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A MONTHLY NEWSLETTER FOR SMART MANAGERS

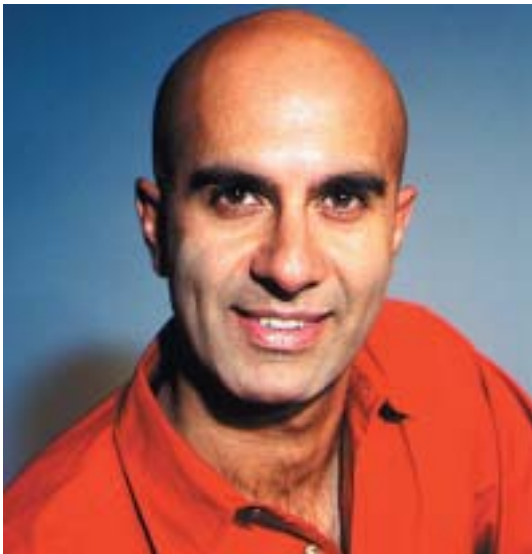
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Gospel according to Monk Robin Sharma

Robin Sharma, who wrote 'The Monk Who Sold His Ferrari', shares his powerful transformational leadership lessons for the 21st Century business leaders



In many ways the journey of a leader is to become more child like. A child has every quality of a great leader - fierce, not afraid of change, curious, an open heart and mind, which is not afraid to speak their true selves. Children are great teachers. We can learn a lot from them by observing them closely.

It's important to know that in any organization CEOs and CFOs are not the only leaders. To me, everyone who takes the responsibility for the well being of an organization is a leader. Truly great organizations create a culture where everyone takes personal responsibility for the results.

Indeed, leadership can be seen in ordinary people who do extraordinary things. Great leadership is one that shows up during seemingly insignificant moments. Great leaders are those who show a great amount of compassion towards their colleagues and society.

The first tactic of a leader is to be a passionate revolutionary. When you come to think of it, all progress and innovation belongs to unreasonable people. At a time when a computer was the size of a big room someone said: "I'll put a computer on everyone's desk." Mahatma Gandhi's non-violence was an

innovation.

A good way for anyone to grow is to question everyday. "Am I doing something the same way as I did it yesterday and today?" You should constantly challenge yourself because the human brain craves for challenge.

Today's business leaders must notice a major shift in the rules of the market place - competition in business today is not for the share of the wallet but for share of people's emotions. You have to constantly provide the wow experience.

How can you be a passionate revolutionary

It's easy for successful companies to get stuck in history. When you are most successful as an organization you are also most vulnerable. Because that's when inefficiencies creep in, that's when complacency sets in. That's when you forget your

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A MONTHLY NEWSLETTER FOR SMART MANAGERS

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

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customer and fall in love with yourself. That's the beginning of the end. Therefore, when you are successful, keep on challenging yourself. Keep daring. Go where no one else has ever gone. Don't follow the crowd. Salvador Dali, the great painter once said: "Most people would rather remember than dream."

Apple recently lunched the fabulously designed i-Pod which can hold 10,000 digital songs. So companies like Apple offer products that create waves of lust. If you offer products that are revolutionary and spectacular you touch people's hearts, not their heads.

So how can seemingly dumb CEOs become revolutionaries? Behind the fear of change is the resistance of the new. Most of our fears are illusions. You are caught by what you are running from.

If you are not failing on a regular basis you are not taking enough risks. Constantly keep taking risk. A Canadian hockey player recently told me that: "The goal you didn't score is because of the shot you didn't take?"

Use love as a business tool

If you love your customers they will reward you. Adults are nothing but deteriorating children. They too need to be loved. That's the reason you find that most successful organizations are run by CEOs who love their customers and are full of compassion and kindness towards their staff and employees.

Love is vital in today's workplace because workplace has replaced family as the new social unit of our society. And increasingly people are looking for meaning rather than money from their jobs. People spend best parts of their day and their lives at office. Therefore, only where there is love and fun does one see great results. A best place to work is one where people love to go to work and are proud of working for their organizations. Organizations are yet to recognize the power of corporate pride. And how does one love customers? The best way to do is to deliver outrageous value.

Become the CEO of your career

Senior executives don't spend enough time reflecting. They are so busy with solving day-to-day problems that they soon begin to lose their competitive spirit. Great leaders hardly stay in the office. They are found either in coffee shops or anywhere they can observe, reflect and come out with ideas.

How many executives read books these days? It's not a coincidence that successful business leaders are normally well read. There's a saying that eat three times a day you'll be healthy and read three times a day and you'll be wise.

Finally, it's important to realize that business is an opportunity to do something noble everyday. Business is an opportunity to create a culture where people decide to be human. Business is an opportunity to bring about social change. Once you realize that you can do these things, it's important to start the process today and not postpone it to another day. Unfortunately, the great tragedy of life is not death. The great tragedy of life is what we allow to die inside of us.

Excerpt from a talk in Bangalore - May 2004

For more inspiration visit www.robinsharma.com

Globalization by localization



InventQbation, a unique strategy developed and honed by the Malaysian company Reveo Inc., and its founder Dr Sadek Faris, expects to replicate the successes of Thomas Edison and, like him, to invent revolutionary frontier technologies to enhance the welfare of humanity.

InventQbation's goal, Dr Faris says, is to create novel industries instead of engaging in "me-too" endeavors, create jobs and build companies that last, like General Electric. Reveo - dictated by its mission of InventQbation - has been a prolific creator of innovations and inventions. Already, Reveo's patent per capita per year exceeds the combined patents per capita of technology bellwethers such as IBM and Bell Labs. Reveo and InventQjaya firmly believe that InventQbation fosters innovation, creativity, entrepreneurship and a leadership position in technology development.

Reveo promoters believe that there is an Innovation Threshold - an energy barrier that separates the developed nations, perceived as the purveyors of the knowledge economy, from the rest; that separates corporations that we admire and respect and believe as "Built to Last" versus the others that we quickly relegate to oblivion. InventQbation, they believe, goes a long way in transcending the Innovation threshold. Reveo has been a major player in many technologies, including fuel cells and photonics and has exceeded that threshold.

Dr. Sadek Faris, the brain behind this initiative, says the company's business model is unique and can be replicated. He calls his philosophy, "globalization by localization". Developing countries are very suspicious of the word globalization, he says, but his idea of globalization is to bring technology to local people and then export it to the rest of the world. The solutions are intended to be cheap and easily accessible to people since the driving aim is not profit for profit's sake, but to "solve problems for humanity". Of course, it's not charity either. Dr. Faris says he wants to make a difference to people by making inventions that serve them - in healthcare, power, water, and other critical areas. Once people's needs are met, they pay you happily and order more business. The driving line, "**Serve first, make money later**" is what makes his business model unique, says Dr. Faris. His mission to "solve problems of humanity" stems from a hard childhood in an orphanage in Libya, where he learnt to fend for himself.

The innovator founded Reveo in the U.S. in the early 1990s, developing products at the "frontiers of science and technology" and turning them into products "for the benefit of humanity". Following a meeting with then Malaysian Prime Minister Mahathir Mohamed, he shifted base to Malaysia and set up InventQjaya to create new technologies in that country and become competitive in global markets. InventQjaya soon expects to spin out five companies, each using technology for very diverse purposes. Mfree, uses fuel cells for rural electrification, for instance, eVijaya is an electric vehicle project, and IQHarvest is a solar water-harvesting model. Dr Faris has expanded his operations to Bangalore, a city he says he picked because of the "people, weather, and technology". India was chosen because Dr. Faris thinks his team of innovators can meet the country's needs for "power, water, and fresher air".

Are CFOs caught in a trap?

The hallowed C-layer is in for a shake-up. It started with the chief information officers (CIOs). CIOs are perhaps the shakiest lot as they are forced to know about operating leverage as well as an operating system. A young CIO today has to don a business head's cap as well. The latest to join the nervous list are the chief operating officers. And guess who's stepping on to their shining shoes? - The chief financial officers. Before the recent mega financial scandals the axe was to fall on CFOs who were perceived as obsessed more with data and less with the dynamics of running a business.

