A monthly for smart managers

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What customers want?

iGATE is pioneering a unique business model where its revenues are tied to that of its customers. Will it set off a revolution in how customer value is delivered?

- By Benedict Paramanand

Consider this. Two suppliers come to sell a service. One tells you that by taking his offering you will be able to reduce your cost. The second sells you the same service and tells you that he can lower your cost by 10 percent and shows you how. Which proposition would you find more convincing? No prizes for guessing it right.

Value proposition for customers today is different from what it was till recently. Customers today want their suppliers to share the risk they are taking by employing their services or buying products from them. Therefore, new generation business models are linking profitability and growth to the definite value they are able to create to their customers. Current business models that are heavily oriented towards predictable revenue streams and pricing based on man-hours spent or products delivered, will come under fire.

Phaneesh Murthy's iGATE Global Solutions is perhaps a pioneer in India in adopting this innovative business model. The model called Integrated Technology and Operations (ITOPS) relies on pricing based on the value of the transactions done and the impact it has on the client's revenues.

"We see increasing traction in the marketplace for our integrated delivery model. The expansion is in line with our plans to build the required capability and scale that we need for going forward," Mr. Murthy said.

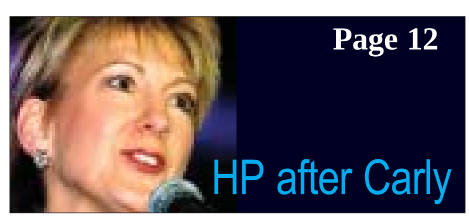
This model is ideal for companies in the IT and ITES space because the ability of IT to deliver business innovation and competitive edge is becoming rare. More so as the hardware, operating system and application layers are getting standardized and therefore commoditized. The value of IT therefore will increasingly be measured by its contribution to business needs.

But to adopt such a revenue-linked model, organizations have to streamline their entire set up. According to iGate this can be done in the following manner:

- Organization should have their systems seemingly aligned with that of their external partners and clients and facilitate free

Continued on page 4...

What's in...



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Mission

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

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Continued from page 1...

flow of information across these systems. This means that process optimization, straight through processing, business process management and data analytics become very important

- To ensure flexibility and speed-to-market, wherever possible, services are availed on a pay-per-drink basis. This reduces capital investment and variablizes the cost structure.

An IT organization of the future therefore will have to focus on the integration of process, technology and data analytics.

How to create customer value is a big challenge for all organizations today. The bigger challenge is their ability to pinpoint the value of a product or service for one's customer.

What is value? It is important for companies to define what they mean by value and value creation. In a *Harvard Business Review* article (November-December 1998) James C Anderson and James A Narus define value as "the worth in monetary terms of the technical, economic, service and social benefits a customer company receives in exchange for the price it pays for a market offering." Value is expressed in monetary terms and in net benefits and what a customer gets in exchange for the price he pays.

The authors observe that: "Gauging and communicating what your products and services are worth to customers has never been more important." They say that building customer value models are not easy to develop. But by studying the experiences of those who have built and used them successfully, they are able to offer some guidelines:

Typically, suppliers who understand the value they are able to create for their customers create competitive advantages for themselves. By integrating everything, suppliers not only learn about value in their marketing efforts but also gain new customers. By documenting their delivery of superior value over time they discover new ways to update and reinvigorate relationships.

How easy is it to emulate iGate's ITOPS model? Mr. Murthy believes that the big IT companies in India will find it difficult to adapt to the ITOPS model because of their unwillingness to integrate their high-end IT consulting business with low value BPO operations and their preference for predictable revenue streams.

Perhaps there's a lesson here for anyone who seeks greater value in an offering and is not simply satisfied by a mere sale.

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Ghosal's dig at business schools

Ghoshal holds business schools largely responsible for ills of management today

With the business outlook looking rosier world over, MBAs are in demand again. But business schools that are churning out MBAs like French fries should get ready for the worst criticism they have ever faced. And this is coming from one of India's best management brains – Sumantra Ghoshal.

In a forthcoming article, to be published posthumously in Academy of Management Learning & Education, Ghoshal argues that many of the "worst excesses of recent management practices have their roots in a set of ideas that have emerged from business school academics over the last 30 years."

Ghoshal believed that the desire of business schools to make the study of business a science, "a kind of physics," has led them increasingly to base their management theories on some of the more dismal assumptions and techniques developed by economists, particularly by the "Chicago School" and its intellectual leader, Milton Friedman.

The Economist, which carried a preview of the article, cites Ghosal's dismay at the state of affairs at business schools. The notion that the goal of a firm should be to maximize shareholder value was simple enough to allow business school academics to develop grand theories of management supported by elegant mathematical models and empirical analysis that appeared scientific and thus earned their subject academic respectability. But this was, in fact, pretence of knowledge where there was none.

Ghoshal is scathing in his observation about two prominent Harvard Business School professors Michael Jensen for agency theory and Michael Porter for five forces framework. The agency theory has encouraged business schools to teach "that managers cannot be trusted to do their jobs. And Porter's framework suggested that companies must compete not only with their competitors but also with their suppliers, customers, employees and regulators." These theories have done a big damage because they have no "role for human intentionality or choice." These theories claim to be not only scientific but that teaching them can make them self-fulfilling.

Business school students learn that managers cannot be trusted – so when they become managers their behavior is of the untrustworthy sort. And students have been freed from any moral responsibility resulting in several scandals.

Ghoshal is not the first one to rile at business schools. Henry Mintzberg, a Canadian business professor, wrote in his book 'Managers not MBAs' published last year, that: "the MBA trains the wrong people in the wrong way with the wrong consequences."

Anticipating a volley of jibes after the recent corporate scandals involving MBAs, most business schools have introduced some form of ethics course. This wouldn't have pleased Ghoshal, who died 11 months ago, at 55, when he was at his intellectual best. Only a fundamental change in the way business management is taught would please him. But for business schools well entrenched in the current system, change will come only in fits and starts and when pushed.

Why Aditya Puri is the best Indian CEO

Aditya Puri, CEO of HDFC Bank, was awarded the best chief executive officer in India by *AsiaMoney* magazine. Puri holds this award high because he was chosen not by an award committee but through a poll of his peers – fund managers.

The fund managers found that the bank's management had a clear vision in terms of strategy, corporate governance in line with international practice and total transparency in terms of running the bank.

An ex-Citibanker and a CA by profession, Puri has managed to more or less retain his original team in the bank. Puri is often perceived as the perfect mix of aggression and conservatism. Unlike some of the other aggressive private sector bank CEOs who put in 14 hours a day, Puri likes to start his day early and finish his job by 6 pm.

What's sweetened his personal award is that HDFC Bank too was named as the overall most improved company for best management practices in India. It has also been recognized to have the best focus on shareholders value. Will it also be on top on customer happiness survey? It might be worth finding out because the new generation banks have been focusing too much on technology and international management practices and are low on the relationship matrix. How well he'll be able to combine these success factors will determine the bank's long-term future.

Yahoo leads internet advertising revolution

Traditional advertising is in deep trouble. Yahoo is leading the resurgence of Internet as a serious medium through a corporate approach. The Web site is still one of the most powerful forces in the Internet revolution that's transforming the global media. The big shift is that Yahoo is no longer trying to create the revolution in opposition to the establishment. It's fomenting revolution from within, writes Alan Deutschman in the January 2005 issue of *Fast Company*

The Web always had the potential for reinventing and reinvigorating advertising. With its unique ability for measurement — tracking who clicked on an ad and how they interacted with it — the Net promised to solve the classic problem stated by department-store pioneer John Wanamaker: "Half the money I spend on advertising is wasted; the trouble is, I don't know which half." But in its early years in the 1990s, the Web couldn't deliver the mass audiences needed by national consumer brands. But today Internet has developed the audience reach, the technology, and even the creative ferment to realize its great potential.

For many years, the biggest advertisers have kept spending more and more money trying to reach a mass audience through their mainstay of broadcast TV. The paradox is that even as broadcast TV's ratings have fallen dramatically, its ad rates keep going up, and that means TV's so-called CPMs, the cost to reach 1,000 viewers, have soared.

