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Is India Inc. ready for interim CEOs?

Indian business is facing a severe dearth of CEOs. One of the ways to manage the crisis is to try out part time or temporary CEOs

By Benedict Paramanand

As India Inc. surfs on a high growth tide, it has hit upon something it didn't expect a severe leadership crunch. R. Suresh, MD of Stanton Chase India, an executive search firm, thinks India is short of at least 2,000 2,500 CEOs right now. What's more, 30-40 percent of the current top management is coming up for retirement soon. Ma Foi Management Consultants' COO, E. Balaji, estimates a 20 to 35 percent shortage in the next 3 years. This number does not include SMEs and start-ups which are scrounging for management talent.

Many factors are driving this trend. The entrepreneurship bug seems to have bitten Indian C-suite pretty hard. Despite rising salaries, bonuses and stock options, the younger lot is choosing to be their own bosses. Immense pressure to deliver every quarter, work-life imbalance and peer pressure seem to have driven potential CEO candidates to opt for more fulfilling and less glamorous vocations. "Some candidates don't want the pressure, others don't need the cash. We are in a fix," says a senior executive of a CEO search firm.

One other reason, according to Balaji, is because of homegrown companies moving into the global space thus creating new opportunities for Indian CEOs.

The CEO crunch, search firms say, is forcing companies to defer retirement of the existing incumbents. On the other end, there is pressure to drastically lower specs, including age and experience of new recruits to temporarily manage this crisis. Owner-MD-CEOs, who are longing to take a break after struggling to set up their business, will be forced to stay in longer.

With lot of money chasing few good projects, a venture capitalist's biggest worry today is not so much the fear of return on investment but availability of qualified management teams. While sunrise sectors such as IT, ITES and the financial services are managing to hook CEOs with hefty pay packets, traditional and service businesses are making do with the chaff. Infrastructure and hospitality services are increasingly hiring less accomplished but experienced foreign

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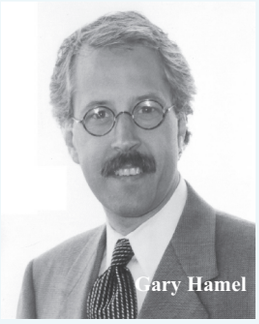
What's in

Jack Welch is outdated: Gary Hamel


Gary Hamel

Jack Welch's book 'Winning' cannot inspire executives today because it is heavily based on achievements from operational efficiency and cost cutting. His rise to fame through mergers and acquisitions has no appeal any longer because several studies and research have shown that they clearly destroy shareholder value instead of enhancing it.

Strategy guru Gary Hamel has nearly written off former celebrity CEO of General Electric, Jack Welch's influence on Management today. Welch was imitated and followed all over the world for more than a decade. People used his framework blindly. But today, in the age of innovation, Welch looks out of place. Excerpts from Gary Hamel's seminar in Mumbai recently.

It's clear that GE, like other 'one-strategy' companies like Dell are on the slide. GE has under performed S&P in the last five years. Welch's efficiency principles took GE to the top during early 1990s. The growth stabilized around 1995 and since 2000 it's on a decline.

It's therefore clear today that operation excellence is not enough. Size and resources don't command respect. Today, organizational imagination is better than massive resources and is a key innovation driver. You don't need size to be successful any longer. Organizations should exploit imagination of its people, not just their intellect, like the way Toyota has been doing for the last two decades. It's interesting that Toyota's success is not because of its technological superiority, it's because of management innovation.

Companies such as Google, free Internet telephony software Skype, Mexican cement company, Camex, Whole Foods, Shell through its game-changer initiative are leading the innovation revolution today. Yesterday's stars like Whirlpool, Dell, GM, GE and perhaps even Wal-mart are falling by the wayside.

Be alert to strategy decay

How then can organizations avoid becoming redundant? To begin with:

- They should regard everything they believe as no more than hypothesis.
- Set up shadow boards with younger people with full access to information and direct access to the Board.
- Find the bleeding edge of change
- Be alert to strategy decay
- Change as fast as change itself! Don't wait for strategic emergency to happen to take corrective measures. Companies fail because they over invest in what is and not on what could be.

Before leaders begin any strategy exercise they should ask themselves a few fundamental questions: What are the deepest principles upon which our management beliefs are based? Where should managers look for wisdom/inspiration to define and execute their strategy? To me, there are five places managers should look for inspiration:

Diversity in Biology How despite extinction of several species Nature is diverse enough to let organisms continuously adapt and mutate for millions of years. Just like one in a few million sperm is successful in reproduction it's important to experiment with lots of ideas at the same time for one to become a blockbuster. You should known your 'corporate sperm' count.

The second place to look is the New York Stock Exchange. NYSE index has been outperforming all other companies for a long time. Collective vision is better than that of individuals.

Why does 21st Century Management look like the 20th Century Management? Why is there no real innovation in Management in the last 50 years?

The third is Democracy how the system builds enormous resilience in a way that it does not need revolutions to effect significant change and that this process does not depend on the intelligence of individuals like a popular prime minister or the president.

The fourth is faith systems. These systems offer meaning and significance for people to change. The fifth one to look at are cities which are virtual factories of social innovation.

While so much is happening all around, why does 21st Century Management look like the 20th Century Management? Why is there no real innovation in Management in the last 50 years? Whey does everyone expect dramatic changes in areas such as Medicine, Technology or Astronomy and not in Management? You cannot solve today's unprecedented problems with yesterday's solutions. So ask what problems is modern Management designed to solve?

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CEOs. How can India Inc. manage this looming crisis? One effective solution is to opt for interim CEOs who can devote a few hours a week for strategy and deal-making and leave execution on someone else. The other option is to opt for execution experts. The big challenge is, where do you find such people?

The corporate churn in the recent years, changing life goals of young professionals and a pool of retiring senior public sector executives have produced a reservoir of talent that is waiting to be tapped innovatively. This talent is ready to opt for short stints that offer a heady pace of business, decent money and enough time to do their own thing. The US is already employing veteran chief executives into fast-growing, high-tech companies for short stints which seem to be working well.

India Inc. can also go back to retiring/retired managers who were ignored more for being at the wrong place at the wrong time than for their ability to lead. It's also high time for India Inc. to experiment with giving leadership roles to people outside business like academia, retired civil servants and anyone looking out for some adventure.

The interim CEO concept may be too radical to those who consider CEO function as sacrosanct. Since none of the business associations have made the CEO crunch an issue yet, it would be a while before some action plan is put in place. But for now, to tide over the current crisis, interim CEOs could be a logical alternative. How long will this crisis stay is difficult to guess but corporate India must begin to think that bridge leadership could become as important as bridge financing, whether they like it or not.

Law of the few

The concept of 'Social Networks' is beginning to reshape markets and offer new opportunities. The changing patterns of information production can shift the world from industrial information economy to one characterized by socially networked information production.

The power of this phenomenon is such that there are already concerns emerging as to how to protect the industrial information product from the 'threat' of the social networked information.

'It's not what you know, it's who you know; and it's especially who knows you.'

People around the globe are forming connections based on every conceivable common interest. In 2005, the 80-million-member networking Website, MySpace, a gathering place where people introduce themselves publicly to friends and strangers, received more page views than Google. MySpace , acquired now by Murdoch, will soon enable its users to sell their music, making it look like competition to iTunes. This could mark a beginning of how social networks can monetize their models outside advertising.

The thought about the power of social networks came long back ever since the "small world" experiments demonstrated how a person could be connected to any stranger by a remarkably short chain of "I-know-someone-who-knows-someone, and the "six degrees of separation" explained the potential . Social Network Analysis is a new field of study that's emerging now. It provides a set of analytical tools that can be used to map networks of relationships, allows one to conduct very powerful assessments of information-sharing within a network with relatively little effort. This approach makes the invisible web of relationships between people visible, helping managers make informed decisions for improving both their own and their group's performance.