The vigorous good governance campaign around the world has given the 'bean counters' a new gloss. So much so smart CFOs are positioning themselves as second in the pecking order after the CEOs and are pushing the COO to the third spot. "CFOs are increasingly looking into operational aspects of a company's business," said a prominent speaker at the recent Knowledge Forum on CFOs organized by the ET Intelligence Group. When someone said "CFOs are increasingly taking on the role of chief performance officers (CPOs)," no one seemed to object. To Rahul Gupta, MD and group CFO of DBS Bank, Singapore, CFOs role is shaping up more like that of a midfielder than that of a goalkeeper on the soccer field.

But the obsession with governance is taking its toll on CFOs. CFOs are now spending more time on compliance, audit and disclosure issues than on drafting finance strategies for their organizations. Not to undermine the shareholder pressure on CFOs to perform every quarter. Pulled on both sides CFOs may find very little time or the energy to contribute significantly to strategy and leadership - the two differentiators in the competitive marketplace. Clearly, CFOs today are a harassed lot.

Reexamine good governance campaign: Booz Allen

The aggressive good governance campaign around the world and shareholder capitalism have throw up several paradoxes giving nightmares to CEOs

The traumatic swings in the business fortunes in recent years is giving CEOs sleepless nights. CEO dismissals have been all too common and the debate over whether to promote an inside man or recruit from outside rages on. Yet, ironically, the singular obsession with firing CEOs and recruiting outsiders appears to be contributing to lower average shareholder returns.

According to the latest annual CEO survey by Booz Allen Hamilton the rate of CEO dismissals increased by 170 percent from 1995 to 2003. Companies seem to be obsessed with firing overcompensated, underperforming chiefs. Among other reasons, companies are dumping CEOs faster than they can replace them with qualified internal candidates, and thus are turning increasingly to outsiders.

At first glance, it seems the CEOs of the world's flagship firms have shaken off the traumas and scandals of the past several years and reasserted confident leadership. In 2003, only 9.5 percent of the world's 2,500 largest public companies changed chief executives, the first time since 1998 that CEO turnover was under 10 percent. The primary reason for the decrease was a striking decline in the number of CEOs who were fired because of poor performance.

For the first time in the consultancy's research - considered the most comprehensive ongoing survey of the demographics and performance characteristics underlying chief executive succession worldwide - they are seeing evidence that the contemporary governance movement is presenting CEOs and boards with a leadership dilemma.

Booz Allen's findings indicate an evolving management picture shot through with several paradoxes. For example, boards, regulators, and shareholder activists are increasingly agitating for the separation of the roles of CEO and chairman.

- In North America, the heat on CEOs has been reduced from boil to simmer. In the U.S. and Canada, involuntary successions accounted for 31 percent of all turnovers in 2003, down from 2002's peak of 39 percent, although higher than in any other year studied.
- Europe has become the pacesetter in forcing out underperforming chief executives. Top European companies experienced the highest-ever rate of forced succession events: Nearly half of all CEO turnovers in Europe in 2003 were performance related. Forced turnover of CEOs of Germany's largest companies reached an extraordinary 8.1 percent in 2003, more than double the

global average and the highest level in any region in any year we've studied.

- Globally, the "imperial CEO" isn't. More than half the departing CEOs - 55 percent - in the six years of the study did not hold the title of chairman. Just 28 percent carried both titles through their entire tenure.
- Splitting the roles of chief executive and chairman does not result in higher returns for shareholders. The norm in Europe for at least a decade, dividing the positions of CEO and chairman has become the governance movement's cause célèbre in the U.S. But returns to investors are lower - 4.7 percentage points per year lower in Europe, and 4.1 percentage points lower in North America - when the roles are split.

For the first time in the consultancy's research it is seeing that the contemporary governance movement is presenting CEOs and boards with a leadership dilemma

- The outsider who comes in to whip a company into shape is more likely to get a thrashing. Forced turnover of CEOs who were hired from outside the company reached striking levels in 2003: In North America, 55 percent of outsiders were forced to resign; in Europe, 70 percent left involuntarily.
- The best-performing leaders already have experience at the company they are leading. Prior service as a chief executive does not correlate with superior performance. To the contrary, over the six years of our study, CEOs who had previously led other companies delivered returns for investors 3.7 percentage points per year lower than first-time insiders.
- A tough job is taking its toll on CEO tenure. Average tenure for chief executives who left office last year was only 7.6 years, among the lowest we've seen since 1995.

These findings about CEO succession in 2003 depict a corporate marketplace rocked by disequilibrium. In its singular emphasis on the removal of underperforming CEOs, the governance movement risks overlooking the vital roles played by boards and management in developing viable successors and fostering superior returns.

The return of growth to the top of the corporate agenda makes resolution of the governance paradox more critical than ever. That's hard for companies when CEOs are consumed with compliance and the prospect of imminent dismissal.

As the era of managerial capitalism wanes, we are entering a new, unfamiliar period, in which CEOs and boards are scrutinized intensely not only by shareholders, but by regulators, politicians, and the legal system as well. God save the CEO! - **BP**

Revisit the Johari Window

A 1950s psychology concept can energize and offer a new direction to CRM strategists

Customer relationship management (CRM) is one of the most widely implemented management concepts of the decade, yet after hundreds of millions of dollars in systems and process investment, most companies are still waiting to see its vaunted benefits realized - in customer understanding, customer satisfaction, and financial returns. Why aren't firms achieving the customer intimacy they desire?

To David Moloney and Robert Bustos-McNeil companies are yet to apply some relatively simple lessons that derive from several decades of social science research into the dynamics of human relationships. Like the Prisoner's Dilemma and the Nash Equilibrium, an element of game theory known as the Johari Window can help illuminate rules that guide the behavior of people involved in transactions with each other.

In an article in *Strategy+Business's Spring 2004* issue the authors suggest that looking at CRM through the Johari Window can assist organizations that are reliant on customer interactions - which is to say, most organizations - in building more open, transparent, trust-based, satisfying, and mutually profitable relationships with their customers.

The Johari Window - a highly influential framework from the social sciences that has been used to explain and facilitate the deepening and strengthening of interpersonal relationships - clarifies this alternative approach to customer-supplier relationships.

Invented by University of California psychologists Joseph Luft and Harry Ingham in the 1950s (and labeled with a combination of their names), the Johari Window is a conceptual model of interpersonal communication developed through the study of individual relationships, which also had clear applicability to the understanding of group dynamics, including the relationships between individuals and organizations, such as schools, hospitals, and companies.

The window divides all personal data into four categories. The categories concern whether the personal information is known to the individual or revealed to the world at large:

- The Open Self is the most widely available information - information the individual sees and shares with the world, such as the color of his or her own hair.
- The Blind Self is information that the individual cannot see but that is apparent to the world - say, a "kick me" sign surreptitiously stuck on one's back.
- The Hidden Self is information known to the individual

but kept private from the world, such as the personal contents of a safe-deposit box.

- The Unknown Self is the set of information unknown to both the individual and the world - one's vote in the next national election, for example.

Communication between parties typically "moves" the Johari panes by shifting information from one quadrant to another. By revealing a personal secret, an individual expands the Open Self to include information that was previously part of the Hidden Self. Similarly, when feedback is communicated that increases a person's self-awareness, the information moves from the Blind Self to the Open Self.

Beyond the Black Box

The Johari model of information exchange offers an opportunity to go beyond the black-box approach to data capture, to improve the health of customer-supplier relationships. The window encourages people and institutions to consider the information available in a relationship, and the actions that each member can take to improve mutual understanding and build trust.

In a typical black box approach customers are aware that information is being captured and recorded, but they are unable to see how it is used and may be only dimly aware of when and how it is being played back to them. If information is power, then the power in this relationship is with the supplier. Used without sensitivity, "black box" CRM can prompt customer concerns about privacy and lead to distrust.

The new approach to CRM requires a mind-set change for many companies. Viewed through the Johari Window, customer relationship management requires that a culture of reciprocity replace the cult of secrecy that prevails at many institutions.

Moreover, next-generation CRM requires the institution to invest in the customer as the customer invests in the institution, by helping customers realize value from revealing the Hidden and Blind Selves. Consistent with the objective of building an environment of reciprocity and trust, such investment must support customer empowerment, and it must manage the privacy concerns inherent in traditional CRM applications.

