturbing factor is the attitude of the candidate. When the recruiter (from consultancy or from HR) tries to reach the candidate there is no response, there is total silence on the part of the candidate who picked up the offer. If they do talk to them, they say that they are not keen now. The question on top of every recruiter’s mind is: ‘If they are not so keen then why should they waste everybody’s time?’

This is a growing menace which needs to be curbed. At this point it is pertinent to understand why do most people decline offers made by companies? Some of the reasons are: Candidates have another offer of multinational software / large corporation; wants to renegotiate with current employer for better role, compensation etc.; is not interested in the location; has higher expectations with regard to compensation; is not keen on the technologies; is not very keen on the role; is not very sure about the future prospects of the company; is not clear of the learning opportunities the assignment provides or he/she is not impressed by the manager who took the interview.

How to improve the ratio

While these are some of the factors, it is very important for companies to analyse what actually works to improve the Offered-to-Joined Ratio.

It is good idea to check for the following before finally making a formal offer:

- Give oral compensation package. On confirmation make a formal offer
- Sell the position / role / technology
- Check genuine interest in the candidate
- Avoid passive job seekers
- Treat candidates well during / after interview
- Clarify doubts at all stages

With the increased demand for qualified skilled workforce in the IT / ITeS space there is an immediate need to address this issue. In cases where the source of candidates is from internal referrals, the current employees of the company do play a key role in making their contacts join. The current trend being practiced by companies is to provide the potential hire with promotional material about the company and keep them updated on the happenings till the time of joining.

While the top 20 IT companies need no introduction to the employable and highly skilled engineers, it is increasingly getting difficult for the medium-sized companies to make sure that the offers are converted into employment.

As per the projections, demand for technically experienced candidates is likely to continue beyond 2007. It is imperative that organizations get aggressive in attracting talent. With supply base being constant, the race for the war talent is getting tougher. The problem is worse with the entry of the top five US companies ramping up the numbers in India. As per reports Microsoft, Oracle, IBM, Accenture and EDS have a blueprint to double their current head count in the next few years.

All these trends are making the work of HR and more particularly the recruiting professionals more challenging. They are now exploring innovative ways to improve the joining ratio. While it is not viable for companies which do not have enough projects to have software engineers onboard without work (so called ‘people on the bench’) or hire them well in advance, they are now resorting to JIT – Just in Time hiring. This again comes with its set of problems. While the clients are insisting on timely completion of projects, the dropout in the new joiners will throw the deliverables in disarray due to non-availability of enough coders.

At this juncture it makes perfect sense to evaluate options. If the candidate falls under “must hire” category we can try this: make an irresistible offer with liberal sign on bonus; make the interview process interesting; make a senior manager talk to the candidate and if possible have lunch with the candidate; sell the career in a company not just a job; clearly define the KRAs and set expectations; give attractive designations and include cheerful people on the interview panel.

The author is Chief Editor of Hrudaya, a monthly ezine for HR professionals



Can Big Blue Succeed In BPO?

This isn't your father's IBM. After decades of specializing as a computer manufacturer and provider of computer-related services, Big Blue in the past year or two has been heading into some not-terribly-technical fields. Today's IBM processes thousands of insurance claims, ensures that Procter & Gamble employees get paid, and takes charge of repairing televisions and CD players sold by Philips Consumer Electronics.

Taking on tasks such as customer service and human resources management is part of a broader shift among traditional information technology companies to get into what's often called business process outsourcing (BPO). BPO is a fertile market, expected to grow from about \$405 billion last year to \$682.5 billion in 2008, according to research firm IDC. Interest in such operations - and especially in their migration to countries such as India - continues to ride high. On November 19, for example, the Wharton India Economic Forum in Philadelphia has a panel devoted to discussing this phenomenon.

IBM CEO Sam Palmisano thinks the intersection of technology and business process services holds great promise. As he sees it, IBM is poised to help customers with a new set of services that includes technical assistance but adds strategic advice about business methods. Palmisano dubs the concept "business process transformational services," and claims it represents a massive market nearly a third as large as the \$1.2 trillion spent annually on IT. "It is a \$500 billion opportunity," he told analysts earlier this year. "We plan to exploit this opportunity to drive revenue and growth rates beyond those which are traditionally available in the information technology industry."

In essence, the new Big Blue sees big bucks in focusing on the "B" in International Business Machines. But the strategy carries some risks. They include competing against new foes, handling novel tasks and explaining a grandiose vision to customers. What's more, the business process push requires a thorough understanding of different industries. Staying on top of specific industries and their changing trends should be a challenge for IBM, says longtime industry analyst John Jones. "Historically, that's not been one of IBM's strengths," Jones notes.