Malcom Gladwell, who wrote the *'Tipping Point',* calls this the "law of the few": it is about a disproportionately powerful role that a small group of people can have in moving any kind of infectious entity- an epidemic, a new way of doing things, the buzz about a new product or a fad of any kind-which can spread all over the world, one person at a time.

Let customers hijack your brand

Brand hijack is the term used for the consumer's act of commandeering a brand from the marketing professionals and driving its evolution. Brand hijacking is a radical concept based on 'letting go'.

This is marketing without marketing: the emergence of getting the customer to hijack your brand. If you think you can manage it in the absence of marketing, it's impossible. It's not the absence of marketing but is of the type that is not taught.

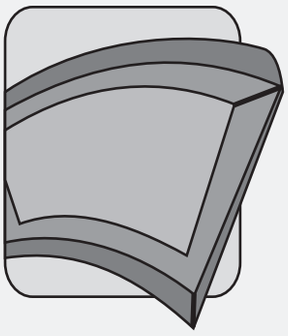
Brands as diverse as Napster, Dr Marten's, Pabst Blue Ribbon and Barbie have all benefited from the 'hijacking' methodology, which often flies in the face of big budget, mass media, focus group tested marketing.

It recreates a cult following for your brand through a creative, low-budget, person-to-person strategy that "seeds" the product with a target audience of trendsetters. The customer in effect "hijacks" the brand, sparking an authentic buzz that makes the brand cool.

'Brand Hijack: Marketing Without Marketing' by Alex Wipperfurth proposes non-traditional, even counterintuitive practices: Let the marketplace take over. Stop clamoring for control and learn to be spontaneous. Be bold enough to accept a certain degree of uncertainty while defining your brands.

'Brand Hijack' offers a practical how-to guide to marketing that finally engages the marketplace. It presents an alternative to conventional marketing wisdom, one that addresses such industry crises as media saturation, consumer evolution and the erosion of image marketing.

TV advertising declines in effectiveness



It's yet another idea to join the list of 'Next' ideas at a time when the epitaph of mass marketing is being written."No one ever got fired for using television," an internal adage in J&J used to say. But the same J&J has now shifted away from this thinking and has branched into new media and creative approaches other than TV.

By 2010, traditional TV advertising will be one-third as effective as it was in 1990, predicts a McKinsey report to Fortune 100 clients on media proliferation

We are increasingly seeing evidence of TV advertising decreasing in effectiveness despite increasing in spends.

Ad spend on prime-time broadcast TV has increased over last decade by about 40% even as viewers have dropped almost 50%, the report notes. Paying more for less translates into a much higher cost-per-viewer-reached .

The reasons for decreased TV viewing are the increased usage of other new-age media, and other factors like increased switching off , multitasking and saturation with TV that are changing viewer behavior which is not being measured by most marketers.

A five-year research project that tracked $1 billion in ad spending by 36 major marketers says 37% of all advertising is wasted. The bold proclamations in *"What Sticks: Why Most Advertising Fails and How to Guarantee Yours Succeeds,"* just released by Kaplan Publishing, penned by Rex Briggs and Greg Stuart, studies 36 marketers ranging from the highly analytical P&G and J&J to the highly instinct-driven target. While the book is not a bleak prediction, it observes that TV advertising may not deliver returns as good as those provided by other media- not just because of external factors but also because of organizational inertia or a lack of rigorous and ongoing ROI tracking

The inevitability of questioning your historical assumptions of how advertising works and re-looking at how you optimize your media mix is clear. A strategic reallocation of your spend away from conventional choices and towards unconventional choices seems to be the way to go. Online advertising and print advertising assume a greater relevance here apart from other innovative media vehicles.

By 2010, traditional TV advertising will be one-third as effective as it was in 1990

Telecommuting vs. reverse telecommuting

HP and Sun were the first to introduce Telecommmuting in the Sillicone valley but now HP is cutting down on telecommuting as it is felt that it does not benefit people who are on the lower side of the productivity scale. The benefits of everyone coming to work are substantial, it is being felt, in terms of shared learning, teaming up and leveraging on each other's strength. Some HP employees who have grown accustomed to working from home will no longer be able to do so. The change comes at a time when Randy Mott, HP's current CIO, is in the process of consolidating HP's 85 data centers worldwide into six.

Reverse telecommuting has started in the US which has made telecommuting compulsory for certain Federal (Central) agencies and companies. Those with more than 100 employees must promote telecommuting among their employees. 79 of the 100 best companies to work for in the US allow telecommuting. telecommuting is a trend underway in India although there are no laws or norms on this practice. Some of them like Texas Instruments India, which has about 1,200 working on high-end chip design, pay a stipend to take care of the broadband and phone costs at home. IBM currently employs more than 40,000 people in India and telecommuting is an inevitable way to keep costs in check. The drivers for this trend are the increased travel cost, time, office space rentals, enabling technology like the VPN (Virtual Private Network) and the falling prices of the laptop and broadband .

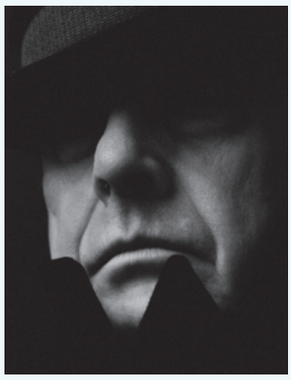
people in India and telecommuting is an inevitable way to keep costs in check.The drivers for this trend are the increased travel cost, time, office space rentals, enabling technology like the VPN (Virtual Private Network) and the falling prices of the laptop and broadband .

If this is a trend set to increase exponentially, we should see our streets emptying soon! But it's not so easy. While the West has started re-thinking about telecommuting and even reversing the trend to an extent, in India, the concept is still largely alien. True, technological barriers are falling away but trust barriers remain. It's not just an Indian mindset but a barrier globally as well. A recent study in Ireland on the subject found that 40% of staff believed they would not be able to convince bosses they were putting in the hours while working from home.

This compared to one in four in the rest of Europe. American Express Global Corporate Services group states that a survey of 255 large firms in the US expects corporate travel to increase by 61 % by 2010 ! No one expects telecommuting to replace the need to travel for work altogether.

Telecommuting no doubt has its advantages but is likely to remain a practice of choice by a few. After all it is driven by economics on one hand and by trust on the other.

Why good CEOs adopt bad strategy?



Reasons for why good CEOs back bad strategies can be found in Behavioural Economics

Most CEOs and senior managers would have learnt, read, heard and practiced what effective strategy is all about. Michael E. Porter and Henry Mintzberg have established a rich literature on good strategy. However, it is puzzling how corporate history is littered with examples of bad strategies and what makes CEOs back them.

Charles Roxburgh in a recent issue of McKinsey Quarterly seems to have some answers to the puzzle. He highlights insights from behavioral economics that best explain some examples of causes for bad strategy.

Overconfidence

Our brains are programmed to make us feel overconfident. This can be a good thing. For instance, it requires great confidence to launch a new business. Only a few start-ups will become highly successful. The world would be duller and poorer, Roxburgh says, if our brains didn't inspire great confidence in our own abilities. But there is a downside when it comes to formulating and judging strategy.

Mental accounting

To Roxburgh this is about "the inclination to categorize and treat money differently depending on where it comes from, where it is kept and how it is spent." Gamblers who lose their winnings, for example, typically feel that they haven't really lost anything, though they would have been richer had they stopped while they were ahead.

The status quo bias

Roxburgh believes that people would rather leave things as they are. One explanation for the status quo bias is aversion to loss. People are more concerned about the risk of loss than they are excited by the prospect of gain. A similar bias, the endowment effect gives people a strong desire to hang on to what they own.

