

Murthy's sutras for entrepreneurs



If you think you are not in business for money, then you should not be in business. If you think you are in it for fun, forget it, don't be an entrepreneur.

I think the first requirement for a successful entrepreneur is to come up with an idea whose value can be explained in a simple sentence. Not a complex sentence, not a compound sentence. This is extremely important. You should **explain the power of your idea in one sentence**. It can be anything- enhancing customer comfort, productivity, reduce cost, enhance customer base, etc.

Second, you must very quickly know whether the market is ready for your idea. You should not waste too much time if you come to the conclusion that the market is not ready for your idea. Having said this, not many people can create discontinuity in the marketplace. Most bring incremental value to the market. **Use ideas that add**

value. The third is to have a team which is both mutually exclusive and collectively inclusive. The fourth is to practice enduring value systems. In so far as the personal attribute of an entrepreneur in India is concerned, it is courage. Courage to dream big. Courage to go against conventional wisdom. Courage to make sacrifices in the short term.

There are impediments to doing business in India. It takes 89 days to start a business in India, which is shameful. I firmly believe that transparency brings accountability. If it takes 89 days it is because we have disjointed responsibility. This is a smaller problem. The bigger problem is, there is no accountability in the bureaucracy.

If there is one technology every government should have, it is a workflow software. And it should be made it available on the Web so that it can show you who is taking how long in a particular job. Through this you can remove all delays.

Every Indian has to fight for greater transparency. The RTI act is the single most important initiative for bringing about transparency in India. And every Indian should do whatever he can to resist recent moves to dilute it. We must congratulate the government for bringing the Act, but it is our responsibility to protect it.

Excerpts from Narayana Murthy's speech at IIMB recently. Mr. Murthy was Ernst & Young's 2003 World Entrepreneur Of The Year (WEOY) Judges of the award praised Narayana Murthy's "intellectually, philosophically, ethically and spiritually-driven entrepreneurship".

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Fire up your marketing

By Sangeeta Mansur



What's marketing got to do with fire, you may ask. Lots, according to Greg Stielstra, the proponent of PyroMarketing that asks you to think of marketing in terms of the process of making fire, maintaining and spreading it.

PyroMarketing, like viral marketing, is based on customer connectivity, but is a new way to think about marketing that is built on a direct marketing framework with the added element of evangelism. **PyroMarketing focuses on reaching a small number of "right" people (i.e., those most likely to buy), getting them to be passionate about your brand and leveraging their commitment and influence to reach others.**

As mass marketing declines, thanks to the much-fragmented world of markets and media, new approaches to marketing, like viral marketing, pyromarketing and buzz marketing are gaining increased attention. They are based on the philosophy of harnessing the connectivity between clients, customers and consumers, making them an integral part of your marketing and offering scalable solutions thereby for driving business.

The well known story of Hotmail growing its subscriber base from zero to 12 million users in just 18 months, with as little as an advertising budget of \$50,000 and becoming the largest email provider in several countries, is a story of viral marketing that started right from 1997. **Viral marketing is about creating and exploiting exponential growth in your market base through embedding promotional pitches in outbound email messages**

In *PyroMarketing: The Four-Step Strategy to Ignite Customer Evangelists and Keep Them for Life* (New York: Harper Business), Greg Stielstra offers four simple steps:

- **“Gather the driest tinder”**: Find the small subset of right customers, e.g. those who are most likely to buy, like opinion leaders, who are likely to notice, remember, act upon, and repeat your marketing message.
- **“Touch it with a match”**: Give them an experience with the product, ideally in a natural setting and in a way that will exceed expectations.
- **“Fan the flames”**: Encourage word of mouth using elements such as interactive tools and prepaid mailers and/or by building a sense of community.
- **“Save the coals”**: Maintain long-term relationships by maintaining customers' trust, product quality and integrity.

Buzz marketing is similar to PyroMarketing in that it is based on the philosophy of including customers actively in the

process of marketing effort but it approaches this with an opposite angle. **Not believing totally in targeting, it recommends reaching out to as many people as possible and getting them to talk about our brand through offering a clutter-breaking idea/differentiator.** This is not about the small and the significant but is about the big and the broad. Hughes's mantra is “out think, don't outspend”. Using attention-generating public relations and promotional tactics synergistically to complement, enhance or replace high-dollar advertising is the key here.

In *'Buzzmarketing : Get People to Talk About Your Stuff'*, Mark Hughes suggests six steps :

- Push people's buttons by giving them something interesting to talk about that can cut through the clutter. Use the taboo, the unusual, the outrageous, the hilarious, the remarkable, and the secret.
- Use the media to help spread the word. Build a brand's story around a topic that the media likes to write about.
- Use advertising, but use it to get attention. Choosing/create a space that is underserved
- Think big
- Be creative
- Ensure that a quality product backs up the buzz.