From Business Machines to Business Methods

IBM's direction marks a shift from its storied history as a computer industry bellwether. For decades, IBM concentrated on machines to carry out accounting and computing tasks. IBM was behind the curve on the emergence of the personal computer, and though it later gained ground against companies like Apple Computer, IBM was slow to adapt to the changes it brought in the marketplace. By 1993, the company's annual net losses reached a record \$8 billion. Lou Gerstner, who took the reins of the company in 1993, is credited with emphasizing services as a key to the company's turnaround. Nearly half of IBM's \$89 billion in revenue last year came from its services unit. (Gerstner's turnaround strategy is highlighted in a new book from Nightly Business Report and Knowledge@Wharton titled, "*Lasting Leadership: What You Can Learn from the Top 25 Business People of Our Times.*")

IBM became a leader in IT outsourcing, which refers to a company farming out work such as managing central computer centers or handling technical support calls. Big Blue began extending its services reach from the technology arena to business tasks about the time the company acquired the consulting wing of accounting giant PricewaterhouseCoopers, in late 2002. The roughly \$3.9 billion deal was a landmark move. IBM combined the roughly 30,000 employees from PwC Consulting with about 30,000 IBM workers to form a new division called Business Consulting Services. The idea behind the acquisition and new unit was to generate revenue by joining IBM's technology prowess with PwC Consulting's business expertise. Analysts say the PwC Consulting deal has helped IBM compete in the BPO arena.

The India Connection

A more recent acquisition further demonstrated IBM's commitment to business process services. Earlier this year Big Blue snapped up Daksh, an Indian BPO provider with 6,000 employees. Daksh, which also has a facility in the Philippines, gives IBM an army of lower-wage employees ready to handle services such as telemarketing and transaction processing.

IBM is beginning to nab business process contracts. In April, it announced a deal to manage after-sales services for TV maker Philips Consumer Electronics in North America. The contract is valued at about \$300 million and runs for seven years, according to a source close to IBM. Under the agreement, IBM is to provide consulting to help Philips improve its customer service methods. IBM also is handling services including product repairs, some of which are to take place in an IBM center.

Last year, consumer products titan Procter & Gamble signed a 10-year contract worth \$400 million for IBM to manage employee services such as payroll and benefits administration. About 800 P&G employees around the world moved to work for IBM when the contract took effect in January. More recently, IBM inked a deal with business information specialist Dun & Bradstreet. That seven-year, roughly \$180 million pact involves D&B outsourcing to IBM certain portions of its customer service and financial processes. IBM will also help D&B gather its data. D&B said it expected outcomes including reduced costs and an improved level of customer service. For its part, IBM said it will help D&B get these results partly through global process expertise and advanced technologies.

While IBM makes these efforts to build its presence in the outsourcing market, new research into these issues offers insights into the challenges it will face. In a paper titled, "Outsourcing Outcomes: Orchestrating Platforms, Processes and People" by Wharton operations and information management professor Ravi Aron, Siddharth Jayanty and Ying Liu, the researchers found that yanking a process out of a firm and delivering outcomes back to that company - in the form of services - is by no means a commodity business. The researchers classify processes that can be outsourced into three categories. First, some processes are foundational in nature, i.e., they account for most of the man-

hours and have relatively high volumes and low value (such as transaction processing, claims administration in life insurance etc.). Second, some processes are “value originators”, since they require expertise in process execution and managing complexity (such as research support in investment banking, F&A and invoice management for large supply chain firms, financial statement analysis and so on). Finally, some processes are value differentiators, i.e., they have considerable strategic importance. Such services can only be outsourced to specialist firms, and they include services such as market research, pricing and customer analytics, risk management etc.

What does this framework have to do with IBM’s BPO strategy? According to Aron, “Processes at the volume end can be taken over by a third-party BPO service provider. Here, IBM’s ability to manage the platform and process layers well will pay dividends.” He explains, however, that in its quest for seeking to take over such processes, IBM faces competition from overseas firms such as Wipro and HCL. The researchers show that Wipro and HCL have been able to re-engineer processes and deliver 15% to 30% productivity gains (reduced headcount) and improved quality of execution within a year of taking over the processes from the client. In order to compete with them, “IBM will have to find ways of automating the processes and migrating at least some parts of the process execution to off-shore locations to remain competitive in these segments. This is where the Daksh acquisition gives IBM a way of leveraging its traditional strengths,” says Aron. He adds that competition in this segment will heat up as firms with an off-shore delivery capacity acquire consulting capabilities or partner with firms in the U.S. and Europe. Companies such as Infosys, Wipro and HCL are already making inroads into this segment in the U.S. and Europe by offering a combination of off-shore, on-shore and near shore facilities.