Anchoring

One of the more peculiar wiring flaws in the brain, Roxburgh says is anchoring. Present the brain with a number and then ask it to make an estimate of something completely unrelated, and it will anchor its estimate on that first number. Anchoring can be a powerful tool for strategists. In negotiations, naming a high sale price for a business can help secure an attractive outcome for the seller, as the buyer's offer will be anchored around that figure. Anchoring works well in advertising too. Most retail-fund managers advertise their funds on the basis of past performance.

The sunk-cost effect

A familiar problem with investments is called the sunk-cost effect, otherwise known as "throwing good money after bad." When large projects overrun their schedules and budgets, the original economic case no longer holds. But companies still keep investing to complete them.

Understanding some of the flaws built into our thinking processes may help reduce the chances of good executives backing bad strategies.

The herding instinct

The banking industry, like many others, shows a strong herding instinct. It tends to lend too much money to the same kinds of borrowers at the same time. And banks tend to pursue the same strategies, be it creating Internet banks with strange-sounding names during the dot-com boom, be it building integrated investment banks at the time of the "big bang," when the London stock market was liberalized.

Misestimating future hedonic states

What does it mean, in plain English, to misestimate future hedonic states? Simply that people are bad at estimating how much pleasure or pain they will feel if their circumstances change dramatically. Social scientists have shown that when people undergo major changes in circumstances, their lives typically are neither as bad nor as good as they had expected - another case of how bad we are at estimating. People adjust surprisingly quickly, and their level of pleasure (hedonic state) ends up, broadly, where it was before.

False consensus

People tend to overestimate the extent to which others share their views, beliefs, and experience the false-consensus effect.

All strategists should understand the insights of behavioral economics just as much as they understand those of other fields of the "dismal science." Such an understanding won't put an end to bad strategy. Greed, arrogance and sloppy analysis will continue to provide plenty of textbook cases of it. Roxburgh believes that understanding some of the flaws built into our thinking processes, however, may help reduce the chances of good executives backing bad strategies.

How internet is redefining strategy-making

Why Michael Porter's take on Internet is inadequate

By Sangeeta Mansur

Michael Porter looks at the internet as a useful technology, a channel, one that has created a lot of exaggerated enthusiasm. He argues that, contrary to recent thought, the Internet is not disruptive to existing industries and established companies and it does not change the fundamentals of business. In his view, as all companies embrace internet technology, internet itself will be neutralized as a source of advantage.

A reality check of the current businesses tells us that Internet is already showing signs of disruptive effect on businesses and is changing the fundamental way in which business and business models are being built. The time for setting aside theories that rested on assumptions of realities of the old times may be here now. Can you look at the social change internet has caused and still call it 'non disruptive?. Look at the capacity it has to converge all other technologies and hence the potential for social transformation. Look at the new business models that it has enabled. I would think Porter needs to be taken with a pinch of salt.

What can be more fundamental to a business than business models? And the internet has made many firms change or reinvent or create business models. Remember the time when management gurus emphasized on building value within through vertical integration? The internet is now all set to banish this paradigm.

The internet has changed business models because it has changed the way one looks at a business model.

It has enabled and encouraged many partnerships. Many firms have moved away from the vertical integration thinking and are embracing partners. Boeing sees itself as a systems integrator and not just as an aircraft manufacturer. Mercedes-Benz doesn't build its own E Class cars but the Magna Corporation does the work. IBM doesn't really make its computers but gets them made by its partner network.

Competitors are now partnering with each other to co-create value. The internet has changed business models because it has changed the way one looks at a business model. Historical models looked at a business model as an architecture /plan that deployed the company's resources to offer value to the customer. Today one looks at how customer value can be generated by combining one's resources with other resources available in the world. Tomorrow, one will think about customer value to be offered and then work out completely backwards to put the required components, resources, capabilities together irrespective of who has them or where. The firm will look totally different from yesterday's vertically integrated firm. It will be more like a web/network of numerous connections across different places and players -all converging in a virtual place to deliver value.

Porter's view that “in our quest to see how the Internet is different, we have failed to see how the Internet is the same” is, however, a timely caution that warns us not to let it hijack other critical elements of strategy. But his postulation that “as all companies embrace Internet technology, the Internet itself will be neutralized as a source of advantage” could prove to be redundant for two reasons. One, the possibilities of this technology are so numerous that what it's doing today is only a fraction of its potential and what it can do may well lie beyond our imagination today. After all, the network effects of telecommunications network such as internet rises proportional to the square of the number of users of the system, as Metcalfes Law states.

Secondly, competitive advantage will increasingly not be available through using internet technology but this advantage will have to be sought in the context /world of the internet. Because, the net is no longer a mere channel or a source of advantage but will grow to be the context in which we do business. Hence, it's obvious that we cannot expect internet to be a source of advantage for long. It will be the ground on which we will fight our battles with a new set of rules.

Porter often comes from his 'five forces theory' framework that was based on the realities of the eighties. Hence, the theory may have a limited power to explain or analyze today's dynamic changes. The economic laws that apply to products and services cannot be expected to work as well for the new category of 'information product'. Larry Downes, the strategy consultant and author of *'Strategy Machine'*, offers three forces that are highly relevant for today's world: digitalization, globalization and deregulation-forces that make the fundamental framework dynamic.Porters' underlying idea that every business operates in a framework of suppliers, buyers, competitors, new entrants and substitutes is valid in every competition-based economy. But when this framework itself becomes extremely dynamic, complex and unstable because of the new forces, then the game has to change since the playground changes and keeps changing. And that's when Porter becomes one of the many tools in the tool box to use as applicable.

How Shell's GameChanger works

GameChanger is a company-wide system for encouraging and funding technical innovation at Shell. GameChangers are ideas whose implementation in the business have the potential to effect a quantum improvement in the profitability of the business, or which open up opportunities for growth. They contain a novel perspective on a problem, a new source of information, a new product or a new vision. They can be a new technological idea or a strategic vision.

For example, a team or an employee is given $30,000 for 30 days to show how the novel idea can work. If the company doesn't accept the project the employee is free to take his idea outside the company. According to strategy guru Gary Hamel, three factors have contributed to the success of GameChanger method of innovation strict time lines, peer review and release of funds at the appropriate time.

Shell GameChanger workshops form part of a new strategic thrust for innovation within Shell Oil Products which aims to focus the innovation and R&D effort on a small set of business challenges which are expected to deliver high value into the longer term. This initiative is known as Ambitious Business Challenges or ABCs. These Ambitious Challenges are set up to be business goals without reference to any particular technological solutions and are set such that they are currently unachievable in order to stimulate innovation. They are intended to provoke interdisciplinary and integrated solutions crossing many boundaries and are not simply single large projects. Shell uses GameChanger workshops to work with external organizations so that innovative technical solutions can be identified to the research requirements of Shell.

Greening the Desert was one such workshop in 2002 which resulted in three GameChanger projects concerning usage and cleaning of water co-produced with the oil, with the total Shell sponsored value of US$1,030,000.

Team power in Whole Foods

Whole Foods Market, Inc. is the largest natural-foods grocer in the United States. It is also one of the business world's most radical experiments in democratic capitalism. Plenty of companies talk of empowerment, autonomy, and teamwork. This company has spent over two decades turning often-empty slogans into a powerful - and highly profitable - business model.

But how the company positions itself is not nearly as compelling -- or instructive -- as how it manages its operations. Its values are soft-hearted; its competitive logic is hard-headed.

Whole Foods supports teamwork with a wide-open financial system. It collects and distributes information to an extent that would be unimaginable almost anywhere else. Sensitive figures on store sales, team sales, profit margins, even salaries, are available to every person in every location. In fact, the company shares so much information so widely that the SEC has designated all 6,500 employees "insiders" for stock-trading purposes.

But teamwork and information-sharing aren't just about cooperation. They are also about competition -- both with other companies and within Whole Foods. Teams, stores, and regions compete vigorously to outdo each other in quality, service, profitability -- and the results of those competitions translate directly into bonuses, recognition, and promotions. Internal competition gets so intense that often company leaders ask the stores to tone it down.