Internet accounts for 14 percent of the minutes Americans aged 12 to 64 spend consuming all forms of media — a share that's still rising — compared with just 7 percent for newspapers and magazines combined. But the Internet receives only 3 percent of the overall ad dollars. Inevitably, the dollars will soon follow the eyeballs.

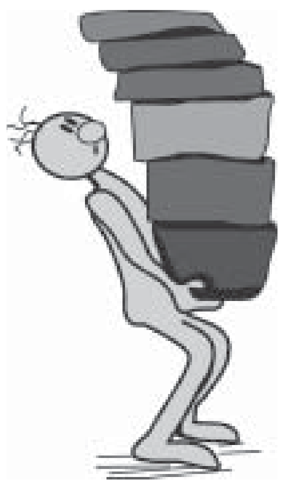
Advertisers kept paying up because they lacked alternatives. Today, it's a buyers' market. Advertisers have a choice of TV, Internat and niche print media. Mass advertising is more or less dead. Their return on investment is higher when the advertisers put their money in a more selective audience.

This trend is catching on in India too. But the big hitch is the traditional, risk-averse and often lack of imagination of media buying agencies. It may be expecting too much from them as they are known more to follow than lead a trend.

First second

For many managers, the ability to move fast and arrive first in a new market is a prized competitive ability. This seems to be based on the notion that being first into a new market gives a company an unassailable advantage over latecomers. But research has shown that organizations that end up capturing new markets—we call them consolidators—are those that time their entry so they appear just when the dominant design is about to emerge. The authors call this a fast-second strategy and propose that for big, established companies contemplating entry into an emerging market, this is the best strategy to follow, say Constantinos C. Markides, Paul A. Geroski in a recent article in *Strategy & Innovation.*

Mass marketing is back



Forget mass customization and microsegmentation. Winning in today's business world requires a return to an approach abandoned by marketing experts decades ago. Mass marketing is back, say Paul Nunes and Brian Johnson in their book *Mass Marketing is Back* —but with a new target and a fresh approach that companies ignore at their peril. Whereas the mass marketing concepts of the 1950s consisted of lowest common denominator strategies aimed at the "middle class," Nunes and Johnson argue that the rules of mass marketing must be rewritten to appeal to today's burgeoning mass of different—and far more affluent—consumers. The "moneyed masses" have more disposable income than ever, and research shows the richest among them are not spending up to their potential—thus creating a windfall of opportunity for marketers. Based on extensive consumer research, Mass Affluence outlines seven new rules for capturing this largely ignored market and reveals how innovative companies are already employing them to launch billion-dollar industries in categories from oral care to homebuilding to exotic automobiles.

A sea change in marketing is underway—and future growth and profitability will belong to the companies that woo and win today's affluent mass market. Paul Nunes is an Executive Research Fellow at Accenture's Institute for High Performance Business in Cambridge, Massachusetts. Brian Johnson is a senior research analyst at Sanford C. Bernstein & Co., an investment research and management firm in New York City.

Compromise kills bolder strategies

Reasonable people make compromises, right? While this is often true, with compromise come hidden dangers. Perhaps the most common is the tendency of negotiators to "split the difference" when a more creative solution would have allowed both sides to get more of whatever quantity was in dispute. The problematic tendency of parties to compromise instead of debating wiser, bolder strategies could be harming companies competitiveness.

Conservative Innovation

Conservative innovation might sound like an oxymoron but to Nicholas G Carr it follows a different path, a third way. Conservative innovators neither pioneer a new technology nor copy it. Rather, they combine it with an older technology to create a different sort of product altogether. And, often, it's exactly the product that today's customers actually need, want, and are willing to pay for.

In a recent article in *Strategy+Business Nicholas G. Carr* popular for his book on *Does IT Matter*, is out to challenge another lesser known fact that when it comes to major innovations, the first movers rarely find the greatest success. They're usually outmaneuvered by the copycats — the companies that follow in the innovators' footsteps end up dominating the market because of their stronger managerial and marketing skills.

When a disruptive new technology arrives, the greatest business opportunities often lie not in creating the disruption but in mending it

For example, for most of human history, long-distance communication was a cumbersome affair. Documents had to be carried on foot or horseback, or in the holds of ships, and they often took weeks or months to arrive at their destination. Then, in 1835, a New York University professor and artist named Samuel F.B. Morse invented the telegraph, and the world changed. Suddenly, it was possible to send messages down wires and cables, instantaneously connecting people and businesses in different countries or on different continents.

The rise of the telegraph system was far from seamless, however. The infrastructure took many years to be installed, and users often had to struggle with gaps in the network. One of the most maddening of those gaps lay in the heart of Europe. The Belgian line terminated in Brussels, and the German line went only as far as Aachen.

Messages had to be transcribed and carried over land across the 77 miles separating the two cities. But one small company saw a business opportunity in this problem. In 1849, it bought a flock of carrier pigeons and used them to fly messages between Brussels and Aachen, dramatically reducing transit times. Within a few years, the company had grown to become one of the leading telegraph agencies, specializing in the communication of time-sensitive financial information. Its name was Reuters.

There's an important lesson in this story: When a disruptive new technology arrives, the greatest business opportunities often lie not in creating the disruption but in mending it — in figuring out, as Paul Julius Reuter did, a way to use an older, established technology as a bridge to carry customers to the benefits of the emerging technology.

When we talk about business innovation today, Carr says, we tend to use terms like *breakthrough* and *pioneering* and *revolutionary*. But some of the greatest and most lucrative innovations are essentially conservative. They are brought to market by companies that are as adept at looking backward as looking forward, and that have the skill and patience to achieve the most commercially attractive balance between the old and the new. Conservative innovation is an idea that deserves to be a part of every company's thinking.

Don't multi-task, multi-think instead

All are familiar with multi-tasking: the ability to perform more than one task simultaneously. Managers who like to overwork their employees love multi-tasking. They assume that if their employees are performing three tasks simultaneously, they'll work three times as fast, says Jeffrey Baumgartner, founder of Bwiti bvba, a Belgian-based company that helps organizations to become more innovative and more creative.

The logic in that assumption is so thoroughly flawed that it is hard to believe intelligent managers accept it without question. Perhaps they are too desperate to improve employee productivity.

Logic suggests two points:

1. No one can actually perform several tasks simultaneously. Rather they quickly switch from one task to the other. Hence, all things being equal, multitasking should be no faster than mono-tasking.

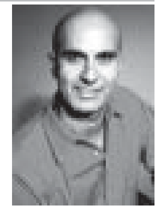
2. Bearing in mind point 1, it would seem that a person would require a certain amount of time to switch from one task to the other. Even if that time is tiny, it would add up after numerous switches from task to task. This would suggest that multitasking is actually slower than mono-tasking.

In a paper published by the American Psychological Association: "Executive Control of Cognitive Processes in Task Switching", authors Joshua S. Rubinstein, David E. Meyer and Jeffrey E. Evans confirm what logic tells us.

Although multi-tasking turns out to be counter-productive, multi-thinking, *Baumgartner* says it is a different matter all together. Multi-thinking is thinking about completely different issues or tasks at the same time.

Whether you multi-task or not, you almost certainly have numerous tasks awaiting your attention at any given time. And it is inevitable that your mind occasionally turns to one task while you are working on another. A multi-tasker would be inclined to switch tasks at this point. He recommends you stick to the task at hand, but keep a notebook - or at least some paper - nearby when performing any tasks.

How to love the job you hate



By Robin Sharma

We have so much talent slumbering within us, just waiting to be liberated. Dare to dream again. Ask yourself what would you do if you knew you could not fail.

Write a "Gratitude List." The simple act of taking out a piece of paper and writing 20 things you have to be grateful for in your job will change the way you feel about what you do for a living. Can't think of 20? Yes you can! How about the fact that you have a job, the fact that you are not working outside in subfreezing temperatures, the fact that you are working in a democratic country, the fact that you have friends at the office and the fact that the weekly paycheck you receive allows you to feed your family.

Making the time to hunt for even a few good things about your job and then having the self-discipline to focus on only these will have a profound effect on the way you perceive your work. (Tip: post the Gratitude List on your bathroom mirror so you can see it every morning)

Raise Your Standards

Demand more of yourself. The simple act of making a decision to be a better performer at work will be the first step you can take to enjoying your work more. Most people want a great job without having to put in the effort. The English used to say that "the hand that gives gathers" and that "giving begins the receiving process."