Many companies that have invested heavily in CRM over the past decade are well placed to fully exploit their investment by reviewing CRM through the Johari Window and going back to relationship basics. The prize is stronger, deeper, trust-based relationships with customers.



First innovate deployment process

Break the organizational biorhythm to give innovation the unconditional focus and energy

by *Bhupendra Sharma*



Recently, I was in New York listening to a case being presented on how over the last 24 months a company, which has ventured into an innovation journey, has had little success. Interestingly, this gentleman also shared the 'despair map' in the organization. Seemingly, it was a painful journey and if the CEO personally was not convinced, they wouldn't have even come so far. To me it wasn't surprising to hear a much-repeated story about organizations trying to initiate an innovation exercise.

An organization over its lifetime, acquires unique, deeply entrenched rhythms. Innovation usually fails to deliver the expectations as aspired from it when it is unleashed within the current biorhythm of the organization.

Innovation is about breaking new ground. It calls for a new way of deploying it in the organization. Therefore, the first step in innovation is to innovate for its deployment in the organization itself. This requires unleashing innovation in constitutional and extra-constitutional ways. It calls for unleashing innovation within the constitution, but also calls for discontinuous methods that break with the current biorhythms - to give innovation the unconditional focus and energy it rightfully needs.

The first strategy should be 'frequency driven'. Here the organization creates opportunities for fresh and new thinking, offers platforms for challenging mindsets, multiplies successful ideas and devises processes that trigger a change in the culture of the organization, making it more diverse, ideas-driven and open. Some platforms that can be used are:

Renewing the leadership mental models

Pioneering is an essential leadership competence that is very often undermined. I recently heard this comment from the president of a large organization: "I didn't think innovation would require my time". The pioneer recognizes that failure comes as often as does success, but is able to ride the wave with both and most importantly carry the team with him. The final measure of a true pioneer in the organization is the 'legacy of new value created'.

Historically, pioneers in organizations have been rare. Leaders were expected to be consolidators of past success. The challenge therefore is to re-align the leadership mindset, to focus on pioneering and facilitating creative collaboration while breaking the barriers of safekeeping and controlling mindsets.

Widen Strategy Processes

It would be difficult to expect people to consistently deliver breakthroughs if the strategy doesn't permit them to. I recently heard someone saying: "This is not our business, our strategy is to..." I thought here was an example of closing a window of opportunity and finding new growth engines for the

business. Examining the strategy development processes in most organisations reveals that the process rigor in crunching numbers is amazingly higher than looking at the business through newer lenses. Also, despite all the talk of decentralization, strategy still remains a closely held, insulated, top down process.

Therefore, it is imperative for organisations to WIDEN the key strategy processes to significantly enhance the opening of the funnel at the expansion stage and facilitate a high degree of cross-functional and cross-level collaboration.

Idea - Fission

At any point in time, some great ideas could be evolving in different heads all over the organizations. But ideas are difficult to capture as they are often locked in the individual's mind. So most of them live and die and with the individual who dreamt them up.

Organisations therefore need to create an idea-harvesting and sharing process. Idea fission is a deliberate process to capture new ideas emerging in any part of the organization and make them accessible to all others. The challenge is to make the process vibrant, free flowing and energizing. Not just a question of collating and pushing around tedious white papers. What is needed is dedicated, competent facilitators who will energize and channelise 'Idea-Fission.'

Goal Setting

While delivering a talk to a group of managers at the IIM-B someone asked me, "while all of us understand the need to innovate, why is it difficult to make ideas work in an organization?". Innovation occurs by design only when it consciously becomes a 'stated and targeted expectation'. This process creates a template to ensure that each individual has targeted an innovation goal as a part of his/her stated expectations. This goal has to aim at quantum jumps and not incremental gains.

Creative Collaboration

Innovation usually builds energy just with the freshness of thinking; especially once mental blocks are overcome- this is a great first step. However, when innovation has to be channelised cross-functionally, there is usually conflict - conflict of priorities, conflict of interest, conflict of outlook.

The challenge is in getting people to genuinely understand value in other's ideas, keeping them involved in the project and synthesizing diverse viewpoints. It calls for an 'alignment charter' that builds ownership and commitment. Then functional silos are overcome and energy is driven towards the innovation outcome.

The author is a Director at Erewhon Consulting, Bangalore

Innomediation

In recent years, many companies have learned to use the Internet as a powerful platform for collaborating directly with customers on innovation. But direct interactions -- facilitated by customer advisory panels, online communities and product-design tool kits -- have limitations. They don't always allow companies to reach the right customers at the right time and in the right context.

Thus, to fully exploit the Internet as an enabler of innovation, companies need to complement their direct channels of customer interaction by using third parties that can help them bridge gaps in customer knowledge. The authors call this process of indirect, or mediated, innovation innomediation and the third-party actors at the center of it innomediaries.

In their research, the authors Mohanbir Sawhney, the McCormick Tribune Professor of Electronic Commerce and Technology at Northwestern University's Kellogg School of Management in Evanston, Illinois; Emanuela Prandelli and Gianmario Verona, assistant professors at SDA Bocconi - Bocconi University School of Management in Milan, Italy identified three distinct types of innomediary and observed how each one can help companies acquire different forms of customer knowledge.

Using case studies, they suggest ways in which companies can begin to think about exploiting the power of these emerging intermediaries. For businesses that learn to use customer knowledge from both direct and indirect sources, the Internet holds the key to a multichannel innovation strategy.

Relationship capital



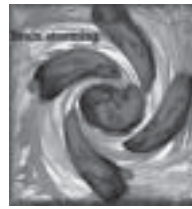
The relational equity of the firm is the wealth-creating potential that resides in all of the firm's relationships. The customer base, the supplier base, and the partner base all represent resources that can be effectively deployed or leveraged to create value.

Long-term business relationships that create and sustain predictable growing cash flows are the key determinants of enterprise value in today's financial markets.

Winning companies build relationship capital by strategically managing all their business relationships to capture extensive information and translate it into loyalty-building experiences for customers, partners, and employees.

In a paper titled Relational Capital: Managing Relationships as Assets authors Mohanbir Sawhney and Jeff Zabinon show that a \$500M firm will lose about \$62M/yr due to poor partner relationships and \$55M/yr due to poor customer relationships. They believe that relational capital is more than customer capital.

How Brainsketching differs from Brainstorming



Brainsketching is an idea generation technique, based on brainwriting that uses sketching as the primary means of recording ideas. During brainsketching participants sketch their ideas individually on large sheets of paper pasted on the wall. After a few minutes, the participants explain their idea sketches, switch places and continue sketching. Usually, about five such rounds of idea sketching take place.

In an experimental set-up brainsketching was compared to brainstorming. Linkography was used as a method for analyzing the process characteristics of both techniques. Results show that during brainstorming, participants generated significantly more ideas, and that during brainsketching participants generated significantly more connections with earlier ideas. Also, during brainsketching participants made more incremental connections while maintaining a similar level of 'wild leap' connections. Conclusion of this study was that brainsketching does not necessarily provide a better idea generation process; rather, it provides a different process, which may serve different purposes.

Channel Stuffing

Channel Stuffing refers to a legally murky practice in which a firm convinces clients to accept unwanted or early deliveries of a product. Coca-Cola was recently charged with resorting to this practice by over shipping drink concentrate to distributors in some markets including Japan with the motive of inflating financial results. The company is being investigated by a grand jury.

Social entrepreneur

According to David Bornstein a social entrepreneur is fanatical about a cause. Yet they have to be very systematic, like business entrepreneurs. They are really good people with a high streak of integrity. They are self effacing - always passing on the credit of their work to the team. David is a writer on social entrepreneurship. His books include: The Price of a Dream - The Story of the Grameen Bank and How to Change the World - Social Entrepreneurship and the Power of New Ideas.

Citizen Sector

According to Bill Drayton, popular for his Ashoka Initiative, a citizen is not only supposed to vote, pay taxes, join the military and spend off his life, he/she is also a custodian of the state, taking care of it. David Bornstein says that the Citizen Sector in India is very strong because compassion and entrepreneurship are something very, very Indian. India is in the third generation of entrepreneurship and is developing strong networks between individuals and organizations.