Whole Foods is like a social system. It's not a hierarchy. It doesn't have lots of rules handed down from headquarters in Austin. It instead has lots of self-examination going on. Peer pressure substitutes for bureaucracy. Peer pressure enlists loyalty in ways that bureaucracy doesn't.

Technology and health care

by Ranganath Iyengar

One of the greatest beneficiaries of technology usage has been the health care sector and we often take this for granted. It is interesting to walk through how in recent times people have realized great benefits from technology applied to simple tasks across the health care domain. This article discusses some of the more visible applications and future trends.

Technology in health care is generally grouped into solutions for payers (patients), providers (hospitals, labs, biomedical companies and research institutions), insurers (insurance providers) and compliance/governance. The internet usage prompted health care institutions to come online and communicate very effectively. The web is used to disseminate patient education especially since patient advocacy is lot more prominent. It has also brought transparency to how services are clearly listed for people to look at including cost information before they come in. The web is also a powerful medium to promote wellness and fitness programs including using online sales channels for off-the-shelf products for wellness. One of the most visible uses today is telemedicine which is used by large hospitals even across geographies. Sites such as www.telemedicine.com, astp.org and tie.telemed.org are useful.

Leveraging communications technology

Conventional and mobile telephony have also transformed the way patients can use training services to find out the right hospital or service and also for hospitals themselves to provide locator or referral services in cases of emergency. Technology therefore, allows hospitals, ambulances and allied services to share information and leverage mobile / RF technology for alerts during emergencies. These services are often provided by contact centers that extend the hospital's capability to help patients quickly and also provide nursing services, psychiatric help etc (e.g. www.cpnonline.org, www.bendigohealth.org.au). 3G wireless cellular systems also provide telemedicine with video capability that facilitates transfer of real time images from remote areas. Other technology leverage is RFID and fleet management solutions that are effectively used by hospitals or their service providers to track material and fleet movement.

Improving hospital work efficiency

A lot of conventional technology solutions from industry are now used by hospitals e.g. CRM for reducing wait time, queing and better patient management / personalization, healthcare specific ERP/HIS solutions. A good example is Emedsys which has converted its HIS platform into a service model which comes with trained IT professionals to run the software. The same company has also built an insurance settlement network that reduces significantly the time for insurance settlements between payers, hospitals and insurance providers. Other areas of productivity improvement include workflow automation and networked storage of patient records that can be accessed by PDAs using technologies such as UWB that are built for media rich campus networks. Patient records on smart cards also eliminate the need for extensive records and facilitate easy updating of the same.

Technology in health care is still a little expensive though and needs a lot of effort to make it more pervasive and user friendly.

Medical devices

This segment has traditionally had large players like GE, Siemens and Philips and with new generation software players pitching in, allows for online capture and storage of images for quick and easy retrieval and referencing. HL7 is an industry specific protocol that is used to connect medical devices onto standard data capture systems. With significant improvement in medical imaging and conventional multimedia, the physician is today empowered to take better decisions whatever be the super specialty area. Another innovation is online remote capture and review of ECGs and other patient data that is captured real time with compatible communication technology allowing for better remote diagnostics and care. Medical robotics and lasers are other interesting areas that is all set to transform routine surgeries.

Developed countries have leveraged this aspect very well using remote monitoring which makes it possible for long term care patients to be monitored remotely and dispatch emergency services when needed. Normal home telephone networks are extended to service this need and relevant medical devices are used to monitor and report vital statistics for the patient. Cisco is one of the key players in this space. Other companies such as Awaretechs have come out with innovative devices for elder care such as the motion pendant.

Health care is a topic too close to our daily lives and technology has really started making a difference. While the early movers were diagnostics equipment providers, it is the software, media and devices that are now the focus as well as extending the reach of technology into viable health care services. Technology in health care is still a little expensive though and needs a lot of effort to make it more pervasive and

Innovation is the key to the top

Rahul Nath has built FCm Travel Solutions into one of India's most innovative and profitable corporate travel companies. In a telecon with ManagementNext, he says that his passion for travel and grooming people to stand tall will take him places


Rahul Nath

MN: You have an American management degree. How are you able to apply Western principles to the Indian context?

When I started my company in 1987, I knew that Western culture couldn't be applied here. The Indian market is high-touch and personalized whereas the Western travel market is increasingly preferring online without the personal touch.

A Harvard or a Stanford university can only tell you how to run a successful company. No management school anywhere in the world will teach you how to start and sustain it. They do teach you how to get out of a crisis situation. In my case, I'd rather go to my father, who has been a successful senior executive with a multinational company, than referring to a management book.

MN: How did your father groom you?

My father told me that he can help me but he will not tell me how to come out of difficult situations. He wanted me to learn though experiences. But after growing my company to a certain size management knowledge is helping me a great deal.

I learnt that if I wanted to grow I needed to expand very fast. It helped me foresee how I can grow through networking. We have become an MNC now because of networking. In my view, management education comes into play after you have achieved something. But while starting a business, it doesn't help you. You have to learn from your mistakes.

MN: You have been an innovator in the travel industry. How did you manage it?

In a price-sensitive and poor service industry we pioneered the concept of travel desk in the customer's place. Others copied it. But even today, we are the largest offshore travel solutions provider in India.

We were the first to launch a travel website long ago. Most of the other websites are informative but they don't give tools that are useful for business travelers. We, 10 years ago, launched services like visa tracking, tour itinerary tracking, PNR change and built-in CRM packages. We did this to save ourselves, but it became a USP. These initiatives have made us the leader in the industry.

MN: Travel industry is evolving very fast. How do you keep yourself updated?

I believe that travel has never been a tough or a complex industry. It has been a passion for me. I set out establishing my company not simply as another travel outfit but as a corporate entity by investing in technology and training. My approach is - instead of asking my customers what they want, tell them what we can do for them. They like it. I keep myself updated constantly through fortnightly brainstorming sessions because the world is changing fast, and as a leader you need to constantly adapt.

MN: What critical challenges have you faced as an entrepreneur?

I started with Rs. 3 lakh. And for nearly two years we didn't have any business. I didn't use my father's influence either. Even after two years of struggle we were on the verge of closure. But our opportunity came from a power project customer who wanted travel solutions in Uri in Kashmir. At that time, no one wanted to go there because of terrorism. But I saw this as a big opportunity and despite a big risk I used to go twice a week there to service my customer.

The second big challenge was during the Enron crisis. Big money was stuck and if Enron had paid me even a week later, I would have been shut. I used to sit in their office for days and recovered 50 percent and the rest came in slowly.

In today's world one of the big challenges is getting and retaining good people. The industry attrition is 40 percent but ours is just over one percent. This is because we take care of our people very well. For example, most others train their people on reservations and fares but we train our people for improving their soft skills. This is because when they talk to a president of a company they should be confident and should be able to stand tall and on equal terms.

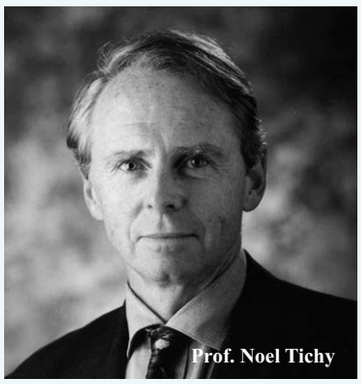
The travel industry is going through a big shake-up. Margins will soon come down to zero, so only those with highest quality of service will survive. Travel companies in the future will now have to depend on management fee or per transaction fee. As a way forward, we are launching travel solutions in retail outlets which will look like boutiques.

On a personal note, I'm 41 now. I started my business when I was around 21. I still get excited about the travel industry every day. Today, India is the fourth hottest destination. I curse myself that while I'm getting old the travel industry is booming. In the booming industry, a lot of people lose out just like in the stock market. So focus is the key.