If you hate your job, maybe you are partly to blame. Maybe you are not giving the best that you have. If you did, wouldn't you be more successful in what you do? (Tip: take 1 hour this week and come up with 3 things that you could do to be a star at work. Then create a plan to do them over the next months. Examples: update your education, get on the internet, get along better with others, improve your attitude, read more, manage time better.)

Act Enthusiastic

The old saying 'fake it until you feel it' is true here. Pretend you love your job. Be enthusiastic at work. Act as if you have the best job in the entire world. Make the decision to try harder and to contribute more. Then watch the positive results flow to you.

Focus on Contribution

The purpose of life is a life of purpose. Begin to consider the lives you help through your work. Think of how your life and your work is serving others. See your job as a gift. See it as a chance to help others.

See it as a Stepping Stone

The limitations on your life are mostly self-imposed. Rekindle your faith in yourself. Remember the power that sleeps within you. According to research, the average person uses only 1/100th of 1% of their brain's power over the course of their lifetime. We have so much talent slumbering within us, just waiting to be liberated.

Dare to dream again

Ask yourself what would you do if you knew you could not fail. What would you do if your life was perfect. See your job as a stepping stone to get you to where you are going. Commit to a course of excellence and give your best to your job so that you advance to higher and higher positions in the direction of your dreams.

Use Work as a "Growth Opportunity"

One of the deepest of all human needs is the need to fulfill our inner potential. People who live lives filled with regret are people who know they lack the courage to become the people they are capable of being. See your job as a growth opportunity. See your workplace as a place to develop yourself personally.

*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*

Digital Asset Management

by Ranganath Iyengar

Maybe the three words above are familiar to us but as a phrase it means something entirely different for the uninitiated. DAM is the more familiar term used in the industry. Let us try and understand its relevance and importance given the fact that several of us create 'digital assets' almost every day and keep facing 'digital housekeeping' challenges as we grapple with long term storage and quick retrieval issues!!

Definitions

A digital asset by definition is something that has intrinsic value because it can be sold or used to sell something else.

There can be several examples across different industries – drawings, designs, data files, photographs, music, and videos etc – practically any type of data & format that needs to be stored for long and retrieved quickly. Even email is considered to be a digital asset (read "intellectual property").

As we get more dependant on using computers to create, store and use such 'digital assets', it becomes very important for us to consider a DAM system seriously given the time, effort and money that goes into creating these 'assets'.

System constituents

Typical system components for a DAM are:

- Content capture & cataloguing
- Workflow creation
- Securing the digital assets
- Retrieval, distribution and print capability
- Version management
- Hardware such as PCs/servers, scanners and digital cameras.

From a system perspective, a DAM system revolves around the physical handing of the information (tagging, identification, bar coding, capturing the image) and creation of the digital input and processing.

Justifying a DAM system

A DAM system procurement can be justified in many ways – collaborative working, leverage and re-use of older ideas, designs, artwork, research, photographs, mix and match information assets, creation of knowledge pools especially in areas/functions where the people mobility is very high.

The ROI of a DAM system is best ascertained by the time and money saved by instantly retrieving and using digital assets. A simple way to calculate is to multiply the number of hours saved by each employee for search and retrieval of existing or old information and multiplying the resultant by the number of employees using the system. In fact research indicates that the ROI on DAM is of the order of 8:1 to 14:1.

The other big push for DAM is the ability to share information across enterprise networked teams that are spread far and wide and are dispersed.

What do you look for in a DAM?

When you shop around for a DAM system or even build one, keep the following questions in mind:

- **Customizable**? No matter however rich in features, you would want to adapt it to the way you work.
- **Secure**? Make sure you can control and distribute information securely.
- **Flexible**? Easy conversion of file formats and multiple client software for different types of access devices.
- **Relational**? Whatever you store should have links to any and all related media.
- **Maintainable**? The system and formats should be easy to maintain / migrate data.

Challenges in implementation

Some of the typical challenges are:

- Keeping the data entry current
- Data quality and management
- Management of file formats
- Secure yet wide access
- Limited data in system
- Poor image quality
- Build vs. buy decision
- Poor planning of implementation
- Hardware and storage planning

User industry segments

DAM has uses across any industry segment and some of the sectors that have benefited greatly are advertising, manufacturing, merchandising & retailing, engineering design, textiles, product marketing/sales, healthcare etc.

To conclude…..

DAM is an interesting concept built around familiar process and system components available to us. It helps bring in the discipline to extend the shelf life of 'digital assets' and make the asset available across a longish life span.

It needs proper planning, commitment, discipline and team effort to implement it effectively and reap the right rewards. Interested? Check out Artesia and Canto software to begin your journey….

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

Breakthrough Ideas for 2005

The HBR List, February 2005

The List is HBR's annual attempt to capture ideas in the state of becoming—when they're teetering between what one person suspects and what everyone accepts. Roderick M. Kramer says it isn't bad when leaders flip-flop. Julia Kirby describes new efforts to redefine the problem of organizational performance. Joseph L. Bower praises the "Velcro organization," where managerial responsibilities can be rearranged. Jeffrey F. Rayport argues that companies must refocus innovation on the "demand side." Eric Bonabeau describes a future in which computer-generated sound can be used to transmit vast amounts of data.

Roger L. Martin says highly reliable corporate systems such as CRM tend to have little validity. Kirthi Kalyanam and Monte Zweben report that marketers are learning to contact customers at just the right moment. Robert C. Merton explains how equity swaps could help developing countries avoid some of the risk of boom and bust. Thomas A. Stewart says companies need champions of the status quo. Mohanbir Sawhney suggests marketing strategies for the blogosphere. Denise Caruso shows how to deal with risks that lack owners. Thomas H. Davenport says personal information management—how well we use our PDAs and PCs—is the next productivity frontier.

Leigh Buchanan explores workplace taboos. Henry W. Chesbrough argues that the time is ripe for services science to become an academic field. Kenneth Lieberthal says China may change everyone's approach to intellectual property. Jochen Wirtz and Loizos Heracleous describe customer service apps for biometrics. Mary Catherine Bateson envisions a midlife sabbatical for workers. Jeffrey Rosen explains why one privacy policy won't fit everyone. Tihamer von Ghyczy and Janis Antonovics say firms should embrace parasites. And Jeffrey Pfeffer warns business-book buyers to beware. Additionally, HBR offers a list of intriguing business titles due out in 2005.

This is undoubtedly a treasure trove for those who like to indulge in the power of breakthrough thinking.

What Jazz Taught Marketing (or Should Have)

by Keith Jennings, September 2004

In the early 1940s, a new movement began among younger jazz musicians. Tired of playing the same standards to popular dance audiences, these musicians began experimenting with rhythm, harmony and tempo to create what would become bebop, or bop. Those innovations changed the direction of jazz music.

It appears that marketing has gone (and may still be going) through a similar evolution. Driven by fierce competition for the consumer's attention among innumerable products and services, marketers are being forced to play by a changing set of rules. Like jazz musicians, only those marketers with the talent, experience and discipline to innovate will succeed.

http://www.marketingprofs.com/

Corporate Governance – Corporate Social Responsibility

Mr. Shashank Shah & Prof. V E Ramamoorthy. SCMS Journal of Indian Management, Oct-Dec 2004.

Much has been said about ideal corporate governance practices but nothing substantial has been mentioned by the various committees on corporate governance about the responsibility of corporate organizations towards the local community and the society. No significant or substantial information is available about the relationship between good corporate governance practices and good corporate social performance.

The study aims to analyze various aspects relating to corporate social performance bases on a number of parameters. The study undertakes in-depth analysis of eighteen Indian companies representing various industries.

No Pain, No Gain: Five Steps to Gain Respect for Marketing

by Len Gingerella, February 2005

The old sports adage "no pain, no gain" can also be applied to effective marketing management. As a marketing consultant and professor, I often witness a lack of it.