Aron also points out that when firms outsource the second kind of processes (value originators) they do not necessarily look to an IT behemoth as a potential provider. An example of a successful firm in this segment is OfficeTiger, a 5000-employee firm based in Chennai, India, whose service capabilities span sell-side equity research, financial accounting and statement analysis, research support for investment banks and electronic document production services. “The value that Office Tiger brings to the table is in managing complexity and creating seamless interfaces with its clients,” says Aron. “While OfficeTiger has used technology to integrate itself with its clients and to measure and manage risk, not being a technology company is not a handicap to it. This is a highly profitable industry segment, and if firms can scale up and deliver these processes cost-effectively, the revenues can be as much as three to four times that of the less complex processes. Indeed, for such processes, it is not clear that buyers will turn to firms like IBM or Accenture.” Firms like OfficeTiger have a clear edge in this business, he adds.

Pitfalls Ahead?

IBM’s Schulman says the Daksh acquisition “has gone extremely well.” But he acknowledges another potential pitfall in Big Blue’s big business process plans. In creating business performance transformation services contracts, it’s difficult to arrive at standard, easy-to-duplicate arrangements, he suggested.

“Every deal takes its own shape ... Sometimes it’s hard to figure out how to shape it.”

“Customers will want to hear, ‘how do I get that in smaller steps today?’” Jones notes that IBM’s size can get in its way as it pursues business services deals. With more than 300,000 employees, IBM is not as nimble as small outfits can be in serving customers, he said.

Then there’s the issue of IBM stepping into unknown territory. The company now effectively competes with specialist services firms such as Hewitt Associates, which concentrates on human resources outsourcing and consulting. IBM is adding to its payroll hundreds if not thousands of workers not versed in computer technology per se but in tasks such as benefits administration and accounts payable. To IBM, though, the business process services arena is a logical extension of the old IT world. The company says the BPTS market stems partly from the rise of open technological standards that allow data to move easily within businesses. Also a catalyst, IBM says, is the “ubiquity of the Internet” and web technologies, which lower the cost of transactions within and among businesses.

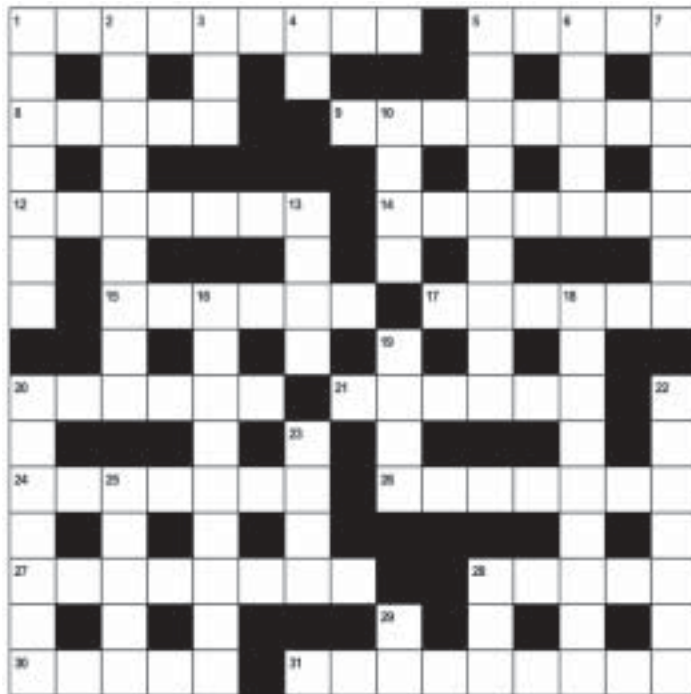
In the case of the Philips deal, IBM argues its responsibilities are not such a stretch, given that TVs and other consumer products covered in the deal now incorporate digital technology. In addition, consumers buying high-end TVs will expect a high level of customer service akin to that of computers, says Bob Zapfel, general manager of IBM Global Services for the Americas. “These are products that have the requirement for more of an IT system-like support model,” he notes.

Aron sees two other challenges ahead for IBM - “one is to be able to deliver high quality outcomes for clients and the other is to capture some of the value that the firm creates - i.e. make money doing so. While IBM may be able to deliver value to its clients, the competition can pose a significant barrier to revenues. The combination of specialists with a mix of off-shore and on-shore delivery capacity can be a formidable challenge for any firm to face,” he says.