Teach and lead

Leadership guru Noel Tichy emphasizes the difference a teaching culture can make to the performance of any organization

By Sangeeta Mansur


Prof. Noel Tichy

How can you develop leaders to make a good judgment?

- Have a personalized teachable point of view on leadership, growing the business and creating change
- Prepare to commit one half to one third of your time to leadership development program
- Be a coach who is learner, open to new ideas, feedback
- Create a learning program where people are put at risk on business projects that matter
- Blend the soft and the hard
- Energize others, create an emotionally engaging process that encourages people to take risks and to learn from mistakes

Performance, strategy, ability for motivation and vision are the oft-talked about ingredients that make a leader. But how often do we look at a leader as someone who consistently makes good judgments and teaches others to do the same?

'Judgment' is the essence of leadership and a true leader teaches his 'teachable point of view,' Noel Tichy, Professor of Organizational Behavior and HRM, University of Michigan Business School, said during a seminar organized by Urban Forum and CII in Bangalore recently.

The building blocks of judgment are ideas, values, emotional energy and edge.

Judgments are shaped by these building blocks and great leaders share their building blocks with others by creating and launching virtuous teaching cycles.

Winning leaders articulate values explicitly, motivate others for change and make tough decisions about people, strategy, products, customers and suppliers.

Above all they build and share a 'teachable point of view' and develop others to be leaders.

There are three types of stories that a leader needs to narrate – to communicate his teachable point of view. The 'Who am I?' 'Who are we?' and 'Where are we going? stories.

That kind of narrative is what puts flesh on the teachable point of view. Teaching with a PowerPoint presentation can be pretty boring. Martin Luther King's 'I Have a Dream' kind of a narrative with the picture of white and black children holding hands, is good example of a story-based teaching.

Jack Welch produced more number of leaders to run different businesses of GE than any other leader in the history of business. Jeff Immelt, his successor, believes in teaching his set of values-imagine, solve, build and lead-across the organization.

Developing leaders happens only with a clear commitment to time that is spent with your team. More than 30-40% of a leader's time should be spent on developing leaders in any organization.

Roger Enricho, the ex-Chairman of Pepsi, regularly took all his ten vice presidents and taught them all aspects of leadership himself. The VPs in turn adopted the same model and went on to teach their associates. Indra Nooyi, raised in the same tradition in Pepsi, is most likely to continue the tradition. Likewise, 3M's superstar CEO Jim McNerny spent a whole lot of time teaching and developing his people.

Commitment to teaching creates and builds virtuos cycles of learning across the teacher and the learner and thus the gains for the organization are maximized in terms of knowledge creation. As a culture, it flows down and then you start teaching your front line managers to teach too. You become a teaching, learning organization.

Some books by Noel Tichy

- The Cycle of Leadership: How Great Leaders Teach Their Companies to Win by Noel M. Tichy, Nancy Cardwell
- Control Your Destiny or Someone Else Will by Noel M. Tichy
- The Leadership Engine: How Winning Companies Build Leaders at Every Level by Noel M. Tichy, Eli Cohen
- Every Business Is a Growth Business: How Your Company Can Prosper Year After Year by Noel M. Tichy, Ram Charan
- The Transformational Leader: The Key to Global Competitiveness by Noel M. Tichy, Mary Anne Devanna

Event Invitation courtesy: Urban Forum and MPower

Consulting is not a market share game

When you meet Abhey Yograj, CMD of Gurgaon-based Tecnova India Pvt. Ltd, be prepared to change your impression of management consultants. He has done what management consultants are paid to do and built a successful practice by taking on the big boys. He shares his insights on reasons for Tecnova's achievements and future challenges with *ManagementNext*


Abhey Yograj

Management consulting is a very tough business. More than sixty percent of the start-ups don't survive. There is a huge credibility gap afflicting most consultancies in India.

We at Tecnova, which in 22 years has successfully implemented assignments for over 175 of the Fortune 1000 clients, are very different from the breed. We are not into transactional consulting like others. We stand by what we say and validate all our results. We are able to do this because most of our engagements with clients are long term. We are perhaps the only consultancy firm that puts up our list of all our clients in our conference room. Prospective clients are allowed to talk to any of them if they need references. We don't give cherry-picked names the way most others do.

Despite tremendous pressure to perform our consultancy is reality based. Very often I join the board of the company we consult especially if it's a start-up. This way I manage the expectations better. We are quick to admit our mistakes to our clients and put up positive and energetic corrective measures when things go wrong.

Hiring people

I don't go hunting to top rung colleges for people. In fact, we go to second and third rung colleges. We look at the attitude, not grades. We don't emphasize too much on academic qualification. I even try to change the profile of the people working for my client. For example, I recruited a philosophy and an Anthropology student for Management Consulting. They have turned out to be star performers.

I can say confidently that the two major reasons for our success is our performance which is 100 percent referencable. The second is hiring people irrespective of their academic background.

Future of management consulting

Management consulting is not a market share game. It is supply driven. Many CEOs don't even know that they want consulting expertise. Because of greater competition and globalization these days the need for expert advise will shoot up. Demand is not an issue at all. We are growing at 100 percent a year. The big challenge however is in recruiting good people and retaining them.

Our niche is in servicing MNCs who want to start operations in India. Unlike most others who are into everything, we are highly focused on our niche offering. And to our clients we offer an entire value chain of services which includes market research, strategy, validation and implementing. We are planning to move to the next level in the value chain diagnostics and repositioning business strategy of MNCs who are already here. We want to intervene at the right time.

We are perhaps the only consultancy firm that puts up our list of all our clients in our conference room.

Outsourcing is a big business today. By analyzing the business line of the clients in detail, we enable companies to identify the gamut of products that can be outsourced from India

After years of experience I have learnt how easy it is to know something if you simply go into the field and talk to people.

By Robin Sharma

ಜಜ್ಜಿ towards your fears

Don't run away from your fears. Run towards your fears. Hug your monsters. An extraordinary life will follow.

Courage, it's old-fashioned and it still matters. Courage is not about exposing yourself to physical danger--that's the easy stuff. Courage is about facing your fears. About speaking your truth. About doing what you know is right.

Here's the big idea: courage is like a muscle. The more you use it the stronger it gets. And like training your muscles it's best to start small. You don't have to speak your truth to the CEO tomorrow. That's foolhardy. But you can be more authentic with your teammates. You can say, "I'm sorry," to your partner and mean it. You can commit to speaking up in your volunteer organization instead of sitting back.

When you act from courage and do what scares you, your life immediately improves. When you take bigger risks, you get bigger rewards. Yes, sometimes you will fail spectacularly. When that happens I guarantee that you will find that you are stronger than you think. So today, find a way to scare yourself into a bigger life.

Some Quick Leadership Lessons from Dubai

The ruler of Dubai is a genuine visionary. Nothing's impossible in his imagination. He seems to play consistently with the poetry of possibility. All about making dreams come true by pushing the envelope.

Speed rules. People move fast here. They put themselves in opportunity's way at every chance. They take risks. And seem unafraid to fail (failure is the highway to success, isn't it? It's the price of greatness).

Robin's latest book is "The Greatness Guide" after the resounding success of The Monk Who Sold His Ferrari.

Robin continues to be one of the world's best selling authors on success/leadership with pirated copies of his books being sold on street corners across the globe. By one estimate, 500,000 copies of "The Monk Who Sold His Ferrari" alone have been sold illegally in India.

Preference reversal and the CEO

V. Raghunathan

You are the Chairman of the Board of an international mining major that works in an environment which is highly accident-prone.

Currently serious accidents in the operations result in some 600 loss of lives annually. Your Chief Operating Officer brings two budget plans, A and B, before the Board, to reduce the deaths arising from accidents by taking appropriate preventive measures. Plan A entails an investment of Rs. 120 million and it is expected to bring down the serious accidents involving loss of lives down from around 600 per annum to 570 per annum. Plan B entails an investment of Rs. 550 million and will expectedly bring down the loss of lives from around 600 per annum to 500 per annum. Which of the two plans do you think you and the Board will back?