Marketing management, at least at the majority of hi-tech companies I am a consultant with, has been relegated to communication, advertising and promotion activities. In fact, the only strategic thinking comes at the beginning of each fiscal year when everyone seems to get the strategic bug... or, should I say, strategic religion. "Build buzz, build brand," is the mantra of new wave marketing.

And why should senior management get excited about marketing? Ever witness a marketing planning session when the chief executive asks, "What will I get for the $100,000 ad?" Or, "What percent of new business will this campaign buy me?" When questions like this are asked, you can hear a fly burp....

http://www.marketingprofs.com/5/gingerella1.asp

Hewlett-Packard: The Fiorina Legacy and the Road Ahead

Carly Fiorina's departure from Hewlett-Packard (HP) is an acknowledgment of the difference between the board and Fiorina on executing an aggressive vision. HP will continue to struggle with execution, but will clearly continue its move toward becoming a worldwide technology and services powerhouse.

When HP hired Carly Fiorina, it was focused on executing an IBM-like revision of becoming a next-generation adaptive services company for the enterprise. Fiorina brought the hope of possibility, but uneven execution has kept HP from delivering completely on the board-backed technology vendor and services strategy.

http://www.itproportal.com/

Velcro organization

To become flexible, a decided asset in today's global environment of business, a company's infrastructure needs be like Velcro, cohesive and workable when in place, but capable of being easily re-arranged when circumstances and strategy call for it. But developing a Velcro-like infrastructure requires formidable mastery of the basics.

The New Language of Advertising

Forget about "30-second spot" and "prime time." Here's the newer lingo as brand advertising moves to the Internet.

Adverblog

A mock Web log that's actually an ad, pioneered by Wieden+Kennedy's campaign to promote Sega's ESPN NFL Football game.

Mouseover

A user interacts with the ad (sometimes inadvertently) by rolling the cursor over it — without even having to click.

Roadblock or Takeover

An advertiser pays up to $1 million for all the ad space for a full day on the home page of Yahoo, MSN, or AOL (sometimes all three).

Viral Films

Short film downloads from the Web. Pioneered by BMW, which hired acclaimed Hollywood directors to make 10-minute films starring its cars.

Webisodes

A twist on viral films: Advertiser-produced series that draw consumers to the brand's Web site. Pioneered by American Express.

Skyscraper Ad

Vertical column running along the side of a Web page.

Rich Media

Ads with animation, video, audio, or interactivity. May use techniques such as float, fly, and snapback: animations that jump out from the ad and sail over the home page before retreating to their original space.

Source: *Fast Company*

Blog

A blog is basically a journal that is available on the web. The activity of updating a blog is "blogging" and someone who keeps a blog is a "blogger." Blogs are typically updated daily using software that allows people with little or no technical background to update and maintain the blog. Postings on a blog are almost always arranged in cronological order with the most recent additions featured most prominantly.

HP After Carly: What Went Wrong?

Media reports sounded the alarm. On January 24, *The Wall Street Journal* wrote that the directors of Hewlett-Packard were considering a management reshuffle aimed at handing over some of the day-to-day responsibilities of chairman and CEO Carleton (Carly) S. Fiorina to three senior HP executives: Vyomesh Joshi, Ann Livermore and Shane Robison. HP denied the report, but it did raise several eyebrows. Many people wondered if all was hunky dory between Fiorina and the HP board.

Apparently not. On the morning of February 9, Fiorina stepped down from her position at the helm of HP, a $80-billion behemoth. She took the job in 1999 and in her six years in that position, she became one of the most high-profile, if controversial, executives in the global IT industry. Following her departure, Robert Wayman, HP's CFO, has been named interim CEO and Patricia Dunn, an HP board member since 1988, has been appointed non-executive chairman. In a press statement, Fiorina admitted that her departure was related to differences with the board over "how to execute HP's strategy."

No sooner did information about this turn of events hit the newswires than speculation began about why Fiorina had been forced out and what impact her departure would have on HP's future and strategy. Clearly, a major factor that lately has caused concern at HP and elsewhere has been the company's performance — or rather, lack of it — after Fiorina pushed ahead with a controversial merger with Compaq in May 2002.

The merger was Fiorina's special panacea for HP's future. She forced it through although board members such as Walter Hewlett, son of the company's co-founder, strongly opposed the deal. Despite glowing promises of synergy that are common to most mergers (*see the special report on mergers in the current issue of Knowledge@Wharton*), HP not only failed to receive any of the claimed benefits but instead lost considerable value. Analyzing the issue in the February 7 issue of *Fortune* magazine, Carol Loomis wrote:"...did the famed merger that Fiorina engineered between HP and Compaq produce value for HP's shareholders? Second, with that merger nearly three years past, is HP in shape to thrive in its brutally competitive world? The answers are no and doubtful."

So now, where does HP go from here, minus Fiorina? What strategy will the company pursue? Will it break up into two companies — one focused on corporate customers and the other serving individual clients — a move that Fiorina had opposed? And what of Fiorina herself? What can be learned from her rapid ascent and even more rapid descent at HP? Could she have done anything that might have led to a different outcome? Knowledge@Wharton discussed these questions and more with management professor Michael Useem, director of the school's Center for Leadership and Change Management and Kevin Werbach, a professor of legal studies.

Knowledge@Wharton: The initial reaction of many people, when they learn about Fiorina's departure from HP, is that Walter Hewlett has won. Is that true?

Useem: Walter Hewlett fought tooth and nail to prevent the merger in 2001 and he nearly kept Fiorina from closing that deal. The vote was close, but the view that Hewlett represented was defeated by stockholders by a razor-thin margin.

Now, almost three years later, there seems to have been a reversal of fortune. The combined companies have lagged the market as well as HP's primary rivals, IBM and Dell. It is not so much that Walter Hewlett has won, but his views about the merger have been vindicated by the turn of events. We now need to see if the new leadership at HP will embark on a different strategy, and whether they will try to shed the assets that HP acquired through its merger with Compaq. If the strategy is unchanged, that may be less of a vindication for Hewlett.

Knowledge@Wharton: Why did HP's efforts to revive its fortunes through the merger with Compaq fail to pay off?

Werbach: We need to step back and look at the reasons why HP and Fiorina sought to do something as radical as the merger with Compaq. There was a widespread feeling at that time that although HP had a very strong reputation, it was out of step with the industry. PCs and IT in general were becoming very difficult businesses, and companies like Dell were pushing margins down. HP's merger with Compaq was supposed to solve that problem. It was controversial, but Fiorina sold it as something that would help HP get out of the doldrums. It hasn't done that. Critics of the merger have said that the merger was like tying two stones together and believing they would float. The merger didn't solve HP's problems; it just added Compaq's problems to its own.

Knowledge@Wharton: The announcements about Fiorina's departure refer to her differences with the board over the execution of HP's strategy. What exactly does that mean?

Useem: Based on the public statements so far, it is difficult to get a fix on the differences between her and the board. It does appear that the primary issue was all about execution — how she ran the place rather than where the company should be going. It is possible that the board wants a leader with a hands-on ability to execute. From the outside looking in, Fiorina did look very hands on; she intervened in several areas in the $80 billion business. If her successors are even more hands on, it may mean that the board wants someone who could move faster than her to recruit and retain talent, boost revenues and increase profits. The board had been strongly behind her strategy for HP, so it would be surprising if it seeks to reverse its own strategy.

Knowledge@Wharton: Was there anything about Fiorina's leadership style that might have prevented her from executing strategy effectively?

Useem: Fiorina's leadership style was excellent. She came in 1999 from Lucent Technologies, where she was the president of its core business. Fiorina had great talent — she was a very powerful communicator. She recently spoke at the World Economic Forum in Davos, Switzerland, and people who heard her said that it was a stellar performance. When it came to clear, persuasive communication, Fiorina was at the top of the heap.

Second, she was and is very decisive. Once she decided that a merger with Compaq was the right move for HP, she stuck to her guns with great determination. There was considerable opposition from Hewlett as well as others in the equity market, but she maintained her position in spite of that resistance.