What worked with J R D Tata & Times group

Ashoke Maitra shares his spiritual experiences with Debra and William Miller about practicing oneness and non-violence during trying times

When I came to the Times Group in the mid-1990s, I began with a very difficult assignment. There was a big fight between the journalists and the management; they each had major criticisms of each other. I knew I had to create a clear alignment and integration of these two groups.

The first thing I did was to take an office in the journalist area, not on the management floor. The first thing the journalists asked me was "How can you come and sit here? You're from the other side." I said, "But I thought we were all on the same side." They said, "No, you're from the other side."

So I said, "Fine, I'm sitting here, and if you hate me I will go away. But it is your choice because I have taken my first step not to have any discrimination, to show you that we are all one. I believe in Vedanta and I believe that all of us are the same. If you think I am some kind of skunk, then I will leave, but give me 15 days to see whether you want me to sit here or not."

After 15 days I went to the floor and asked them whether I should stay or go. They said no and asked me to stay. I have now been on this floor for over six years.

During those early days I initiated a strategic planning workshop. Because of the misunderstanding between journalists and management, I felt there was an acute need to bring them together through a participatory process to create a sense of well being, understanding and camaraderie. After all, all of us worked for the same cause.

My colleagues, who are Directors, opined I was wasting my time trying to change the behavior of the journalists. But I persisted, with my faith and my shareholders blessings, because I strongly believe every human being is intrinsically good and our work should be able to bring out our best.

Even the owner of the Times Group warned me that the journalists would not attend this strategic planning workshop. But the first person to walk into the workshop was the resident editor of the Times of India and then came the Economic Times editor. Someone asked one of the editors why she came. She said, "I came because Ashoke called me, and I know Ashoke doesn't see any difference between management and journalists. If anyone else had called, I would not have come."

All the editors and all the managers came, and we had a 3-day workshop to decide the future of the company. It worked. I was happy.

Practising non-violence with an angry director

When I worked with TATA, I had not recruited one director's daughter because of inadequate merits, so he was very upset with me. He said, "I'll throw you out of the company. You are not recruiting my daughter." I said, "Why do you want to sack me? I will go." He said, "Where will you stay? Are you going to live under a tree?" I said, "It makes no difference where I stay. God has brought me into this world; God will take care. If it is giving you so much anxiety for me to stay here, then it is best that I go. I do not want you to suffer from anxiety because of me."

He said, "Okay you go," because he wanted to test me. I immediately took my resignation letter to Mr. J.R.D. Tata, because I was his executive assistant. J.R.D. asked me why I was resigning. I said, "Sir, I do not want to create anxiety in anyone, so I am going." He again asked me why, and I told him to ask the director. So J.R.D. called this director in front of me, and asked him what had happened. He was so embarrassed.

J.R.D. said, "This guy is going and I am going to suffer. Why are you sending him away, and he is not even complaining about it?"

The director explained to him that I had not recruited his daughter on merits and that he had gotten very angry with me. J.R.D. said, "He is only following the company's policy." The director said, "Yes, but I lost my cool. I told him to go out of anger, and now he has taken it to the extreme and given his resignation letter. He is doing drama." J.R.D. said, "He is not doing drama. He is going because you threatened to take action; that is why he is going."

I so readily agreed to go because I believe in Gandhiji's philosophy of ahimsa, nonviolence. If you want to do violence on me, I will put my body before you. But why do you want to do violence and suffer later? Gandhiji used to tell the British, "Why do you want to fine me, I am coming freely. If you want to beat me, do what you want if that gives you satisfaction. But I don't want you to suffer because of me." So these are ingrained values in me also. This has worked for me throughout my life time and again.

This article is part of a series of executive interviews William and Debra Miller of the Global Dharma Center have conducted for their international research program "Spiritual-Based Leadership". Ashoke Maitra was, till recently, Director (Corporate) of Human Resources for the Times of India Group and Director of the Times Foundation



Curry, Auto-rickshaws and Global Corporate Citizenship?

By Drew Fine, MBA2 Drewfine@umich.edu

Published: April 2004

This is the story of seven MBAs, one Ida Faye Webster, two professors (Noel Tichy and Andy McGill) and one of the most respected companies in the world. The story begins in December 2003, when the team of MBAs (Steve Clouthier, Drew Fine, Kavita Gunda, Ashley Libby, Ken Quan, Kelly Tubbs and Aaron Vandervelde) won a case competition on global corporate citizenship that Noel sponsored.

We thought the case was so interesting that we put together a proposal to continue our work as an independent study project. Luckily, Noel and Andy thought it was a great idea, and GE Healthcare thought it was a great idea to co-sponsor the project.

<http://www.themsg.com/news/2004/04/12>

Motivating Multiple Parties: Prozac

Prozac, from Eli Lilly, was the first of a new class of anti-depressants developed in the late 1980s. Called selective serotonin reuptake inhibitors (SSRI), these drugs regulate mood by increasing the availability of serotonin in the brain. Although no more efficacious than existing anti-depressants, Prozac had fewer side effects and was safer. Prozac was also found to be effective in treating obesity, bulimia, obsessive-compulsive disorder and addiction.

Despite some controversies, it has become an icon of a pharmaceutical blockbuster and a brand not unlike well-known consumer products. It also introduced a breakthrough class of new treatments for depression. Prozac's appeal was in its ability to simultaneously motivate the many parties in its market network to make choices favorable to its adoption. Ultimately, each player's choices reinforced those of the others.

http://www.slowpacefastchange.com/more_case_prozac.htm

Enterprise Applications Deployment Case Studies - India

Shekhar Avasthy and Alan Tong. Published by IDC

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

There are six case studies for each country. Two studies for each secondary market application in the 12 countries that IDC covered, studying the companies' behavior in software adoption. The 12 countries that IDC tracked are Korea, PRC,

Taiwan, Hong Kong, India, Thailand, Malaysia, Singapore, Philippines, Indonesia, Australia, and New Zealand.

<http://www.idc.com/getdoc.jsp?container>

Adoption as a Blend of Scientific and Market Factors: Bovine Growth Hormone

Getting innovation to market is not purely a question of marketing. The product's hard attributes – the science or technology behind it - matter a great deal. Rarely do product attributes play as pivotal a role as in the case of innovations in life sciences. It is well established that even small changes in efficacy or safety features of drugs can create wild swings from billion dollar blockbuster to a total product recall: Warner-Lambert's diabetes product Rezulin's withdrawal from the market being a classic example.

http://www.slowpacefastchange.com/more_case_biotech.htm

Getting to the Tipping Point of the Adoption Network: Soft Contact Lenses



The first soft contact lens, approved in the US in 1971 for Bausch & Lomb, had several advantages over its predecessor, the hard contact lens, which had been around for decades. Soft lenses were gas permeable, allowing oxygen to reach the cornea, and more flexible because of their high water content. This provided the user the benefit of both greater comfort and the possibility of extended wear.

Soft lenses were, however, more fragile, provided less accurate vision correction and had the potential of accumulating deposits and bacteria more readily relative to their predecessor. At that time, given the high price (\$300 for a new pair) and discomfort of hard lenses, prior to the arrival of the soft lens innovation, 98% of those needing vision correction were using eyeglasses. The advent of soft lenses was the catalyst in making contact lenses accessible to a wide consumer base. It would transform the contact lens from a limited product with highly priced cosmetic benefit to a mass-market product with appeal to the "average" consumer.

http://www.slowpacefastchange.com/more_case_contact.htm

Looking Ahead: Automobiles - Telematics

Many potentially powerful innovations are caught in a state of market gridlock even though they can be of immense benefit to consumers and can create value for those who bring them to market. Similarly, it is possible to describe a very different equilibrium for the innovation where an alternative self-reinforcing set of choices favor its adoption. The gap between the two can be described in terms of the motivators and barriers governing the choices of each player on the critical path.

http://www.slowpacefastchange.com/more_case_telematics.htm

In the Product Naming Sweepstakes, Here Are



There's really no way to know whether the handheld wireless device called BlackBerry would be equally popular if it had been brand-named Airwire, Badge, Banjo, Banter, Outrigger, Transilion, Vion, Waterfall or any of the other 75 possible names suggested for it by naming consultants. But in his new book, *Wordcraft: The Art of Turning Little Words into Big Business*, author Alex Frankel doesn't hesitate to claim that the BlackBerry

name - the "best choice" - definitely improved the product's acceptance and sales.