When the problem is so presented, a majority of decision makers have been found to prefer Plan B over Plan A. The typical reaction in one's mind is: No cost is too much if you can save more human lives.

Is it possible that the decision of the Board is a function of how the problem was presented? Perhaps yes, thanks to the phenomenon of 'preference reversal'. How?

Let us now suppose that the COO had presented the proposals before the Board slightly differently. He first apprises the Board of Plan A that is, investment of Rs. 120 million to bring down the average accident rate down from 600 to 570. In his second proposal, he asks the Board, what is the maximum budget it is willing to approve if the management could bring the loss of life down from 600 to 500.

Experiments suggest that when the proposal is put forth as a poser indicated above, most Boards are likely to approve an amount much lower than Rs. 550 million for bringing the death rate down from 600 to 500. For example, a typical Board may approve a budget of, say, Rs. 400 million. If so, this should mean that if the management's Plan B is for an investment of Rs. 550 million, which is much higher than the approved amount of Rs. 400 million, Board de facto endorses Plan A over Plan B, as Plan B involves an expenditure much higher than the amount approved.

In other words, unwittingly, based on how the proposals were presented, the Board has experienced a total preference reversal. So whether one gets one's budget approved or not may well depend on how one articulates one's problem. That's the problem of *preference reversal*.

Such situations are often encountered in various other circumstances as well. For example, a plant may be considering two proposals for bringing down pollutants from 3000 particles per million to 2000 particles per million and from 3000 particles per million to 1000 particles per million, with different investment implications. Whether the board will approve one or the other plan may well depend on how the matter was posed.

Here's another example. The same phenomenon often crops up when placing orders for computers with different configurations. For example, an Intel Centrino laptop with Mobile Technology, 1.6 GHz, 533 MHz RAM, 2MB L2 Cache, 256MB, 60GB HDD, DVD+CDRW Combo Drive etc. may be priced at, say, Rs. 32,000.

Now a comparable laptop from the same stables, with 1066 MHz RAM, 4 MB Cache, 120 GB HDD with all other parameters being comparable, may be priced at, say Rs. 47,000.

Compared thus, it may be that we favour the more powerful machine because we want as much power as possible behind the screen. And yet, if were asked what is the maximum prize we are willing to pay for the second configuration, given that the first configuration is priced at Rs. 32,000, many of us may well (assuming of course that we have some idea of such matters) quote a price much lower than Rs. 47,000.

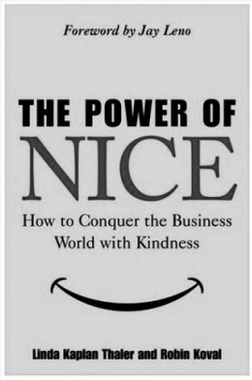
The fact is that we are not always aware of this pitfall. By understanding the issue of preference reversal, as a CEO, you are now better placed on how best to present your proposal before the Board, depending on what you wish to achieve! If you favour the proposal, you could pose it one way. If you wish to kill it, you could pose it the other way! Of course if you were the decision maker on the Board, you may well like to be aware of the pitfall for the opposite reason!

It pays to be aware of preference reversal.

By understanding the issue of preference reversal, as a CEO, you are now better placed on how best to present your proposal before the Board, depending on what you wish to achieve!

The Power of Nice: How to Conquer the Business World With Kindness

Linda Kaplan Thaler, Robin Koval, Currency publication, September, 2006.



Following up their bestselling look at creating compelling marketing strategies the authors turn most truisms about business inside out, arguing that good deeds are returned, not punished. Warning against a me vs. you mentality, they even suggest helping opponents as a good way to boost a career. Being genuine, they explain, produces much better results. They build their case for using little gestures to get you what you want. Well thought-out and crisply presented, it offers key principles, case studies and exercises to help make niceness habitual. Some exercises, like turning personal disappointment into positive energy, are even quite therapeutic.

Your Leadership Legacy: Why Looking Toward the Future Will Make You a Better Leader Today

Robert M. Galford, Regina Fazio Maruca , Harvard Business School Press,1st edition, September, 2006

These authors argue that thinking about your legacy now -and not at the edge of your retirement- makes you a better leader today. Based on stories of top leaders who have shaped successful careers, the book explores the art of "legacy thinking," helping you to formulate a legacy that will exert a positive effect on your work immediately. The authors provide a disciplined approach to framing your legacy, as well as shaping it over time. They start with the idea that your legacy is defined by how others approach work and life as a result of having worked with you. They then demonstrate how to assess your current impact on those around you, strengthen that impact and pass along the best of yourself in the process.

Marketing as Strategy: Understanding the CEO's Agenda for Driving Growth and Innovation

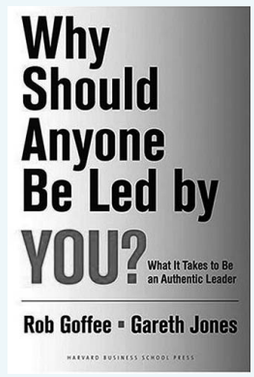
Nirmalya Kumar, Penguin Books India, April 2006

Provocative and timely, *Marketing as Strategy* goes inside the mind of the CEO to reveal what marketers must do to secure the future of their field and shape the destiny of their firms. Nirmalya Kumar argues that the only way for marketers to get back on the CEO's agenda is to tackle issues that merit the CEO's attention conducting market research and placing ads don't make the cut.

Based on more than fifteen years of researching, teaching, and consulting in the field of marketing, *Marketing as Strategy* outlines seven organization-wide transformation initiatives that will win marketing a prominent seat at the executive table. Through revealing company examples, Kumar shows how focus on the "three Vs"the valued customer, the value proposition, and the value networkcan help marketers lead the shift:

Why Should Anyone Be Led by You?: What It Takes To Be An Authentic Leader

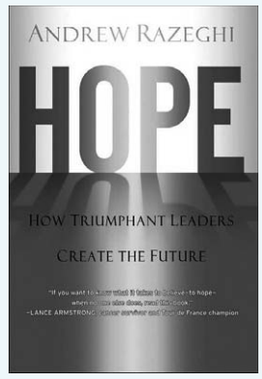
Robert Goffee, Gareth Jones, Harvard Business School Press, February, 2006



What does it take to be a real leader one who is confident in who one is and what he stands for, and who truly inspires people to achieve extraordinary results. In this lively and practical book, Goffee and Jones draw from extensive research to reveal how to hone and deploy one's unique leadership assets while managing the inherent tensions at the heart of successful leadership. The book may forever change how we view, develop and practice the art of leadership, wherever we live and work.

Hope: How Triumphant Leaders Create the Future

Andrew J. Razeghi, Jossey-Bass Publication,May 2006



Whether businesses face uncertainty or meet the challenge of the constant pressure to innovate, leaders must dig deep to keep their focus and stay effective. In this landmark new book, Andrew Razeghi isolates the critical factor that is a core element of successful leadership and business strategy in any climate. Using research from neuroscience and behavioral psychology along with real world stories of CEOs, business start-ups, political leaders, groundbreaking scientists and others, Razeghi shows that hope is a proven tool for competitive advantage. He reveals a solid

strategy that develops leadership skills and applies them to individuals, teams, and organizations. Full of inspiring stories from business, politics, science, sports, art, religion, exploration, and philanthropy, the book also includes a wealth of thoughtful questions to ponder and exercises that help readers turn "hope" into an actionable and tangible tool.