Third, she recognized the importance of transforming HP's corporate culture. In that regard, her approach was similar to Lou Gerstner's at IBM. After becoming CEO, Gerstner saw that IBM's main problem was not its people or even its strategy, but its inward-looking culture. Fiorina, to her credit, quickly reached a similar conclusion at HP. HP had a backward looking culture; it was steeped in what it called the "HP way." Fiorina saw that it wasn't putting enough feet to the fire — and she assembled a strong team that could help bring about that transformation. She did rise to the calling of restructuring the company, which was something that needed to be done. She saw the acquisition of Compaq in the light of that overall goal — she saw the merger as a way of forcing change at HP as a whole.

Fourth, as a leader you have to be good at strategic decision making. The one decision that she is most publicly identified with is the merger with Compaq, and that clearly has not gone as most people — especially the merger's supporters — had expected. As *Fortune's* Carol Loomis has argued in her recent article about HP, the merger has not succeeded in building value for stockholders. That is where Fiorina's failure to execute may lie. HP could have done a better job marketing its products, or squeezing costs in order to increase profit margins. The board has been concerned for several months about the fact that HP is doing poorly. In contrast, general indices such as the S&P 500 have been rising, and companies like IBM and Dell have been doing better. To sum up, Fiorina scored high on leadership style, but she failed to execute strategy.

Knowledge@Wharton: What do you think of the way the HP board has handled the situation with Fiorina?

Useem: The markets did get a warning a couple of weeks ago when media reports said that the board was considering handing over some of Fiorina's responsibilities to her lieutenants. When it is reported publicly that a board is considering doing that, that should be taken as a warning sign. The markets were alerted, and for Fiorina, this was a threatening moment. It is usually difficult for a board to admit that the person they hired for a job is the wrong person. But rather than let the company go into a long, slow decline, the board too has acted decisively.

Knowledge@Wharton: In Fiorina's case, what could she have done or not done that might have led to a different outcome?

Useem: She did what she could to remake HP's culture, and to transform the company. No one can fault her for that. In my view, had HP's performance not languished following the merger with Compaq, questions about her ability to execute strategy and about her leadership style would not have become an issue. She would have had a long leash. That decision was primarily responsible for her relatively short tenure at HP. We cannot revise history, but had she not gone after Compaq, as Walter Hewlett so aggressively held, the results well might have been different and we wouldn't be reading the headlines we are reading today.

Knowledge@Wharton: What should the next leaders aim to do at HP?

Werbach: That depends to some extent on who provides the permanent new leadership at HP. They could try to put the PC business on the block, but it is hard to know who would pay for those assets. IBM took a creative approach when it sold its PC business to Lenovo, but it's not clear that there is another Lenovo out there to buy HP's assets. Of course, HP still has tremendous assets. The main problem was that apart from buying Compaq, Fiorina did not have a concrete strategy for HP. She just did things like following IBM into services, and so on. The new leadership will face a difficult situation. I don't see any magic fixes.

Making of Scorpio

Rajesh Jejurikar, VP Marketing, Mahindra & Mahindra, BMA Review, March-April 2003

A group of young managers working in a cross-functional team seven years back had a critical objective. To evolve the new generation product for Mahindra. They needed to anticipate customer trends, emerging competition and determine the Mahindra response. The ability to have foresight is a key success factor in the automotive industry. The team came up with a concept of what they thought would win. This got presented to the MD - a dream with a price tag of Rs. 600 crores. And the rest, as they say, is history.

A World - Class new generation SUV with excellent styling, superior performance, car like comfort at a "Value" price. Also, every phase from design to production, was governed by the 'Stage Gate' system where, unless the vehicle is certified at each stage, it has no chance of entering the next one. This enables the company to create a vehicle that is contemporary and truly world class.

The project Scorpio had just 120 people and their average age was 27. A global major would deploy around 500 people for a completely ground up project of this nature.

Changing Face of Automobiles and their Advertisement in India

A case study of Maruti Udyog Ltd

Dr. Mohammad Khalid Azam & Dr S M Imamum Haque. Both are faculty at Aligarh Muslim University, SCMS Journal of Indian Management, Oct-Dec 2004

The study analyses the changes in sales and production of automobiles in India; segmentizes the market and places different brands in those segments; and analyses the contents of advertisements of different brands Maruti Udyog Ltd.

Innovation in cement industry: Contribution of ACC

By Nand Kumar, BMA Review, March-April 2003

ACC has been a market leader in development and specialized consultancy services. It is an important benchmark for the cement industry in respect of its production, marketing and personnel management processes.

ACC's brand name is synonymous with cement. The company manufactures Portland cements for general construction. It also makes cements for special applications such as sulphate resisting and oil well cements and certain concrete repair and grouting materials. ACC cement has an image of assuring consistency and high quality backed by in-house research and expertise. ACC's marketing, sales and distribution processes are industry standards.

ACC has many innovations to its credit in the area of cement packaging and is continuously experimenting with different materials that offer convenience, ease of handling and minimize wastage.

Indian Foundries Limited

Rahul Pandeu Rajiv K. Srivastava Samir Srivastava, Lahore University of Management Sciences (LUMS), Asian Journal of Management Cases, Vol. 1, Jul-Dec 2004

This case details the working of Indian Foundries Limited, a company which has been in business for 32 years. It has been producing a large volume and variety of high quality foundry products, mainly for export markets. Of late, however, the company has been facing problems of high lead times, excess inventory stocks and in-process quality defects. These problems have come at a particularly bad time when Indian Foundries is facing stiff competition from Chinese exporters. For Indian Foundries, the need is for a quick fix of their problems, otherwise they are likely to lose their core customer base to the Chinese.

http://www.asiacase.com/ecatalog/

TexItalia versus AZ Textiles: The Deadlock in Negotiations

Shehryar Khurshid Salman Ghani Butt Arif Nazir Butt , Lahore University of Management Sciences (LUMS), Asian Journal of Management Cases, Vol. 1, Jul-Dec 2004

This case covers the course of three-party negotiations through a business conflict between TexItalia, Italy; Creative Clothing and Textiles, Pakistan; and AZ Textiles, Pakistan. Creative Clothing and Textile is a buying house acting as the middleman between AZ Textiles, a woven garment stitching unit, and TexItalia, its customer. The issue arises from quality problems and this case describes the discussions and tactics employed by the three parties during the negotiation stage, including bluffs, threats and delaying.

http://www.asiacase.com/ecatalog/

Cool King Limited

N. Ravichandran P.K. Sinha, Lahore University of Management Sciences (LUMS), Asian Journal of Management Cases Vol. 1 No. 2, Jul-Dec 2004

This case details the decision facing Cool King Limited, one of the leading businesses in India dealing with the installation of central air-conditioning. So far it has had only a token presence in the window air conditioning business, but is not looking to expand into it as explosive growth in industry is predicted in the near future.

However, this change of focus from central air conditioning to window air conditioning is likely to affect the sales in central air conditioners, which are already on the decline, and may prevent Cool King from venturing into other related businesses such as sales of refrigerators.

http://www.asiacase.com/ecatalog/

Rekindle the heart & soul of management

Despite management advancing in a big way as a subject of study in recent decades, the quality of work life has deteriorated. There is a need for companies to treat people more as people and less like mercenaries

By J. Singh

Notwithstanding the concerted set of initiatives taken over the last 50 years to transform management into a profession and a popular discipline for formal study, there has been a steady deterioration in the quality of working life in modern organizations. Contrary to the oft-repeated cliché about people being the most valuable assets, they are increasingly being treated as liabilities that can no longer be afforded. This is best reflected in the frenzy of 'rightsizing'— a weak euphemism for turning employees out.

Those who are lucky enough to survive are then subjected to a mechanistic culture devoid of human sensitivity. The focus is on squeezing the maximum out of them but not doing enough to make them feel wanted or to enhance their sense of self-worth and self-respect. This type of work leads to a parching of the human spirit rather than its fulfillment.

The Missing 'Heart':

The inference that management today lacks the heart necessary for understanding and dealing effectively with people at work may be drawn from:

- The prevailing 'people-are-liabilities' mindset
- Unending downsizing spiral
- The pursuit of short-sighted, mechanistic, 'metric-oriented'—rather than 'people-oriented'—practices
- Trying to 'buy' performance only through monetary incentives or bonuses—in effect converting people into 'hired mercenaries' rather than committed members.
- Lack of constructive leadership; many organizations seem to have fallen into the hands of greedy impostors masquerading as leaders.