Frankel is an unabashed fan of successful brand names. "To me a brand is everything," he writes. In *Wordcraft*, he offers "an overview of naming things today" mainly by telling the stories of five successful efforts: BlackBerry, Porsche's Cayenne, Viagra, Accenture, and IBM's use of the term "e-business." BlackBerry and Cayenne, according to Frankel, are examples of using known words for a new product. Accenture and Viagra are examples of inventing a name. IBM's "e-business" is an example of how a term that is not a brand or trademark can be used to enhance a company's image.

Professional consultants are involved in creating four of the five examples - or, maybe five, but Porsche wouldn't tell Frankel whether it had outside help when the company known only for sports cars made the decision to produce an SUV and name it Cayenne.

Accenture, the name picked to rebrand Arthur Andersen Consulting, came about after an intra-partner lawsuit that made a name change mandatory. Frankel explains that a schism had been growing for years between the traditional auditors at Arthur Andersen and its newer, more profitable, consulting division. The court ruled that the company was to be divided into two separate firms, with the auditors to keep the Arthur Andersen name and the consulting division to come up with a new ID in 147 days.

To do this, Andersen Consulting hired Landor Associates, a professional naming organization, and also asked for suggestions from its employees. Frankel says 3,000 names

were generated by Landor and another 2,600 by employees around the world. Landor whittled the list down to 30 choices that were voted on by the firm's 1,250 partners. The winning moniker was contributed by Kim Peterson, a Danish employee, who e-mailed that he drew his inspiration from the thought: "accent on the future."

The name caught on with clients, says Frankel. And just in time, too. Andersen Consulting had already become Accenture in January 2001, when Arthur Andersen accountants got caught shredding paper at Enron. Thus, Accenture was "able to sail free from the mess."

Frankel writes about techniques used by naming consultants to expand their output. He describes how Lexicon Branding, the firm that came up with Powerbook and Pentium as well as BlackBerry, sometimes breaks staffers up into separate teams or "misleads them into thinking they are creating a name for one client when it may be meant for another"

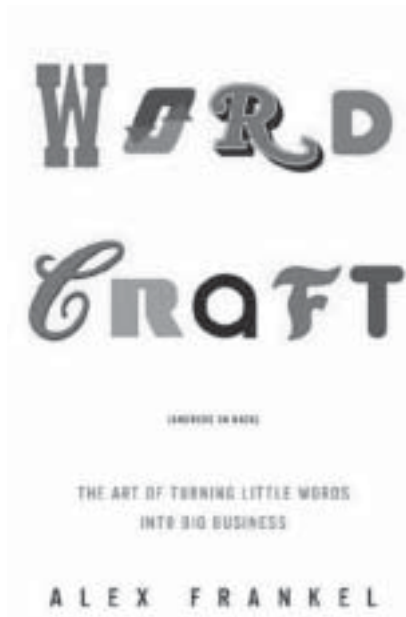
In telling the tale of how Viagra - the product and the name - came to be, Frankel notes that a new description of the condition Viagra addresses has been as important as the brand name. According to Frankel, it was the naming consulting firm Wood Worldwide and Pfizer marketers who decided that the problem was to be called "erectile dysfunction" rather than "impotence" (so unmanly).

Frankel praises IBM for "taking ownership" of the expression "e-business" to connote "the value customers derive from networked computing." IBM didn't invent the phrase and never tried to turn it into a brand or trademark. But by popularizing the phrase in its advertising, he says, IBM successfully impressed new IBM services in the public mind.

Yet if *Word Craft* is often fascinating, it's also sometimes frustrating. The writing is sometimes repetitious while Frankel ignores information that cries out to be revealed. He fails to explain, for example, why Accenture was accepted while the new name for Philip Morris - Altria - which was also produced by Landor Associates, has been a "notorious" failure. Typically, the financial press mentions that Altria is the parent company of Philip Morris USA somewhere in the story lest the reader remain clueless.

In addition, Frankel mentions that when Andersen Consulting was changing its name, other Big Six firms were adopting new names, too. He cites PricewaterhouseCooper

Some Big Winners



Consulting renaming itself "Monday!" Two questions naturally arise: Were professional namers involved in that one? What were they thinking? It's true that that "Monday!" barely lasted through Tuesday because IBM dropped the name when it added PwC to its IBM Business Consulting Group, but the questions remain and Frankel is no help.

Frankel writes about techniques used by naming consultants to expand their output. He describes

how Lexicon Branding, the firm that came up with Powerbook and Pentium as well as BlackBerry, sometimes breaks staffers up into separate teams or "misleads them into thinking they are creating a name for one client when it may be meant for another." Perhaps more revealingly, Frankel says that "identifying clients that produce good products helps Lexicon tie its reputation to successes not failures." Not a bad strategy.

Overall, Frankel makes a convincing case that, for any product, a good name is an asset well worth seeking. And along the way, Wordcraft drops all sorts of fun information about the naming process in and around its main case histories. Frankel tells, for example, how the people of Denver fought against having Mile High Stadium clunkily renamed "Invesco Field at Mile High." Money talks and Invesco won, but feelings ran so high, Frankel relates, that John Hickenlooper, a local bar owner who led the fight against the name change, was elected mayor of Denver in a landslide.

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Avoiding Repetitive Change Syndrome

Eric Abrahamson, Winter 2004, MIT Sloan Management Review

Most management advice today - whether it's from books or articles, prescribed in courses or by consultants - says that change is good and more change is better. Advice on how to change varies quite a bit, but it has three features in common: "Creative destruction" is its motto. "Change or perish" is its justification. And "no pain, no change" is its rationale for overcoming a purportedly innate human resistance to change.

The author admits that creative destruction may be necessary, and even preferable, in certain situations. Companies that have enjoyed captive markets, docile suppliers and government support may need the rude awakening it provides. In such instances, organizational stability is so ingrained that creative destruction may even be the best way to achieve change with the least amount of pain.

<http://web.mit.edu/smr/issue/2004/winter/15/>

Users as a Hidden Resource for Creativity: Findings from an Experimental Study on User Involvement

Per Kristensson, Peter R. Magnusson & Jonas Matthing

The main objective of this article is to report the empirical findings from a study on user involvement in service innovation. In doing this, we seek to answer the question of how user involvement affects the originality of new service ideas. An experimental investigation was carried out which included 54 participants arranged into three groups of creative users, ordinary users and professional service developers.

The empirical data revealed that the users produced more original ideas than the company's professional service developers. It is thus suggested that business organizations attempt to innovate original products would benefit from involving their customers.

<http://www.blackwell-synergy.com/links/>

Music Downloads: Pirates-or Customers?

Internet music piracy not only doesn't hurt legitimate CD sales, it may even boost sales of some types of music. Those were the counterintuitive findings released in March by Harvard Business School professor Felix Oberholzer-Gee and his co-author Koleman Strumpf, of the University of North Carolina at Chapel Hill. Their paper, "The Effect of File Sharing on Record Sales," caused a ruckus in the music industry not seen since the British invasion of the Beatles.

Many recording executives were not singing "Yeah, yeah, yeah," however. Convinced that illegal downloading and file sharing has robbed them of billions of dollars after four consecutive years of falling music sales, they criticized the team's methodology, which consisted of monitoring 1.75 million downloads over 17 weeks in 2002, scouring through

server logs from OpenNap (an open source Napster server), and comparing the sales of almost 700 albums as reported by Nielsen SoundScan. Oberholzer and Strumpf concluded that there was almost no relationship between the two.

<http://hbswk.hbs.edu/item.jhtml>

Making a market in knowledge

The McKinsey Quarterly, Summer 2004

One source of competitive advantage is to diffuse throughout a company the unique, proprietary knowledge about customers, competitors, products, and techniques that resides in the minds of its employees.

But many efforts at knowledge management have failed to deliver that advantage, because they haven't focused on the creation and broad exchange of knowledge within a company. Establishing an internal knowledge market with its own unique approaches to pricing, exchange, market facilitation, and competition can solve that problem and boost productivity.

<http://www.mckinseyquarterly.com/links/13794>

Reforming Infrastructure: Privatization, Regulation, and Competition

A new study finds that regulation is essential to ensure that reforms involving restructuring or privatization of infrastructure utilities such as water, power, transportation and telecommunications improve their performance and help reduce poverty.