IBM’s Schulman says Big Blue’s size has its advantages, such as the ability to bring a mathematician in to help with a client’s problem. As for the claim that IBM has done poorly at tracking industry trends, Schulman points out that the company is organized according to different industries and argues IBM has shown leadership in the financial services field in particular. IBM also says its PwC Consulting acquisition brought it specialists in areas such as automotive, retailing, and media and entertainment.

If nothing else, IBM under Palmisano is on the move, rather than resting on its laurels as the biggest IT services provider. Will Big Blue succeed in its business process services quest, dramatically streamlining customers along the way? Jones gives IBM good odds, and says the battles among it and competitors should be intriguing. “There’s a lot of upside in an area (in which IBM has) historically not been involved,” he said. “It will be interesting to see how this segment of the market plays out.”

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Across

- 1 India's first no-frills airline (3,6)
- 5 A name, term or symbol that makes one seller's goods or service distinct from another's (5)
- 8 The ____-TAPMI Management Academy in Bangalore (5)
- 9 ITC's innovation in using IT in retailing (8)
- 12 To list things separately and give details, for eg., on a cell phone bill (7)
- 14 gave up Domino's Pizza to lead an _____ lifestyle (7)
- 15 Type of bank employee (6)
- 17 The "C" in the erstwhile OCM (6)
- 20 The R.A. _____ College of Commerce, Mumbai (6)
- 21 According to the great P.T. Barnum, there's one born every minute! (6)
- 24 _____ Semler, who has a seven day weekend! (7)
- 26 The new browser vowing techies (7)
- 27 Ashok Soota is the founder of this IT firm (8)

The first three correct answers



Rs. 500/- gift vouchers of CROSSWORD book stores and one year subscription to ManagementNext

Crossword by Ravi Narayan Raghupathi

- 28 The renowned FMS at this University was the first to introduce a part-time MBA in India (5)
- 30 Term for couples where both members earn, and who are childless (5)
- Billionaire Tom Monaghan
- 31 He's been voted Wharton's Most Influential Business Leader of the last 25 years (4,5)

Down

- 1 Ultimate destination for techies? (7)
- 2 Infosys is Business World's "Most _____ Company" for 2004 (9)
- 3 Acronym normally found at the end of a bill (3)
- 4 Accounting degree (2)
- 5 HCL's computer brand for Jack?!!(9)
- 6 The company that manufactures the IPOD (5)
- 7 Scott Adams' middle management geek hero (7)
- 10 Famous supercomputer (4)
- 13 Executive (short form) (4)
- 16 All banks are hiking these (4,5)
- 18 A collection of accounts owned by a person or organisation (9)
- 19 According to Beck and Wade, the best employee may be a video game ____ (4)
- 20 C.K. Prahalad believes one should target the bottom of this (7)
- 22 International quota on this industry ends on 01/01/05 (7)
- 23 BPMS may mean the end of this in software (4)
- 25 This company has just launched their Power Shot digicam here (5)
- 28 Deputy Accountant General (3)
- 29 Demand draft (2)

Solution to Crossword No 2



Address:

.....

Send the original crossword clipping to: **Rishabh Media Network.**
 #2, Bilden Park, G. M. Palya, Bangalore – 560 075



Brand Pollution!

After having invaded homes, brands are over-doing their outdoors. Should the courts settle what is excess branding or is self-regulation better?

-by Harish Bijoor

Eyeball to eyeball marketers, Coke and Pepsi (mentioned in alphabetical order), gobbled up precious newsprint some months ago. Both were in trouble with the long arm of the law! Both were hauled up with warnings and an initial piffling fine of Rs.2 Lakh each. The latest news is that both offenders will need to fork out Rs.5 cr. and an additional Rs.1 cr. to the Himachal Pradesh government to rectify the damage. The charge: “commercial vandalism”!

Both brands went about town painting hoary old rocks in Himachal Pradesh with their individual brand messages. If Coke did one, Pepsi did another! Till the courts took note and imposed a fine, invoking the charge of commercial vandalism with gusto!

Brands are all about visibility and recall. What better way to achieve this than dominate the great Indian outdoors!

Look around in your city and you don't notice the trees anymore. They are all hidden behind majestic new hoardings. With cutouts and advertising appeal of every kind staring back at you and all the traffic and chaos around.

Keep looking around and you don't see the flowers around. All you really see are the posters that dot the walls for every brand of movie, tooth powder and evangelism on sale! The flowers are still around, but the visual shout of advertising is so high that all else that is natural is subdued in the background.

Keep peeking keenly. You don't notice the good old architecture of the good old buildings in the neighbourhood. Everything is dwarfed by the paintings on the walls, paintings on the garage shutters and the banners and buntings that scream brand messages, both sublime and ridiculous!

Brand Managers and their implementing cousins out in the field have been pushing the boundary of the acceptable for a long while now.