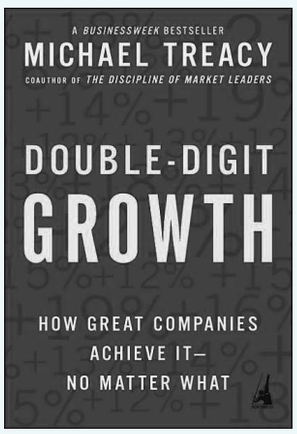
If Harry Potter Ran General Electric:Leadership Wisdom from the World of the Wizards

Tom Morris, Business & Economics , Currency publication, May 2006

The author of '*If Aristotle Ran General Motors*' uncovers the values and timeless truths that underlie Rowling's hugely popular books and illuminates the lessons they offer to all of us in our careers and daily lives. Morris shows that the most difficult problems Harry and his friends face are rarely solved by the use of magic alone. Rather, they are conquered by intelligence, reasoning, determination, creativity, friendship, and a host of other classic virtuesthe very qualities, in fact, that make for success in every aspect of our lives.

Blending an array of provocative examples from the novels with thought-provoking commentary on contemporary management practices, the work offers readers a master's course on leadership and ethics, told in an engaging and insightful way.

Double-Digit Growth: How Great Companies Achieve It, No Matter What



Michael Treacy, Penguin Books India, November 2005

Michael Treacy warns us that many corporations have simply lost the discipline to grow. In *Double-Digit Growth,* he proves that steady double-digit growth is not a dream, but a plausible scenario. Treacy has studied the companies that grow year in, year out and he knows what works. He draws on case studies from the likes of Dell, Paychex, and First Data to reveal the formulagrowth initiatives built on five separate, clear and achievable strategiesto grow by 10 percent or more, year after year, in good times and bad, without cheating.

Small Is the New Big -And Other (Little) Ideas That Change Everything

Seth Godin, Penguin USA, August 2006

This is some more provocative business thinking from the author of ' Purple Cow' and 'All Marketers Are Liars'.

Now, for the first time, Godin has collected the most provocative short pieces from his pioneering blog ranked #70 by Feedster (out of millions published) in worldwide readership. This book also includes his most popular columns from Fast Company magazine and several of the short e-books he has written in the last few years.

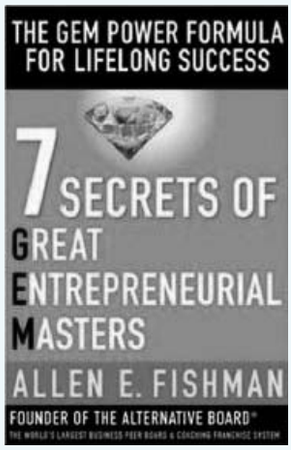
Small is the New Big is a huge bowl of inspiration that you can gobble in one sitting or dip into at any time. As Godin writes in his introduction:"I guarantee that you'll find some ideas that don't work for you. But I'm certain that you're smart enough to see the stuff you've always wanted to do, buried deep inside one of these riffs. And I'm betting that once inspired, you'll actually make something happen."

Alignment: Using the Balanced Scorecard to Create Corporate Synergies

Robert S. Kaplan, David P. Norton, April 2006

In this book, the authors apply their revolutionary Balanced Scorecard management system to corporate-level strategy, revealing how highly successful enterprises achieve powerful synergies by explicitly defining corporate headquarters' role in setting, coordinating and overseeing organizational strategy. Based on extensive field research in organizations worldwide, the book shows how companies can build an enterprise-level Strategy Map and Balanced Scorecard that clearly articulate the "enterprise value proposition". The book provides case studies, actionable frameworks and sample scorecards that show how to align business and support units, boards of directors and external partners with the corporate strategy and create a governance process that will ensure that alignment is sustained.

Seven Secrets of Great Entrepreneurial Masters -The GEM Power Formula For Lifelong Success



Allen E. Fishman, McGraw-Hill, July 2006

Allen E. Fishman interviewed top entrepreneurs, identifying their common traits and practices to create the GEM Power formula. As a speaker, he has taught the formula to thousands of businesspeople. Now, in Seven Secrets of Great Entrepreneurial Masters, he shares these secrets with the readers. Filled with thought-provoking written exercises, savvy advice, and inspiring anecdotes, the book takes readers on a journey of guided introspection to help them balance work and life for maximum success and happiness.

Corporate social responsibility as a signaling device for foreign direct investment

Ashima Goyal, International Journal of the Economics of Business, Volume 13, Number 1, February 2006, Pages 145 - 163

A rise in CSR (corporate social responsibility) has accompanied rise in foreign direct investment (FDI) to developing countries in the 1990s. CSR may be serving a signaling function when the entering firm is of an unknown type. Although countries are now competing keenly to attract foreign firms, even so, excessive tax or excess transfers by firms can still cause a Prisoner's Dilemma structure to the payoffs resulting in an inefficient Nash equilibrium. CSR allows the accommodating firm to reveal its type, making cooperation the equilibrium outcome.

The game differs from standard models since signaling changes the payoffs. A unique separating equilibrium exists where only the accommodating firms signal. But, under certain parameter values, a pooling equilibrium where all firms signal, becomes possible. A number of results are derived including the size of CSR expenditure required as a fraction of profits. An example demonstrates their relevance in practical situations.

Psychological empowerment and organizational citizenship behavior in IT managers: A talent retention tool

Jyotsna Bhatnagar, Indian Journal of Industrial Relations, Vol. 40, No. 4, April 2005

The study is an attempt to find whether there is a significant level of Organizational Citizenship Behaviors (OCB) shown whilst an adequate level of Psychological Empowerment is provided. 111 managers of the IT sector organizations form the sample of the study. Results indicate that managers who perceive psychological empowerment in their occupational environment exhibit organizational citizenship behavior. Further Organizational Citizenship behavior is predicted by psychological empowerment using regression analysis.

The research extends the theoretical framework and draws implications for IT managers exhibiting psychological empowerment and organizational citizenship behavior having intention to stay. Individual variables of Age, gender and educational qualification throw interesting results. Implications for retention strategies and HR practices are drawn in the discussion.

The Future of Corporate Social Responsibility

Fred Robins, Asian Business & Management, Vol. 4, 2005, Pages 95115.

This paper offers a contemporary look at that part of corporate community involvement, which in recent years has become known as 'corporate social responsibility'.After some observations about terminology and philosophical attitudes, the paper notes the growing pressure on business to undertake discretionary social and environmental expenditures and to account publicly for such activities through institutionalized annual reporting.

Some recent international initiatives to foster and popularize corporate social responsibility are summarized and their features briefly assessed, as is one attempt to measure corporate social responsibility. The paper seeks to illuminate the 'hidden' issues in this increasingly popular contemporary movement. The most important of these are to identify who ultimately pays for such expenditures and who ultimately makes decisions about them.The paper concludes with a number of judgments about the nature and legitimacy of this contemporary development and also about its future.

Comparative analysis of supply chain management practices of a few select firms in India

Samir K Srivastava, Proceedings of the 17th POM Conference, Boston, Massachusetts, April 28 - May 1, 2006,

This paper presents a comparative analysis of Supply Chain Management (SCM) practices of twenty-five select firms in India. The exploratory study covers a wide spectrum of firms. These comprise retail chains, logistic service providers, Fast Moving Consumer Goods (FMCG) companies, a hotel, a power generation unit, electrical and electronic goods manufacturers, automobile companies and their ancillaries.

Field visits to at least one major facility of these firms were carried out during the year 2005. On-site observations and informal discussions and interviews with middle and top managers are the primary sources of data. These were substantiated with data and information from secondary sources. The paper specifically focus on supply chain structures facilities network design transportation and logistics collaborations and partnerships and the role of Information and Communications Technologies (ICT). Comparative analysis of SCM practices of these firms indicates various similarities, differences, emergent trends as well as areas of concern. Finally, directions for future research are suggested.