"Getting infrastructure reform right is essential to achieving the Millennium Development Goals on reducing child mortality and empowering women," says François Bourguignon, the World Bank's Chief Economist and Senior Vice President, who directs the Bank's Development Economics department, which produced the study.

<http://media.worldbank.org/secure/>

Star Guide

Research by Jay W. Lorsch

From advertising and law firms to consultancies and investment banks, managing professional service firms (PSF) presents a unique set of circumstances. After all, they're comprised of very smart, independent-minded professionals who wear three hats at once: They're producers who also serve as leaders and owners. In short, they are the firm's most vital assets, and none are more important than the "stars"-those individuals with the highest future value to the organization.

Managing such an operation, where "the people you pay are more important than the people who pay you," is a considerable challenge-something that might be compared to herding cats or, even more to the point, taming tigers.

<http://www.leadingresearch.hbs.edu/index.html>



Create your own best practices

Blindly copying other's best practices may result in a patchwork quilt rather than a well-oiled machine. Organizations are better off developing their own ways of doing business

- By Rishikesh T. Krishnan

In a competitive world where every company and individual is seeking to stretch itself that extra inch to improve performance, benchmarking and the transfer of best practices are considered important means to improvement. However, they are not always the panacea they appear at first sight.

Benchmarking is useful because it allows you to know the gaps between your company and competitors or "practice leaders". The next step to benchmarking is typically to identify the practices of the leaders, and to try and transfer those practices to your company.

This apparently logical approach is not without problems. The most basic problem is that every company is a system of interconnected elements, embedded in a time- and path-dependent culture or "a way in which things are done here." Every company has, to use Sumantra Ghoshal's memorable term, "an administrative heritage." Best practices are not context-free, and attempting to embed them in a different context and culture can be difficult.

To understand this point, consider the case of Nucor, a leader in the U.S. steel industry. Nucor has successfully used the electric arc furnace route combined with continuous innovation and efficient management of both capital and human resources to be one of the most successful players in a generally unprofitable industry. The various elements of Nucor's strategy as well as its performance parameters are well documented, and in fact Nucor has welcomed other companies to visit as long as the arrangement is reciprocal. Yet, no other steel company has been able to replicate Nucor's business model. That's because Nucor's entire system is very well knit together and because you can't really achieve Nucor's performance without incorporating all the inter-locking elements of its business model.

Nucor hires only self-motivated, performance driven individuals who are motivated by the opportunity to earn more; it has very carefully designed incentive systems that reward group performance rather than individual performance; employment is protected even in economic downturns; the top management takes a higher cut in its salary than other employees when the economy goes south. A history of openness and the environment of trust that have been created within the organization make it possible for this kind of an incentive system to work. Equally important is the fact that the increased output driven by the incentive system leads to higher productivity which is, in turn, consistent with the cost

leadership strategy of the company.

Different companies have different business models. Every business model involves certain trade-offs. Looking at one element of the business model in isolation is dangerous. Take the example of Wal-Mart - the company pioneered a new model in retailing that involved higher turnover of low-margin products backed up by an effective supply chain, efficient logistics and warehousing practices, pre-emptive location choices and low cost labour. Trying to copy just one or two elements of this model might actually raise your costs rather than lowering them!

The challenges in benchmarking and best practice transfer are amplified by the fact that today many companies look beyond their own industry. Companies look for the leaders in each activity of the value chain, irrespective of the industry in which they operate. For instance, a company looking at responsiveness in e-commerce may look at a Dell or Amazon, whereas a company looking at excellence in brand building may look at a Coke or a Nike. Obviously, these companies from very diverse industries have very different cultures and inter-locking business models!

The advantages of benchmarking and best practice transfer depend on your current performance level. If you are very far away from the current performance frontier of the top performers, emulating some practices even in isolation may help. Also, if your organization is young, the culture is not established, and practices and operating procedures are yet to be fully set, emulating good companies may work. However, for the established corporation that is reasonably competitive and set in its ways, transfer of "best practices" without a careful look at how these will integrate with current practices and how they will mesh with the culture of the organization can lead to a patchwork quilt rather than a well-oiled machine.

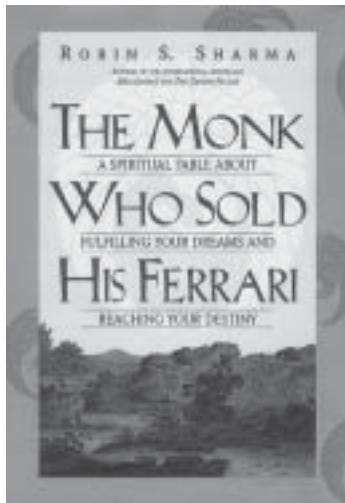
Strategy is all about being distinctive and unique, doing things in a way that is different from competitors but at the same time creating value for customers. Imitating the practices of other companies can help improve competitiveness in the short run but it cannot give a company the distinctive advantage it needs to be an industry leader. Today's outstanding companies are what they are not because they emulated other companies' "best practices," but because they pioneered new ways of doing things.

The Author is Associate Professor of Corporate Strategy, Indian Institute of Management, Bangalore. rishi@iimb.ernet.in



The Monk Who Sold His Ferrari: A Spiritual Fable About Fulfilling Your Dreams and Reaching Your Destiny

By Robin Sharma, Jaico Books, Rs. 175



After a heart attack nearly kills him, a high-powered lawyer treks to India to learn how to live a more meaningful life. Months later, he returns to the West and recounts the story of seven principles and practices that can help anyone experience true happiness.

The book imaginatively presents a set of simple, yet profoundly effective lessons for personal growth, created by best selling author and renowned professional speaker Robin S. Sharma, based on his own search for life's true purpose. In a tale that is both wondrous and mystical, Sharma offers practical and wise advice on how to: develop joyful thoughts; follow your life's mission and calling; look within for success; cultivate self-discipline and act courageously; value time as your most important commodity; nourish your relationships; and live life fully, one day at a time.

Knowledge Based Marketing: The Twenty-First Century Competitive EDGE

Ian Chaston, Plymouth Business School, UK

June 2004, Response Books, Rs. 280



Knowledge Based Marketing is a guide to how knowledge can be utilized to underpin and enhance the marketing management function within organizations. Ian Chaston covers all aspects of this concept by drawing upon various published sources and by the use of case materials to illustrate knowledge management in practice.

In Search of Sustainable Livelihood Systems Managing Resources and Change

Edited by: Ruedi Baumgartner Nadel, ETH-Zentrum, Zurich, Ruedi Hogger, Federal Institute of Technology, Zurich, July 2004, SAGE India, Rs.895

The contributors to this important volume adopt a holistic approach to understanding rural livelihood systems. They maintain that a livelihood system embraces not just the economic conditions for physical subsistence, but all the

elements that provide material continuity and cultural meaning to the life of a family or a community. The contributors also explore and analyze a diverse range of rural livelihood systems based on fieldwork in a variety of contexts.

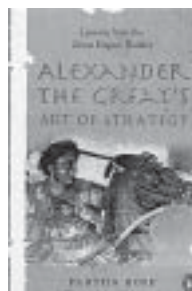
Highlighting the inner coherence of these systems and the survival strategies of rural families, the contributors illustrate the multiplicity and flexibility of livelihood strategies. Among the distinguishing features of this volume are:

- Investigates the relationship between rural livelihood systems and natural resource management.
- Proposes an innovative approach-titled RLS Mandala-for a holistic investigation into rural livelihood systems and strategies.

Alexander the Great's Art of Strategy: The Timeless Lessons of History

By Partha Bose, Penguin Books India, Rs 295, January 2004

Alexander the Great (356_323 bc) was arguably the greatest military strategist, tactician and ruler in world history. By the time of his death, aged thirty-three, his armies had conquered virtually the entire known world, from the shores of the Mediterranean to the foothills of India. His achievements have inspired and influenced a great number of past and current military, political and business leaders.



This book provides the wisdom and secrets of this great empire builder, demonstrating how they can be applied to conquer today's challenges. Blending insights from his years of business experience with his lifelong study of Alexander, Partha Bose interweaves a gripping biography with compelling analyses of the strategies, tactics and leadership approaches of successful institutions-including Dell, GE, Honda, IKEA, the Harvard Law School, and the East India Company-and individuals, such as Elizabeth I, Winston Churchill, Abraham Lincoln, Franklin D. Roosevelt, Bernard Montgomery, Gandhi, Jack Welch and Lou Gerstner.