It starts with the need of the brand. The brand desires and deserves visibility. The first great thing to do is ensure a wide and deep distribution of the brand in the marketplace. Ensure its visibility at the point of purchase through the means of product display and point-of-purchase aids such as posters, danglers, crowners and wobblers!

Having done this, the brand wants more. The brand needs to be visible not only at the point of purchase, but also at every point in the visual continuum that a consumer lives through. It starts with pieces of advertising messaging that reaches the home of the consumer with television, the friendly radio station and the omnipresent newspaper doing their wee bit.

With advertising in-home having been done and tackled, the brand demands more. More visibility and more attention.

The realm of outdoor advertising of every kind is therefore explored.

The dictum is short and clear. Paint everything out there that stays in the marketplace. Anything that is inanimate offers an opportunity to be painted with brand messaging. The brand manager and his implementing folks in the marketplace do a pretty good job really! Till public sensitivity wakes up and objects!

The great Indian outdoor space provides two types of mediums. One is paid for and the other unpaid. Most unpaid space is normally available outside city limits indeed. The rest need to be paid for in terms of rentals, corporation taxes and such other outflows. Even this is pretty bearable as of today. The marketer of the noodle and Nirodh alike go gung ho in the marketplace occupying outdoor territory by the square foot as their brands ramp up operations.

Brand Managers need to wake up to the situation at hand. Society at large will bear with commercial use of its utilities upto a point of time. And then, when things seem to go a bit too far, there will emerge a movement that will aim to restrict and inhibit the brand marketer in his outdoor conquests. Use the utility and use the space. But for heaven's sake, avoid abuse.

Brands and their managers need to wake up to the sensitivity, as represented by the charges of commercial vandalism. The future will be full of new phrases one will have to tackle. “Visual shout”! “Brand Pollution”! “Brand Overdose”!

Time for the industry of branding in the country to set for itself a code of self-regulation that will lay down the do's and don'ts. Much as we have a set of ethics in the advertising of brands, we need a quick set of ethics that will lay down the rules of what outer boundary to stretch in the name of brand innovation, and what not to!

Is it OK to paint those rocks? Is it OK to paint that temple wall? Is it OK to nail those tinplates onto trees in the neighbourhood?

Time to sit up and take note. Do it or be told to do it!

The author is CEO, Harish Bijoor Consults Inc., a private-label consulting outfit with a presence in the markets of Hong-Kong, London and the Indian sub-continent. harishbijoor@hotmail.com



Ideas That Have Worked

Penguin Books India, November 2004, Rs 495.00



Ideas That Have Worked brings together twenty fascinating and enlightening essays by some of India's leading industrialists, statesmen, bureaucrats and social workers about how they have overcome challenges and developed indigenous, innovative technologies that have paved the way for the nation's progress.

Dr A.P.J. Abdul Kalam talks about the challenges and success of India's space program and identifies five mega projects that could transform the country into a developed nation, even as N.R. Narayana Murthy recounts how he and his team built Infosys Technologies into a world-class, Fortune 500 company. Ratan Tata describes the hard work and determination that went into designing and manufacturing the Indica, India's first indigenous car, while Mukesh Ambani elaborates on his dream of India assuming global leadership of the knowledge economy by 2005.

Alok Sharma tells us about the two years that it took to organize the Kumbh Mela, the largest religious gathering on earth that brings together an estimated 20 million people on a single day, and Vilasrao Salunkhe describes the evolution of the Pani Panchayat, a landmark experiment in the area of water conservation which has transformed the lives of farmers living in drought-prone villages of Maharashtra.

Ideas are Free: How the Idea Revolution is Liberating People and Transforming Organizations

Alan G. Robinson, Dean M. Schroeder

Firms that take ideas seriously take their employees' thinking seriously, and employees who think are employees who are alive. Thus argue Robinson and Schroeder, management academics and corporate creativity consultants. Ideas are the life force of corporations, they say, and managers who recognize this can increase profits and avoid budget cuts and layoffs.

Kill employee ideas and what you have is a carcass of a company, a firm mired in bureaucracy and rote processes with a staff of dulled zombies. But ideas are just the tip of the iceberg. The key to a successful company, argue Robinson and Schroeder, is encouraging a corporate culture that swiftly recognizes and implements improvements.

With that in mind, the authors focus on ideas as the catalyst of corporate change rather than the end itself. This book is thoroughly researched, with convincing facts and data (Toyota's success, they say, is the result of an idea culture that takes one million ideas per year from its employees). It also

lays out a blueprint for a corporate idea program from inspiration to implementation, along with some unexpected caveats (e.g., rewarding ideas tends to stifle them as people focus on the award rather than on the idea, and small ideas—leading to continuous, incremental improvement—are more valuable than large ones). For any manager interested in jolting a moribund workforce out of complacency, this is a clever, pragmatic guide to awakening both the front line and the bottom line.