The Missing 'Soul':

Compounding the disillusionment of employees is the disenchantment of the general public. Thanks to an endless series of scandals and a litany of other misdemeanors registered over the years, the image of big business, along with the reputation of top-level executives, is on a steady decline. As a result, any keen observer is prompted to conclude that modern corporations are tending to lose their 'souls'. Among the chief reasons for such an inference are:

● Increasing misrepresentation of performance results ● Unethical conduct ● Misgovernance ● Social irresponsibility ● Mistrust and anti-business sentiment

Rekindling The 'Heart':

Good human resource management is first and foremost a matter of the heart. It hinges on genuine respect for other people, deep concern for their well being and abiding confidence in their capabilities. With such an attitude as the starting point, one can—in repeated enactments of the 'Pygmalion Effect'—enable those one leads to develop to the very limits of their potential.

The primary responsibility of management then is to nurture the kind of environment in which the wonderful minds of people can go to work and their latent potential can be fully realized. Some of the measures that can be used for this purpose are as follows:

- Appoint the 'right' persons to leadership positions. Character and integrity are more important for selection than any other qualities.
- Foster 'people-are-assets' mindset—and treat them with all the care that they deserve.
- Democratize management processes; involve people in all decisions affecting them; empower them to fulfill their responsibilities using their own discretion.
- Invest generously in cultivating a culture of 'belongingness' and high-performance

Rekindling The 'Soul':

Like individuals, organizations too have multiple facets. Therefore, it is difficult to capture their success in any one measure alone. Single-minded success appears empty after a while. Though management texts proclaim profit maximization as the central purpose, it is the equivalent of saying that an individual's life ought to be judged mainly by his personal wealth. In essence, profits are like oxygen—essential for survival—but not the purpose of it.

Mundane profit-making or shareholder value cannot be the only driving force behind organizational activity. There has to be a more fundamental, grander, larger-than-life reason why so many people struggle so hard to set organizations up and then strive even harder to make them perform well.

Organizations can be regarded as truly successful when they enrich or contribute to the well-being of all who come in contact with them. Therefore, the measures of performance must go beyond the conventional financial indicators.

Only when all these are achieved will business organizations provide enriching work experiences to their employees and ultimately succeed in transcending profit-making in its narrow sense to attain their more altruistic, nobler purposes. Among the various prescriptive measures, the most crucial is the selection of individuals for leadership roles. The importance of character is vital. Yet, it is perhaps the one requirement that is most often compromised.

J. Singh is the Tata Steel Chair Professor at XLRI Jamshedpur.
This article has been condensed and abstracted from Vikalpa (Volume 29; No. 2; April-June 2004)

The Mind Gym

Time Warner Book Group UK, January 2005

In much of our lives, our mind operates on autopilot. Rather like the tourist who repeats the same words louder each time the local doesn't understand, we often tend to think and behave in set ways, even if it doesn't get us what we want.

However, once we can spot our mental habits, we can change them. And, as result, we are more likely to: make the right things happen; come up with original ideas; achieve more in less time; gain energy and have less negative stress; win people round to our point of view.

Over 100,000 people have taken part in and recommended The Mind Gym's workouts. Now, for the first time, hundreds of these practical tips and techniques based on applied psychology are packed into this book and, with your free personal membership number, at The Mind Gym Online.

It's not too late to change your mind …

The Mind Gym was established in 2000 and offers workouts in areas such as: creative problem-solving; dealing with stress; and time management. It has worked with over 100 well known companies including Microsoft, Barclays Bank, Guinness and Proctor and Gamble.

The Secrets of Economic Indicators

Hidden Clues to Future Economic Trends and Investment Opportunities

Wharton School Publishing (September 2004), by Bernard Baumohl

Every day, stocks, bonds, and currencies bounce wildly in response to new economic indicators. Money managers obsess over those statistics, because they provide crucial clues about the future of the economy and the financial markets.

Now you can use these indicators to make smarter investment decisions, just like the professionals do. You don't need an economics degree, or a CPA... just this easy-to-use book. Former *TIME* Magazine senior economics reporter Bernard Baumohl has done the impossible: he's made economic indicators fascinating.

Using real-world examples and stories, Baumohl illuminates every U.S. and foreign indicator that matters. Where to find them. What they look like. What the insiders know about their track records. And exactly how to interpret them.

Whether you're an investor, broker, portfolio manager, researcher, journalist, or student, you'll find this book indispensable. Nobody can predict the future with certainty. But The Secrets of Economic Indicators will get you as close as humanly possible.

Implementing Strategic Change

Hoisington, H. Steven Vaneswaran, S. A., Rs 350, Tata McGraw Hill

Today, many organizations are grappling with change management and the need for improving performance to remain at the cutting edge and deliver increased shareholder value. In trying to achieve this, many remain clueless or wrestle with 'solutions of the day' or 'flavors of the month' or 'program of the year', that often end up being less than effective. Implementing Strategic Change, a pragmatic, application-oriented book presents various assessment models an organization may use to strategically assess performance gaps, and then provides a number of tools including Balanced Scorecard, EVA, and Six Sigma, that may be used to change the organization and close these performance gaps.

In addition, this book presents a fully integrated approach using these tools for creating customer and shareholder value, and aligning this input to the overall operations of the organization. Embellished with cases and examples, it reinforces a customer-focused, customer-centered culture throughout all levels of an organization. With this coverage, this book will be useful to senior executives, corporate managers, business development professionals, strategists, and quality professionals.

A Carrot a Day: A daily dose of Recognition for your employees

by Adrian Gostick, Chester Elton, Jeffrey Gitomer

Gibbs Smith Publishers (September 2004)

In this third installment of the Carrots business books (following *The 24-Carrot Manager*), authors Gostick and Elton continue to urge managers to dangle these bright, crunchy sticks in front of their employees—metaphorically speaking.

A symbol of recognition, reward and positive reinforcement, the Carrot creates an environment in which workers will propel themselves to an excellence that lies just beyond their grasp. Organized like a page-a-day calendar, the book parcels out the sometimes unwieldy Carrot philosophy in manageable doses, offering inspirational anecdotes and cautionary tales.

The idea that a steady diet of Carrots helps promote a sound, healthy business ties the book together, visually and thematically. But sometimes, the pages grow repetitive and, in lieu of some tepid reminders to boost self-esteem, the authors could have devoted some days to exploring an interesting corollary to their primary message, one they give only cursory mention in the introduction: the blunders of well-meaning managers who offer rewards for effort alone, regardless of excellence.

Presenting and Training with Magic

53 Simple Magic Tricks You Can Use to Energize Any

ROSE ED, Tata McGraw Hill, Rs. 395, 2004

Make audiences sit up and smile, and remember your message. Use secrets from the world of magic to "jazz up" your presentations and reinforce your main points. These imaginative, field tested magic tricks will work for anyone wanting to impart a memorable message- including trainers, speakers, teachers, coaches and salespeople. Learn how to: Give your meetings an exciting start. Use clever dialogue with your tricks to drive home the theme of your presentation, be a more effective presenter or trainer.

Managing in Time of Change

Maginn D Michael A. Rs 95, November 2004 Tata McGraw-Hill

In this book, managers learn a three-step method to help their employees deal with change in the workplace. They will learn how to face change head-on and be honest with their employees about the current situation and offer desirable outcomes. Managing in Times of Change shows you how to help managers and employees understand the benefits of change, then flourish within their new environment and responsibilities. Managing in Times of Change provides straight talk and actionable advice that will help managers, teams, and individuals understand workplace change, then use that change to strengthen themselves and the organization.

Peter Drucker's book *Managing in Time of a Great Change* was published in 1998. So look out if the author has anything new to say.

Brand Positioning

Sengupta Subroto (late), Rs 250, June 2005, Tata McGraw Hill

"How do you give your brand a competitive edge in a 'me-too' situation? How do you differentiate your brand and give it a distinctive identity? How, in short, do you secure competitive advantage for your brand?