Managing the Future

Foresight in the Knowledge Economy

Edited By: Haridimos Tsoukas, Athens Laboratory of Business Administration
Jill Shepherd, Simon Fraser University, Blackwell Publishing, May 2004

In this book, leading authors explore ways in which organizations can develop their ability to manage the future.

- An exploration of the ways in which organizations can develop their ability to manage the future.
- Consists of ten papers written by authors from both sides of the Atlantic and from Asia, all of whom are distinguished scholars in the fields of strategy or organizational learning.

- Addresses key questions about how organizational foresight can be conceptualized and developed, and the extent to which it is possible.
- The papers are prefaced by a foreword from Spyros Makridakis and an introduction from the editors.
- Helps to shape a new research agenda, and so will be of interest to academics, as well as to students and practitioners.

Mergers and Acquisitions

Creating Integrative Knowledge

Edited By: Amy Pablo, University of Calgary

Mansour Javidan, University of Calgary

This book reviews both successful and unsuccessful mergers and acquisitions, exploring the reasons why so many fail to live up to expectations.

- An exploration of why mergers and acquisitions succeed or fail, based on rigorous scholarly research.
- Stretches the boundaries of what we know about these complex phenomena.
- Presents original ideas about the merger and acquisition strategy, the effects of mergers and acquisitions on performance, and the critical processes involved in implementation and integration.
- Explores new areas, such as the role of culture and leadership, and the importance of knowledge transfer and learning.

The Edge Effect: Achieve Total Health and Longevity with the Balanced Brain Advantage

Eric Braverman, Sterling



A proven program to reverse and prevent ageing by a leading figure in the medical field and a frequent guest on US national TV. This could be as close to a fountain of youth as mankind will ever come, the truly scientific answer to how to reverse or prevent the debilitating effects of aging, including memory loss, weight gain, sexual dysfunction, and Alzheimer's.

Dr. Eric Braverman, a leading figure in the practice of brain-body health care, reveals the dramatic impact that proper brain nourishment can have on the quality of our lives. His key to longevity and well-being is balancing the brain's four important neurotransmitters. A simple test determines which of the four is dominant in you, and what you can do to maintain the right balance, by modifying your diet with both foods and natural supplements. Proven effective for thousands of patients in Dr. Braverman's practice, this groundbreaking approach will help anyone make the most

of his or her life, free of the major illnesses (such as cancer and heart disease) and minor ailments as well.

What's This India Business? Offshoring, Outsourcing, and the Global Services Revolution

Paul Davies, Intercultural Press, March 2004

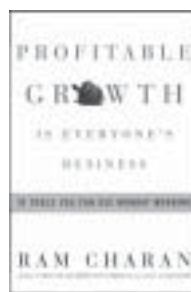


A global services revolution is taking the business world by storm. From call centers and claims processing to human resources and IT, accounting and even legal operations, jobs are migrating from the West to India by the thousands each year.

For Fortune 500 CEOs, corporate strategists or board members, human resource or business development executives, the competitive edge India offers is key to transforming business-responsibly and effectively-and creating the market advantage required in this century. Now for the first time, WHAT'S THIS INDIA BUSINESS? brings together rich examples of how some of the world's leading businesses are succeeding in their offshore operations, along with an entertaining look at the dynamic country of India and its people. This nuts-and-bolts guide offers an enriched understanding of its complex culture and vibrant business environment, and delivers proven strategies for working successfully with Indian businesses.

Profitable Growth Is Everyone's Business 10 Tools You Can Use Monday Morning

Ram Charan, January 2004 \$ 22.00



The coauthor of the international bestseller Execution has created the how-to guide for solving today's toughest business challenge: creating profitable growth that is organic, differentiated, and sustainable.

For many, growth is about "home runs"-the big bold idea, the next new thing, the product that will revolutionize the marketplace. While obviously attractive and lucrative, home runs don't happen every day and frequently come in cycles.

In this trailblazing book, Ram Charan provides the building blocks and tools that can put a business on the path to sustained, profitable growth. For more than twenty-five years, Ram Charan has been working day in and day out with companies around the world. The ideas he has developed for solving the profitable revenue growth dilemma facing many businesses are based on personally seeing what works in real time. These are ideas that have been tested across industries and that deliver results, and they can be put to use starting Monday morning 10 Tools You Can Use Monday Morning

When WTO takes effect, India will be at its best

The defining moment of the Indian industry is in the offing as WTO comes knocking at the door. There's surely an opportunity in the impending turmoil

-by Harish Bijoor



Awakening the Indian economy and its competitiveness lies in the realm of the high quality products that will roll out of our ancient manufacturing facilities. These products need to talk of a quality that will battle the best that will come in from every direction there is. And that too at low cost. Our 'desi' chickens will need to compete with American chicken legs that will walk into the kitchens of our country.

As many an industry faces an impending closure, the best will indeed survive. The fittest will survive and the rest will vanish into the limbo of the have-beens. As all this happens and as social turmoil seizes the 'have-beens' by the jugular, there is ahead of us a moment that will truly bet the defining moment when the entire bureaucracy that run the competitive model of Indian industry and enterprise will wake up all of a sudden, with a jolt. A nightmare that is bound to seize the policy-maker, the implementer and indeed the key participant of the economy, the man in industry all together by the short hair.

And this defining moment is the one that will turn upside down the paradigm of Indian competitiveness we have followed so very vigorously for all these years. The WTO regime is the catalyst of this process. And the first of the bombshells will be fired in the dominant sector of agriculture in the Indian economy. And its almost here!

If I am to look around the nations of the world and correlate models in current use, there are four distinct patterns that emerge. Four clusters that have whole sets of nations congregating in models which seem to work for each of them differently and with different levels of efficacy. Needless to say, the peculiarities of each nation in question dictate the distinct choice they have made for themselves. Let's visit the clusters. And let's call them all kinds of animal names.

The Earthworm Model

The passive model of competitive reaction. The invitation theory that is best practiced by the earthworm. A rich worm really. It knows the basics best. It is in constant touch with the earth that it seeks nourishment from and nourishes back simultaneously. A fundamentally strong being.

Several problems in this model though. It is passive for one. Non-reactionary. A model in the self-fulfilling prophecy mode. The best example of the fatalistic theory in practice. When faced with danger, all it can do is continue its humble journey in the earth. Competition kills this model with ease. There is no reaction. The fatalistic model of competition at its best! Is India here?

The Snail model

The common competitive model in practice by a whole

host of nations. This model is reactively proactive. A clear cocoon orientation. When faced with competition and danger, there is a regression into the shell. The withdrawn marketer at play. The philosopher marketer even! The marketer who revels in the safety-static nexus. Waiting for the competition to just go away, so that normal life may resume again! Is India here?

The Porcupine Model

This model tells the competitor clearly of the array of weapons that are available for retributive action. There is a clear emphasis on the display of the arsenal. It believes in the overt display. A clear détente model of competition. Avoids a lot of speculative action and is ready for the real battle. Is India here?

The Everyone Else Model

This is the model of the real-time player in competitive markets of the present and certainly the future. This is the real-time marketer. Reactive when necessary. Proactive when necessary. Guerilla tactics as well when necessary!

This is a constant-change oriented model that believes in watching the scenario carefully and reacting accordingly. Making forays into proactive territory on a speculative basis. Never mind if even only one of those sixteen forays actually click! Life in the fast track of competitive marketing is pretty un-predictable and speculative. Change here is absolutely discontinuous. Making a decision on a point of competitive strategy based on happenings of the past and the present could be disastrous. The future never ever happens the way the past decided.

Change here is so discontinuous that it is aptly illustrated by the example of the baby-arrival process in the house. The first child in this baby-boomers house is born out of a Caesarian section, gone in for by an over-zealous gynecologist. The second baby of the house is therefore predictably to be one out of a similar process. Caesarian section! No! It isn't. Change is discontinuous. The second baby is a natural birth! The third child is due to happen then. This time round, it's Caesarian section as well! Oops!