Brainstorming Reinvented: A Corporate Communications Guide to Ideation

Linda Conway Correll, *Mudra Institute of Communications, Ahmedabad and University of Florida*, September 2004, Response Books



All of us have come into contact with brainstorming in one way or the other. However, for most, brainstorming is an excruciating experience. This is not surprising, since many of us have not been taught an effective way to brainstorm.

This book provides professionals with a fresh approach to coming up with ideas and turning them into effective communications. They will learn from it not only 'what to do' but 'how to do it'. The author employs an evolutionary, multicultural, time-sensitive and process-driven creative methodology. This approach is designed to generate new messages in a fraction of the time required by traditional methods, accompanied with a good deal of enjoyment.

Managing India's Small Industrial Economy: The Catalytic Role of Industrial Counsellors and Policy Makers

V Padmanand, *Management Consultant, Chennai*, V G Patel, *former Founder Director, Entrepreneurship Development Institute, Ahmedabad*, April 2004, Response Books



Managing India's Small Industrial Economy is an in-depth and pragmatic guide to the changes that are needed to help the small industrial sector to survive. This book presents a step-by-step roadmap to tackling challenges through professionalism, better management, technology upgradation and innovation.

Replete with case studies and detailed analysis, this book presents numerous options for change and growth in the small industrial sector. More importantly, the analytical methodology and tools used in the book offer solutions that apply to a large variety of sectors and enterprise contexts.

Creative Social Research: Rethinking Theories and Methods

Ananta Kumar Giri, *Madras Institute of Development Studies, Chennai*

November 2004, Vistaar Publications, Rs.595



Bringing together scholars from diverse disciplinary backgrounds, this volume constitutes a series of reflections aimed at rethinking theories and methods in social science research and encouraging new directions in research practice.

It seeks to transform social science research through a simultaneous engagement in activism and creative understanding, fieldwork and philosophical reflections. Most importantly, it indicates the ways in which the traditions and historical experiences of non-Western societies as well as global developments can be incorporated within this discourse.

Microsoft Rebooted: How Bill Gates and Steve Ballmer Reinvented Their Company

by Robert Slater, Portfolio, August 9, 2004



In recent years, Microsoft has become more than just Bill Gates's company. Steve Ballmer is now the CEO, overseeing a Goliath that has been plagued by a federal antitrust trial, an employee exodus prompted by the dot-com revolution, and an ongoing economic downturn. But Microsoft has not only survived; it has thrived, prospering to the point that it is the second most recognizable brand in the world (behind Coca-Cola).

Bestselling author Robert Slater explains exactly how the company has adapted in the last few years, taking readers into Microsoft's inner circle to tell an amazing story of persistence in the face of adversity. Slater describes the many changes that have led to a new corporate culture, a new strategic direction, new product lines and new ways of doing business worldwide.

There have been many books about Microsoft over the years, but this one brings the story right up to the present, with fresh insights and information. Slater was granted unprecedented access to the company's notoriously press-shy top brass, including extensive interviews with Bill Gates and Steve Ballmer.

Robert Slater is the author of more than twenty books, among them the recently released *The Wal-Mart Decade* and the national bestsellers *Jack Welch and the GE Way* and *Get Better or Get Beaten*. He was a reporter with Time magazine for two decades.

Small-Scale Industry in India: Large Scale Exit Problems

Editor: Bibek Debroy & Laveesh Bhandari, Published by Academic Foundation

Price: Rs. 495.00



This book is an outcome of a study on bankruptcy of small businesses in India. The process of conducting the study brought forth revealing facts on the functionality of small businesses, their problems and possible solutions. Small businesses are treated as those productive activities whose stakeholders cannot access the Board for Industrial and Financial Reconstruction (BIFR), post-failure. The

central idea being post-bankruptcy problems faced by the entrepreneur. To this work, insights from other published work on small-scale industries (SSIs) have been studied and added to provide the reader with a holistic view about the small-scale entrepreneur and the problem of bankruptcy.

The Seven Cs of Coaching: The definitive guide to collaborative coaching

Mick Cope, Oct 2004

Coaching has seen a rapid growth over the last five years and is now recognized as one of the most effective and powerful self-development tools available. Many individuals and organizations are aware of the potential benefits of coaching but struggle to find appropriate services for their specific requirements.