The author answers all these questions and more, by discussing the concepts and principles involved in developing sound positioning strategy. He brings into focus its practice and applications with cases and examples from the Indian market. A large number of packaged goods, as well as some widely used durables such as two-wheelers, TV sets, etc. have been analyzed. The second edition has new chapters on positioning of services and celebrity endorsements. Also, new cases and examples have been included. With this coverage, the book will help markets and advertisers create sound positioning strategies for their brands."

Brand Sense: Build Powerful Brands through Touch, Taste, Smell, Sight and Sound

Philip Kotler (Foreword), Martin Lindstrom, Free Press (February 10, 2005)

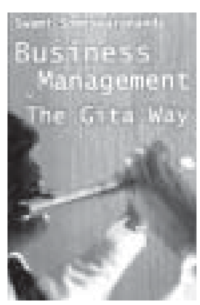
In perhaps the most creative and authoritative book on sensory branding ever written, international business legend Martin Lindstrom reveals what the world's most successful branding companies do differently — integrating touch, taste, smell, sight, and sound — with startling and measurable results.

Based on the largest study ever conducted on how our five senses affect the creation of brands, BRAND sense explains Martin Lindstrom's innovative six-step program for bringing brand building into the twenty-first century. The study, covering over a dozen countries worldwide, was conducted exclusively for this book by Millward Brown, one of the largest business research institutions in the world.

Hailed as the "World's Brand Futurist" by the BBC, Martin Lindstrom is one of the world's top entrepreneurial visionaries, who has changed the face of global marketing with twenty years of hands-on experience as an advertising CEO and adviser to Fortune 500 companies. Firmly steeped in scientific evidence and featuring sensory secrets of the most successful brand names, BRAND sense reveals how to transform marketing strategies into positive business results that no brand builder can afford to ignore.

Business Management: The Gita Way

Swami Someswarananda , Jaico Publishing House, 2005



A lot of changes have taken place in the world. Human perception is changing. New avenues are opening up. The agricultural civilization ruled the world for a long time. Then came the industrial culture. And now the post-industrial era. But what about the human face? Production, growth, business, profitability… for whom? Ultimately all these are for mankind. Change is a must. An it is inevitable. But is there nothing permanent? Only transition, and no foundation?

The problem is that we lack a strong foundation. And this 'we' does not mean only Indians, but the whole world. We have to question many of our theories, business management needs to be re-defined. This book will show you the changes required, based on a strong foundation. Instead of quoting *shlokas* and giving their detailed meanings, Business Management: the Gita Way concentrates on the implementation of these teachings. For example, the Gita says: Yagnarthat Karmanah (work is to be done in the spirit of yagna) and Parasparam Bhavayantah (yagna is nurturing each other).

Hard sell is out, soft sell is in

Loud marketers flaunting 4Ps will soon be extinct. Covert marketers with** gyan **in social psychology, anthropology and art will be in demand

-by Harish Bijoor

All branding is an overt process. It is meant to be. Branding, at the end of the day, is a process that revels in the loud, the glitzy, the showy and the attention-grabbing phenomena that has dominated its use in the last several decades. Branding and its macro-process of Marketing is therefore as overt a process as it can get.

Extroverted marketing, the one big tool that has built many a brand in the recent and not so recent past is skating on thin ice in many a category though. Time then to look at an alternative process. A process that is not as overt as it has been. Shall we call it covert marketing then? Subliminal stuff that will build your brand. Quiet stuff that hides the purpose, but builds the brand still!

Look at the category of liquor and cigarettes in the country then. In the beginning, when the laws were rather weak and self-regulation in advertising was but a myth on the record books of industry bodies, there was rampant advertising. Open advertising that asked you to try the product, adopt the product, and even recommend the product to all and sundry.

With public outrage however, most such companies were forced to adopt the route of surrogate advertising. This went on for a while till the governments actually woke up and spoke rather sternly to the bodies that govern advertising, albeit toothlessly, in the various countries. Self-regulation gave way to a wee bit of regulation. This then paved the way for covert advertising – advertising that sought the quiet way of promoting brands.

Covert marketing is a need that categories of the past, present and the future will crave for. Not only categories of cigarettes and liquor that have huge social sanctions against them in several societies. Instead, categories of products and services that have overdone the Overt marketing game over all these years will demand a newer form that swims in the right opposite direction that marketing programs have swum strongly in the past. This salmon will swim upstream!

Look at the dominant categories that witness large spends in every marketing economy. Detergents, foods, carbonated drinks and many, many products that splurge the dollar and rupee alike to create positively craved norms of consumer attention, interest, desire, purchase action and post-purchase positive strokes.

There comes a time when the marketing steak has been overdone! So over-done that the Overt marketing process is in itself more of a liability than an asset in pure consumer market-share terms. The marketing program has been a good one to watch, but when it comes to the key purchase decision, the consumer bread on a staple diet of Hard sell looks for stuff that comes with a lot less of hard sell and a lot more of reality. Products and services that don't necessarily tom-tom their virtues as loudly as everybody else has!

Time for covert marketing

A clear case of one outrage in most recent times is the case of Starbucks and its overt outlet that has even entered the Forbidden City in China! Much outrage then! And lots of this is to happen to the big brands of the day that spend their marketing mega-bucks tuned into manuals that demand the homogenous, the uniform and the consistent in overt marketing practice.

Concepts of the future will seek the means of Covert marketing as well. The concept that depends on exclusivity, the concept that seeks out the discerning consumer who is fatigued of his staple diet of the Overt fare in marketing and advertising! Covert marketing is the only thing to do! Under the skin stuff. Stuff that percolates quietly into the psyche of the consumer out there in the noisy marketplace!

Covert marketing will therefore adopt subliminal means. There is bound to be a demand for the more subliminal and quiet stuff. One will hear a lot less of the most modern of these methods. There will of course be a premium on keeping the latest of these trends as quiet and out of the gaze of competitors and consumers alike. Remember, it remains covert no longer the moment everyone else has heard of it and understood it to be what it is!

Many new tools and many new types of disciplines will come into the playfields of marketing men. Social psychologists, anthropologists, census reading experts and folks of their ilk will be much sought after by marketing men. The pure marketing man with his arsenal of the overt four Ps of marketing theory and much-maligned practice, will but be an 'also-employed' man of the Covert marketing organization.

New practices, a keen focus on colour theory, event-marketing of a different kind and large doze of stuff in marketing practice that seems so un-related to sales, selling, branding, advertising and distribution will come into the picture in a big way.

As all this happens, it still is a cat and mouse game! This time round, the consumer is the cat and the marketer the mouse. A savvy, subliminal, covert and intelligent mouse!

A big Meeeow to that!

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

ACROSS

1 It means high rates of interest

4 Business Channel of NDTV uses this line

6 It is a type of bond that will never reach maturity

9 Main sponsors of Narain Karthikeyan

10 The SUV that asks you to make your own road

12 Green watch

19 The purchase and sale of identical item in different markets with the intentionto make profit

20 Loans granted by financial institutions to profitable organizations which plan to go public shortly

22 A unique 8 digit code assigned to the specific title of a serial

23 According to value and not as per weight or quantity

24 It is situation where there are only two buyers for a similar item

26 Guru of positioning

27 It connotes selling of options on stock which is not owned by a customer

DOWN

2 These are highly liquid assets other than official currency

3 He likes to take a seven-day weekend

5 He told us how marketing, as we know it, is dead

7 Denotes savings for retirement

8 Word-of-mouth marketing message

11 It is a type of auction sale in which the auction starts with the highest price of an item and the price is then continuously reduced until a bidder answers favorably and buys.