The fourth child of this baby-happy home is due. Change is indeed discontinuous. There is no predictability here. Guess what! This time round, the baby is actually conceived, carried and delivered by the father of the baby! Oops! Again! Change is indeed that discontinuous!

Shouldn't India be here?

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

Demi-Moore's Law



Bhaskar Chakravorti, director at the Monitor Group and the author of powerful book *The Slow Pace of Fast Change*, is in a filmy mood. He calls his new law 'The demi-Moore's Law', a variation of the famous Moore's Law which propounded that the computing power of microprocessors would double every 18 months.

Moore's been bang on. But the market for these microprocessors has been growing only by half this speed. In a larger context, technology's impact on the market is most likely to proceed only at half the expected speed.

Boeing's leadership programs go under water

As a marketing executive, what do you do when the union threatens a walk out on the eve of a major product demonstration? Or, as CEO, how do you initiate a hostile takeover in a change-weary organization?

Welcome Boeing's underwater transportation simulation, or BoeingSim, used by airline companies and nuclear power plants. It is designed to help mission-critical-but time-starved-professionals hone their skills and experiment under non-lethal conditions.

Boeing has come up with this idea as most of the leadership programs its executives attended lack depth. And for business leaders such programs are more like getaways. Even the serious ones seldom put to practice what they learnt once they are back into the old structures and reward systems.

Perhaps its leaders' inability to stop Airbus Industrie's recent runaway successes could have provoked this innovation. Much more sophisticated than the first generation of game-like business simulations, BoeingSim offers a richly-detailed, data-intensive learning laboratory that challenges even the most experienced executives. Originally an outgrowth of Boeing's desire to integrate two major acquisitions, Rockwell and McDonald-Douglas, the simulation centers on AquaTek and two other fictional competitors in the infant underwater transportation industry. Participants in the simulation are allocated to all of the major functional roles one might find in a small, growing business, and are given realistic budgets and constraints.

"It's hard to simulate business, but the simulation has all the moving parts, from HR problems to production problems, to facility problems to finance and cash flow. It gets people out of their comfort zone...and stirs people up to learn about everybody else's business," said Ron Marcotte, deputy general manager of Air Force Systems for Boeing and a recent graduate of the leadership program. Performance is measured in terms of total return to shareholders. Moreover, as Marcotte hastened to add, "On the last day you end up presenting to the real CEO, and nerves go up to a fevered pitch."

The added benefit of the underwater business experience, however, is that it provides peers with the opportunity to witness each other's business strengths directly, not obliquely—as so often is the case in teambuilding via whitewater rafting or egg-drop exercises.

Whether BoeingSim goes on to create new industries and drive existing businesses to new levels of performance remains to be seen. However, it is clear that Boeing takes leadership development to a pioneering level of mastery, one where the goal is not just to generate lessons learned but also to accelerate the process of learning.

Michael Hammer turned down twice

Can you believe that the venerable publishing house HarperCollins Business turned down Michael Hammer's best selling *Reengineering the Corporation: A Manifesto for Business Revolution*? It took the guts of small-timer Nicholas Brealey to launch the book which went on to become one the largest selling business books till date. Even the revised edition in 2001 with new case studies is moving well despite the coming of newer fads.

Brealey also has hits such as Peter Senge's *The Fifth Discipline*, Kenichi Ohmae's *Invisible Continent* and Scot Adams' *Dilbert*. What makes Brealey special could be his trend-spotting skill, the gut feeling and the hair prickling on the back of his neck!

CVs to have PlayStation score



Soon executives may begin mentioning their PS2 scores on their CVs. Even the employee of the month may be the one with the highest PS2 score. As if professional targets are not enough, stressed-out yuppies may soon have gaming targets to achieve.

PlayStation@Work, the world's largest selling game console has entered the Indian corporate offices. Milestone Interactive Software that markets and distributes PS2 in India has unleashed the power of computer gaming and the role it can play in employee recreation.

Larsen & Toubro, MindShare and Wipro Spectramind are the first few to be sold on the idea. The PlayStation@Work program costs close to about Rs.16,000 and additional games cost 2K each. Popular games preferred by Indians are wrestling and racing.

Milestone Interactive insists that gaming is not just for entertainment. It is also about improving the competitive edge in people as well as the reflexes and instincts that could ultimately release their creative juices.

Readers are invited to share their real-life experience, which has a touch of humour.

e-mail: editor@managementnext.com

CROSSWORD

(On General Commercial Knowledge)



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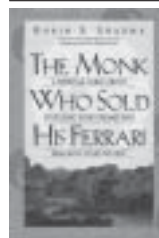
Across

- 1 International Commercial Term of ICC (9)
- 4 Arbitrator's decision (5)
- 6 Agreement enforceable by Law (8)
- 11 An important element of contract (13)
- 14 Acceptance of this result in contract (5)
- 15 Executive this to protect govt. revenue (4)
- 17 Non existing contract (4)
- 18 World Bank affiliate of investment guarantee (abvn.) (4)
- 19 Method of dispute settlement (11)
- 21 Leading international institution for laying standard terms for huge engineering contracts (abvn.) (5)
- 23 Incoterm for delivery duty paid (3)
- 25 On demand (2, 5)
- 26 Monetary punishment (4)
- 27 An abbreviation normally appearing at the end but means 'before' (2)
- 28 Acknowledgement of debt, colloquially (abvn.) (3)
- 30 Cost, insurance and freight (3)
- 32 An affiliate of World Bank for structural adjustment for BOP problems (abvn.) (3)
- 33 Possess, use but do not own (5)
- 34 Safe keeper of goods (6)
- 37 Breach of this entitles you only for damages and not cancellation of contract (8)
- 39 A draft (4, 2, 8)
- 42 Deposit taken from tenderer (abvn.) (3)
- 43 Countries belonging to this group give preference to our goods called GSP (abvn.) (4)
- 44 World Bank (abvn.) (4)
- 45 A very popular contingent contract for protection against loss (9)
- 48 Free alongside ship (abvn.) (3)
- 49 Letters of credit rules by ICC (abvn.) (5)
- 50 Credit period in a bill of exchange (6)
- 51 Forex policy making body in India (abvn.) (3)
- 52 Incoterm for cost and freight (3)
- 57 By endorsement and delivery for this documents, title to goods can pass (10, 9)
- 58 Railway receipt (2)
- 59 Documents against acceptance (abvn.) (2)
- 60 UN convention for international sale of goods (abvn.) (4)
- 61 Trade related intellectual property rights are known as this (5)
- 62 WTO agreement on trade in services (4)
- 63 Document of freight by lorry (2)

Down

- 1 Cyber law enacted in India in 2000 (11,10,3)
- 2 Incoterm for EX Works (3)
- 3 MOU (10, 2, 13)
- 4 Offer requires this unconditionally to become an agreement (10)
- 5 Restoration of ones right or property (11)
- 7 'essence' of a contract (9)
- 8 An offer in auction (3)
- 9 Incoterm for delivery duty unpaid (3)
- 10 Our statute on forex (abvn.) (4)
- 12 Exchange control authority in India (3)
- 13 A bill of sale (7)
- 16 A popular payment mechanism (6,2,6)
- 20 A promissory note, bill or exchange or a cheque (10, 10)
- 22 Pre estimate of loss incorporated in contract (10, 7)
- 24 Another word for damages (7)
- 29 Violation of a contract (6)
- 31 Act of God (5, 7)
- 35 Institution which has given HSN classification of goods (abvn.) (3)
- 36 System of classification of goods by WCO (abvn.) (3)
- 38 Unpaid sellers' right (4)
- 40 A bill of exchange drawn on a bank, payable on demand (6)
- 41 Document of freight by air (abvn.) (3)
- 45 Institution which has given incoterms. UCPDC. URC etc (abvn.) (3)
- 46 ICC rules for collection documents (abvn.) (3)
- 47 United commission on international trade law (abvn.) (8)
- 51 Documents against payment (abvn.) (3)
- 53 Global tender (abvn.) (3)
- 54 Charge for professional service (3)
- 55 Only these are subject to sales tax/ excise/customs (5)
- 56 Successor to GATT (abvn.) (3)

Crossword contributed by Prof. S Krishnamurthy, faculty, IIM, Bangalore



The first three correct answers

Win...

The Monk Who Sold His Ferrari
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