The Seven Cs of Coaching from Pearson Education will answer all your coaching questions and enable you to implement a complete process of coaching that creates sustainable change. The author, Mick Cope, has been a consultant for 15 years, working in the field of business transformation.

Play to Your Strengths

Nalbantian R Haig Guzzo, A Richard Kieffer, Dave Doherty, Jay

Rs. 225, Tata Mcgraw-Hill

Organizations that select, develop, deploy, manage, and motivate their people to produce outstanding business results have an extraordinary competitive advantage that others can't copy. Backed by Mercer's nine-year, \$10 million study of leading companies around the world, *Play to Your Strengths* shows how to leverage a company's human capital strategy into business results that are measurable and profitable and that will create exceptional, enduring competitive advantages. This bottom-line-boosting guide gives managers, senior executives, and consultants the theory, tools, and processes they need to: Measure the effects of people on business results.

7 Success Strategies To Keep Your Resolutions

By Robin S. Sharma



● **FOCUS.** Rather than making a long wish list of the resolutions you hope to keep in 1998, pick one or two key changes that you feel strongly would improve the quality of your life and focus your pledges around those. This will allow you to concentrate your energies on the resolutions

that will yield the greatest results. It will also increase your chances of success because you have not bitten off more than you can chew.

● **USE THE 10 MINUTE STRATEGY.** One of the main reasons we fail to keep our resolutions is that they often seem unattainable. To not smoke for a year or to stick to that new diet for the next twelve months are promises just begging to be broken. Instead, commit to following your pledge for only 10 minutes. Anyone can do that. And then after successfully sticking to it for that short period, try another ten. Each installment becomes a little easier and you gain more confidence. Try it. It works.

● **MANAGE YOUR TIME.** Another of the primary reasons so many people fail to keep their new year's pledges is that they are too busy with the other things that fill up our lives. The secret is to eliminate your time-wasting activities in order to make room for your true priorities. Remember, the important things in life should never be sacrificed to the unimportant ones.

● **KEEP A BALANCE SHEET.** Draw a line down the center of a piece of paper. On the left hand side list all the negative things that will follow if you break your resolution. On the right hand side, list the many rewards that will flow when you keep it. Then compare the two lists. Maybe even post the page on your bathroom mirror. This balance sheet will serve as a powerful reminder of why you need to keep your promise this year.

● **THINK BIG.** William James, the father of modern psychology, said 'compared with what we ought to be, we are only half awake. We are making use of only a small part of our possible mental and physical resources.' Neuroscientists have recently confirmed this, finding that the average person uses only 1/100th of 1% of their brain power over the course of the entire lifetime. To be more successful with your new year's resolutions, begin to flex your imagination and think about all new possibilities for a better life. Start to dream again. As Donald Trump once said: 'As long as you're going to be thinking, think big.'

● **WRITE A LETTER TO YOURSELF.**

Anyone who has kept a journal knows that this discipline brings clarity to your motives and actions. While you still have the motivation to keep your resolutions, sit down and write out a letter to yourself explaining in detail why you need to change and how you will go about it. This act of self-examination is a powerful way to beat procrastination.

● **HAVE FUN.** Most people enjoy making new year's resolutions about as much as a trip to the dentist. Often, this annual ritual only adds to the already high levels of stress in our lives by reminding us of past failures and opportunities we have missed. Create fun resolutions that will also improve life quality. Pledge to simplify your life in '98 or watch the sun set every two weeks. Promise to spend more time with your kids or read more good books. By enjoying the performance of your resolutions, you will begin to see them for what they really are: tremendous opportunities to grow and succeed.

*Robin S. Sharma, is an internationally known speaker and corporate trainer. His latest book is the top-selling motivational fable **The Monk Who Sold His Ferrari**. Visit his site www.robinsharma.com*



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Stanford dropouts

What's common between Mukesh Ambani and Microsoft CEO Steve Ballmer? It's not that they both were in the same class in Stanford doing their MBAs. What makes them special is that both dropped out in the first year itself and went on to run mega global corporations. Lesson: don't ignore dropouts. You might have to go to them for job.

Heavy toy

Guess why Japan made heavy toys in the 1950s? Bet you didn't get it! The answer – Japan wanted more than one kid to carry a toy. Reason – inculcate team spirit at a young age. Outcome – Japan went on to become a global leader in electronics and automobile by the 1980s.

@ Google VPs are not managers

Google is what it is today for innovation in most of the things it does. One of them is not denying fancy designations to geeks and techies just because they don't need to manage some function. So, it's common to find software engineers who are vice presidents and no one reports to them. The basic philosophy driving this is that – good engineers need not make good managers and good managers need not be good engineers.