13 India's best CEO in 2004 according to Asia Money

14 New browser for techies

15 A unique 10 digit code assigned to a specific edition of a book before it is published

16 It is a Latin saying which means that "Let the buyer beware

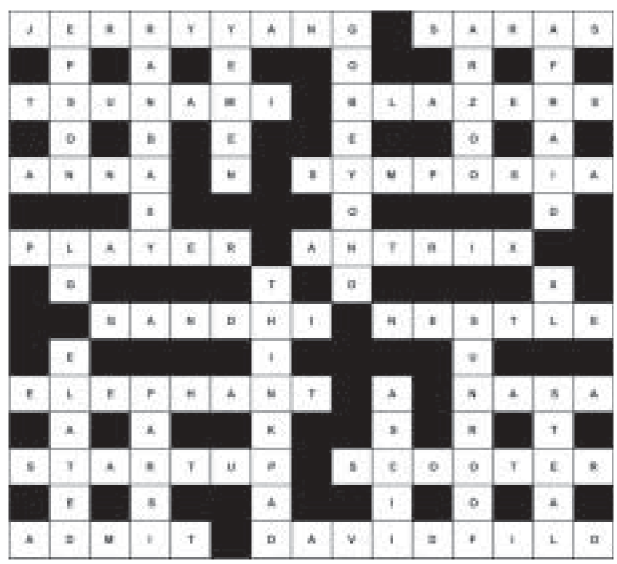
17 It is the common machine language designed group of 10 Arabic numbers and four special symbols printed in magnetic ink in designated field locations along the bottom edge of a cheque

18 It is an act of detention of a freight ship or car for a time period more than permitted for loading or unloading. Additional charges for detention are payable

21 He helps you lead a revolution

25 India's only electric car

Solutions to Crossword No. 5



Power of the senses

Martin Lindstrom's book *Brand Sense: Build Powerful Brands through Touch, Taste, Smell, Sight, and Sound* has many fascinating and factual highlights about the value of the five senses in brand building. Here's an interesting sample:

- That gratifying new-car smell that accompanies the purchase of a new car is actually a factory-installed aerosol can containing "new-car" aroma.
- Kellogg's trademarked crunchy sound and feel of eating cornflakes was created in sound labs and patented in the same way that the company owns its recipe and logo.
- Singapore Airlines has patented a scent that is part of every female flight attendant's perfume, as well as blended into the hot towels served before takeoff, and which generally permeates their entire fleet of airplanes.
- Starbucks' sensory uniqueness is far less strongly associated with the smell and taste of coffee than with the interior design of its cafés and its green and white logo.

Pot calls the kettle black

The United States is known to take a moral high ground on a lot of international issues, especially the intellectual property (IP). A scathing study by Ben-Atar, an Israeli professor at Fordham University, New York, has conclusively shown that the US is what it is today because of rampant piracy in the 19th Century. He shows that US smuggled skilled artisans and machinery from Europe and Britain when they were prohibited by law.

And what about the current ranking of countries involved in software piracy? Hold your breadth, the US tops the chart followed by China. India ranks 15th. Now, can yesterday's pirate be today's sheriff?

PC-shy dotcom billionaire

Richard Branson has reluctantly admitted that he is no fan of technology. He doesn't even have a corporate office, preferring to work out of one of his four homes using little more than a phone and a red-bound ledger. Branson hasn't bothered to open the box containing a handheld computer that British tech company Psion PLC sent him as a present. ''Any time I try and use computers, they crash on me,'' he says.

Yet, Virgin.com is hoping to create one of the world's top 10 portals. Once established on the Web, he intends to sell consumers everything from cars and CDs to electricity, beginning in Britain and then rolling out worldwide. Who said 'you've to get your hands dirty to know what you are doing'?

Frugal billionaires of Yahoo

The founders of Yahoo, Jerry Yang and Dave Filo, are barely out of their twenties, but these two boyish, scrawny Stanford computer-science grad-school dropouts still look and act a lot like teenagers. Infused with the idealism of the early wave of Internet pioneers, they say that they're motivated not by starting a business or making money but by creating something useful for the community. Even though they've become instant multibillionaires, Dave still remains compulsively frugal: He still lives in a cheap rental apartment, and he often sleeps on the floor of his open cubicle at work, which is strewn with junk. He wears T-shirts that he got free at hacker conferences, even if the shirts have logos of Yahoo's rivals.

Jerry and Dave's colleagues play soccer inside the office in an open space across a glass wall that looks right into the boardroom, even while the board of directors — the grown-ups! — meets there. And they race their mountain bikes through the hallways of the company's Silicon Valley headquarters. Jerry and Dave's idea of a "power lunch" is the greasy glory of the In-N-Out Burger, which pulls its delivery truck into the Yahoo parking lot.

Hairy trouble

The author of two management best-sellers *Tipping Point* and *Blink*, Malcom Gladwell, was not amused by the way the world saw him the day he changed his hairstyle. For most of his adult life, Malcom had worn it closely cropped, but several years ago decided to let it grow out into a woolly Afro after his hair ignited when he went too close to a candle during a literary event.

Says Malcom: "The first thing that started happening was I started getting speeding tickets. I wasn't driving any faster than I was before, I was just getting pulled over way more." Then there was the day Gladwell was walking around New York and cops surrounded him, mistaking him for a rape suspect. Who said looks don't matter!

How to build a fun company

Workplaces are emerging as social units. Fortunately, a few professional companies are emerging to turn them into fun places.

By Arvind Krishnan

"Did you have a good time at work today?" is the kind of question managers dread being asked by their spouse or children. Sadly, most offices today in India are not places that you would want to spend more time than required. While there are a few notable exceptions, most offices are places where you go in to work and get out the moment you are done.

This can change. If I asked you to list the top three social groups that you are or were ever part of, they are likely to be your school, the locality where you live or lived and your college. Please note that the office is not on this list. Yet increasingly, it should be. Take a look at some trends to make the case for increasing the profile of the office as a social entity.

- We spend approximately 70 percent of our waking time getting ready for, commuting to, working at, commuting back and recovering from office pressures
- Given that most of us are working in cities, a lot of our close friends are people who are or used to be colleagues
- Many more people are working in shifts
- The nature of work has changed – from working with people to working with a computer
- People demand more of the office; remuneration and growth are not sufficient.

These are the underpinnings of a shift in the social fabric in urban India. Contrast our lives with our parents and the key differences emerge. They spent much more time with family and friends. Office meant a job and a friend was someone they grew up with.

The traditional outlet was sports and the ritual family day. Shift timings make logistics a nightmare and the always-on mentality prevents all the people from coming together and enjoying themselves.

Companies today are getting repositioned, willy-nilly, in the marketplace and in the lives of its people. They now need to service an employee's need for belonging to a group of people, interacting with them and indulging in activities with them. This would explain why companies now have gyms, TV rooms, expansive cafeterias, basketball courts and climbing walls.

Also, people are picky about what they want to invest their time in. It better be interesting to get them involved and it needs to stay novel to keep them that way. Add to this their diminishing attention span and you have a problem that seems intractable.

But companies are approaching these issues in a variety of ways despite their worries about attrition. My advice is that companies' larger goal should be to achieve work-life balance. My suggestions to achieve this are:

- Do not keep meetings on weekends or on holidays. If people need to work on holidays, compensate them in some fashion. It does not need to be monetary, a compensatory half-day may be of more value.
- Encourage people to follow their interest. Serve as an enabler – conduct classes (say in music) in the office during off-peak hours. All you spend on is infrastructure, but it sends out a serious message to your employees.
- Make office a little more entertaining. Allow casual clothing on some days (if not all). Buy people headphones.
- Take people out once in a while. This need not be expensive, a park is a great place for a meeting and the coffee is probably cheaper.
- Hold informal competitions. Does not need to be complex – a simple quiz could do, as could a carom tournament.
- Cultivate and encourage a good sense of humor even if it is a dig at the company or the bosses

All of the above are simple and relatively inexpensive. However, the challenges here are getting these ideas airborne. The trouble here is that not everybody would like to start off doing something novel. Also, what will you begin with? Who will organize that?

Scalability – making sure the activities and mindsets extend across silos, people and locations. Sure, you can organize a chess tournament, but when you have to do it across three shifts in two locations – things get a little more complex.

Sustainability – making sure that these continue. The key element here is that the novelty is maintained and the effort does not falter because of a lack of bandwidth of the people managing it.

Many companies that have initiated these offbeat elements in their workplaces are doing it more as a routine or even grudgingly. Sincerity of purpose and a belief in its effectiveness are important.

The best way to make your workplace a fun place is to outsource the task. There are talented and effective people and even companies that offer these services today. This approach will take the pressure off the HR department which can focus on other pressing issues. Having a fun budget per employee also takes the pressure off the finance department. With several companies offering professional support, making a company a fun place to work with is a lot easier.

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