Exploring the social ledger: Negative relationships and negative asymmetry in social networks in organizations

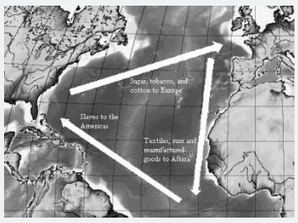
Giuseppe Labianca, Daniel J. Brass, The Academy of Management Review, Vol. 31, No. 3, 2006, Pages 596 - 614

This paper explores the role of negative relationships in the

context of social networks in work organizations. Whereas network researchers have emphasized the benefits and opportunities derived from positive interpersonal relationships, this research examines the social liabilities that can result from negative relationships in order to flesh out the entire "social ledger." Deriving the argument from theory and research on negative asymmetry, this paper proposes that these negative relationships may have greater power than positive relationships to explain work place outcomes.

How do the Asian economies compete with Japan in the US market? Is China exceptional? A triangular trade approach

Yushi Yoshida, Hiro Ito, Asia Pacific Business Review, Vol. 12, No. 3, July 2006, Pages 285 - 307



We apply a trilateral trade approach to examine how Japanese exports and investment to China or seven other Asian economies affect Chinese or the seven Asian economies exports to the US market. The results suggest that while Chinese and Japanese exports are directly competitive in US markets, Chinese exports to the US are supported partly by Japanese exports to China. The positive correlation between Japanese exports to China and Chinese exports to the US is explained by vertical trade between Japanese multinationals and their affiliates in China. Indonesian and Philippine exports are also competing with Japanese exports in US markets, though the extent of the competition is much higher for China than for these countries

Globalization and employment relations in the Korean auto industry: The case of the Hyundai Motor Company in Korea, Canada and India

Russell D. Lansbury, Seung-Ho Kwon, Chung-Sok Suh, Asia Pacific Business Review, Vol. 12, No. 2, 2006, Pages131 - 147

Examination is made of the complex interactions between globalization and employment relations as reflected in the operations of the Hyundai Motor Company (HMC) in Korea, Canada and India. After the closure of its short-lived attempt to manufacture cars for the North American market from Canada, the HMC 'relaunched' its globalization strategy in India in 1998. An examination of Hyundai's experience in both countries suggests that employment relations is likely to continue to be an evolving blend of company-specific policies and locally-based practices.

Constructive partnerships: When alliances between private firms and public actors can enable creative strategies

Subramanian Rangan, Ramina Samii, Luk n. Van Wassenhove, The Academy of Management Review, Vol. 31, No. 3, 2006, Pages 738 - 751

Drawing on transaction cost economics and externalities theory, this paper argues that private-public partnerships will be necessary when economic opportunity realization (1) calls for industry-specific competencies but entails significant positive externalities (i.e., implies specialized private actions with significant public benefits), (2) is shrouded by high uncertainty for the private actors, and (3) necessitates for private actors high governance costs for contracting, coordinating, and enforcing. Thus, specialized resources, positive externalities, uncertainty, and governance costs are all jointly implicated in the theory suggested in this paper.

The decline of emerging economy Joint Ventures: The case of India

Prashant Kale and Jaideep Anand, California Management Review, Vol. 48, No. 3, 2006

Emerging economies such as India have become an increasingly important part of the global business landscape. Until recently, multinational corporations (MNCs) relied on joint ventures (JVs) with local companies to exploit these business opportunities. Lately, however, there has been a marked reduction in the formation of new JVs between MNCs and local companies. Moreover, many earlier JVs also are increasingly being terminated, often with great acrimony. This article highlights how "regulatory liberalization" of the business environment in India has played a big role, directly and indirectly, in driving this change. It also demonstrates how three other factors, namely "resource complementarity (or lack thereof) between partners," the "race to learn" between partners, and "returns to globalization to MNC partners" are affecting the formation of JVs in an increasingly liberalized environment.

Ethics in organizations: The case of Tata Steel

Sunil Kumar Maheshwari, M P Ganesh, Vikalpa: The Journal for Decision Makers, Vol. 31, No. 2, 2006

The concern for ethical decision-making among the regulators, social groups and managers has substantially increased since the failure of some of the prominent business organizations owing to strong social condemnation of some of their business practices. This paper reviews the literature to address this concern by examining and discussing significant issues of ethical decision-making in organizations. Literature shows that the research to examine the linkage of ethical decision-making

Compiled by: Rohtas Kumar, IIMB

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Animal planet at Autodesk

The HR department at Autodesk allowed a female employee to bring her dog to work and when a male employee put in a similar request, it had to give in for reasons of fairness. Today, Autodesk has about 50 dogs, several cats and other pets including a python. Can you imagine a better diversity at the workplace?

How Dr. Reddy's stamps out bad mood

Dr. Reddy's shop floor fixed a 'mood board' consisting of red, yellow and green color stamps where each worker indicated his daily mood by choosing his color. Every body, including the floor manager, knew the mood of each worker and it helped manage the 'red mooded' ones better. What's more, the ones who frequently were in a foul mood slowly changed to yellow and then to green stamps for fear of being labeled 'problem child' and this helped the overall well being of the work teams a lot!

Ready to die in the tracks

The Indian Railways seems to be in the news these days. First, it managed to move out of the red, thanks to Lalu. The Lalu charm has rubbed off on others as well. The chief of Western Railways showed a NatGeo team, which was filming after the Mumbai train blast recently, what 'ready to die for your reputation' meant. The chief stood still on a track as a train approached and braked within a distance of a few meters! This was to demonstrate the excellent condition of the brake system of the Indian Railways. Super courage, indeed!

Look inside

Barking Irons, an apparel brand belonging to Dan Casserella, does have a logo, but it appears inside the T-shirts. The fact that it is found where only the consumer sees it helps to make a deep connect. The T-shirts retail for $60 or more at Barneys or A-list boutiques, and it is seen as part of a 'revolution against branding'.

Recruit Lefthanders

It's well known that lefthanders have been doing better in sports and could well be doing better than rightthanders in business and workplaces as well. Ratan Tata, Rahul Bajaj, Sulaja Firodia Motwani are a few well-known examples.

Since lefthanders are known to have better risk-taking abilities they should be preferred in jobs such as trading, recruiting, financial services, among others. HR heads may well include a section on 'hand preference' in the CV but they will have to work harder to retain them.

Math to help fight war on terrorism

Throughout the 20th century, mathematicians used equations to combat many national security threats breaking German codes and hastening the end of World War II. During the Cold War, game theory helped formulate military strategies. The Sept. 11, 2001, terrorist attacks gave birth to a "war on terrorism," and mathematicians are once more employing their knowledge to fight this new kind of war.

At Stanford's Graduate School of Business, professors Lawrence Wein, Hau Lee and Seungjin Whang have developed mathematical models designed to improve security at U.S. ports. Professor Glenn Carroll, along with alumnus J. Richard Harrison, has used modeling to interpret how terrorist cells retain their organizational coherency. Their models show, nearly five years after 9/11, US ports still lack adequate security. On the other hand, modeling has led to some security improvements such as better fingerprint checking at U.S. borders.

"So just as McDonald's needs to get hamburgers out in a rapid and defect-free manner, so too does the government have to get vaccines and antibiotics out and test the borders for nuclear weapons or terrorists in a rapid and defect-free manner," Wein said. How far is India in this field? Knowing India's natural mathematical abilities, only its babus could be the obstacle.

Drink and get paid more

Drinkers earn 10 to 14 percent more money at their jobs than nondrinkers and men who drink socially, visiting a bar at least once a month, bring home an additional 7 percent in pay, according to a new Reason Foundation report by economists Bethany Peters, and Edward Stringham,

"Social drinking builds social capital," said Stringham, an economics professor at San Jose State University. "Social drinkers are networking, building relationships, and adding contacts to their Blackberries which result in bigger paychecks."

The study published in *Journal of Labor Research*, finds that men who drink earn 10 percent more than abstainers, and women drinkers earn 14 percent more than nondrinkers.

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Fee includes residential facility with boarding and lodging at IIMB for the programme days.

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