Yet another innovation is the 20 percent time management concept. What it means is that Googleites can spend 20 percent of their work time on any of their pet projects unconnected with their work or even do social service. The philosophy – breakthrough ideas usually strike at unrelated environment. With Microsoft at its tail, Google will have to pull a lot out of its bag to keep the lead.

He didn't know he couldn't

One day George overslept and went to his mathematics class 20 minutes late. He quickly copied two problems written on the black board. The next day he submitted the 'homework' and felt good about it.

On a Sunday morning at 6 am he was woken up by a call from his professor. The professor told him he had solved the two mind teasers which even Albert Einstein couldn't. George didn't know what was happening and went back to sleep.

His professor wondered how this was possible. After much thinking he concluded that George didn't know that the problems put up on the board were mind teasers and thought

they were meant for homework. The moral: George could solve them because he didn't know that he couldn't!

Power tax

One day, Benjamin Franklin happened to drop by at Michael Faraday's lab. He was amused when Faraday displayed his invention and how it can change the way people lived. Franklin was not the one to be easily impressed either. Or, he believed only in what he saw. He said he must be nuts to believe in such fairy tale as electricity. Faraday couldn't help being nasty. "Even if you don't believe me, one day you'll be able to tax it."

No takers for computer science PhD.

According to Prof. S Sadagopan, director of Indian Institute of Information Technology, Bangalore, the total number of students registered for computer science PhD in all institutions in India in 2003 was a miserable 39. Can India have any hope of breakthrough products/innovations or is it destined to churn out only smart programmers?

Srinivasans galore

An Indian journalist went to Lucent Technologies in Germany recently and asked the receptionist to call one Mr. Srinivasan. The receptionist asked him, which one? There are 21 Srinivasans in this building. Any guess how many Krishnans were around?

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Hike for fun and health

Jayati Vora takes a walk in the woods whenever she's in the hills on a holiday and recommends you do too



No, you are not at the funny farm, you are on a holiday! And using the opportunity to stretch your legs – and your limits – by taking advantage of geography and taking a long walk in the woods. Sure, holidays can be all about the rest and relaxation, about the inside of your hotel room and channels on your television. But they can also be fun, exciting, and challenging and the perfect occasion to exercise your limbs.

Hiking, for instance, is one of those very pleasant sporting activities that people of all ages can participate in. Many of us have fond memories of going on school hikes, of the water bottles that hung like millstones around our necks, the aching feet, the sweaty palms, and the yearning to collapse, exhausted, on a grassy hillock and stay supine and immobile for at least an hour. And then, the pure exhilaration when you lift your tired head and see green valley stretched out before you.

Whether you have ever tried it before or not, hiking is an activity that you should experience especially if you are in the part of a country or world with abundant natural splendour and mountainous topography.

But there are precautions to keep in mind. First, make sure you have the right kind of footwear and a small personal first-aid-kit with the basics in it.

To avoid sprains and fractures, don't walk on ice, moss, lichen and wet rocks. And you might want to use a walking stick or pole, they can be very useful for support. Wondering where to get one? Look around the woods and you're sure to find a suitable dry branch that will do the trick.

And don't forget about the commonest problem that hikers face-sunburn.

Yes, even if you have dark skin and the sun doesn't seem

hump, click, stretch-yikes!

to be shining bright, UV rays do come through the clouds and hurt and damage skin. You can get pretty severe sunburn on snow slopes and at high altitudes. Apply some sun block lotion before you head out on your hike and don't forget the sensitive area behind the neck – better safe than sorry.

If you are walking through thick, high grass it's a good idea to spray insect repellent on yourself and on your trousers and shoes. Not only do you prevent insects biting you, you also prevent them taking a free ride back to the resort or to your home. And then there are blisters that can ruin a perfectly good hike and holiday.

Preventing them is easy. First, carry shoes or boots that will fit well and don't wear slippers or sandals while hiking. Choose shoes for comfort, not fashion. Make sure you break in your boots two weeks before taking them on a hike. Buying a brand new pair of shoes the day before you leave on your holiday is a bad idea.

Hiking: Basic Essentials

Take along these few rudiments in a small backpack

- Torch if you expect to be out after dark
- Small plastic whistle – just in case you get lost
- Small first-aid kit
- Good walking shoes
- A water bottle
- Small snack such as dry fruit or peanuts in case you get hungry

Health Benefits

And of course, there are great health benefits with hiking: losing excess kilos, decreasing cholesterol levels, slowing the aging process, reversing the negative effects of osteoporosis, strengthening muscles, relieving back pain, and staying fit. And then there's the greatest benefit of all the joy and wonderment of the hills, valleys and greenery thrown in, too. Talk about a great deal.

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