Both the approaches present the mystery of word-of-mouth marketing by reducing it to a systematic approach anyone can follow. They remind us that word-of-mouth is not something that happens in the absence of marketing and is not a happy accident. You need to take conscious steps to create, build and spread it. Whether you choose to focus on a small set of right consumers and leverage them or choose to leverage a differentiator to reach as large a base as possible is your pick in this era of customer-to-customer marketing.

These approaches which are cutting-edge now seem to have a revolutionary potential for the future and present a window of opportunity for anyone who wishes to look beyond traditional marketing that has largely confined itself to mass marketing.

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From the Guest Editor's notebook

The poor are your partners



Anant G. Nadkarni.

Let me share with you what I recently heard from a very successful business head of a multi-billion dollar transnational company in South East Asia telling a group of over two hundred senior managers: "...great leaders are first of all great human beings ... They see greatness everywhere and know that greatness has many faces... they strive to build high quality relationships all around them and so it helps to create great organizations. Great organizations ultimately deliver great performance!"

From an entirely new perspective on corporate social responsibility - CSR, he continued, "...leadership is a choice to serve people, the consequence of which is the commitment to a life long 'Learning Journey' of personal change and self-mastery! The more you change, the more you transform the world you deal with, and in that circle of influence, the more people will come to invest their money, time and trust in you. The virtuous cycle then goes on!"

CSR is moving away from traditional forms of charity, philanthropy and giving and it is now manifest in the core values, practices and habits of people at work. The human being and the business being are becoming one.

For over a century there are companies in India whose wealth is maintained by public trusts that

own the businesses in order to serve people. Their governance processes further ensure that business decisions are taken by consensus, adhering to the highest standards of ethics and conduct.

In the recent years, most of these companies are striving to perfect a 'business model' around this legacy, systematically creating and linking strategies with serving customers and stakeholders, developing systems, positioning people and deploying processes to ensure that they ultimately generate sustainable value.

There are examples of how companies developed ways to change themselves into what might seem like an answer to the problems of nearly five billion poor people of our world who do not even have 'sustainable livelihoods', leave alone 'incomes' and 'purchasing power'! So, CSR is seen more as the capacity organizations and leaders need to first build so that the poor - more as 'partners' rather than as 'consumers', take the first steps of the socio-economic ladder and co-create a better world in our lifetime! This issue presents some encouraging initiatives in the light of how business leaders are bringing back a higher purpose and more meaning for their employees and organizations to deliver great performance.

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Why soft leaders win

By relentlessly focusing on tasks and goals, an executive or company can damage performance.

Overachievers tend to command and coerce, stifling subordinates.



A recent study of senior managers at IBM found that the leaders created high-performing and energizing climates got more lasting results by providing vision, seeking a buy-in and commitment, and coaching rather than by hard methods. By relentlessly focusing on tasks and goals, an executive or company can damage performance. Overachievers tend to command and coerce, stifling subordinates.

Scott W. Spreier, Mary H. Fontaine and Ruth L. Malloy, in *Harvard Business Review* (June 2006) observes that because leadership is inextricably intertwined with power and leaders have to make crucial choices about the types of power that they use, one needs to recognize soft power as a key element of leadership. Soft power is defined this as "the ability to get what you want through

attraction rather than through coercion." Given the evolution of management thought and practice the significance of soft power needs a reemphasis.

Power as a driver of behavior comes in two forms: personalized form, in which the leader draws strength from controlling people, and socialized form, where the leader derives strength from empowering people. Studies show that great charismatic leaders are highly motivated by socialized power.

As 'work' is evolving toward more knowledge-based, more complex and collaborative problem solving, managers and CEOs increasingly face situations where employees are responding poorly to hard forms of power, but respond positively when motivated by promotion of shared values and non-hierarchical organizational

structures and cultures which are built on soft forms of power.

An article in the issue of *The McKinsey Quarterly* 2006 emphasises the significance of soft power especially among CEOs. For CEOs, speaking about controversial socio-political issues, fostering of relationships with stakeholders, nurturing of a company's reputation, talking about sustainability etc. seem to be in direct contrast with the much familiar and hence comfortable, 'hard' forms of power like negotiating, targeting and analysing. But a failure to engage in soft forms of wielding power may involve a bigger risks in the long term.

Soft power is one of those things that is not taught in business schools but is a necessary tool that's increasing in its relevance.

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Indians are becoming hybrid managers

By Benedict Paramanand

It's true that the Indian business scenario has been changing rapidly since the last ten years but the attitude, orientation and practice of management has been slow to adapt. Indian managers have found it difficult to change policies both at the enterprise and the employee level to match an increasingly global and international environment.

Despite the impact of globalization, Indian companies have not completely discarded Indian managerial ethos. India seems to be moving towards a unique 'hybrid' form of management that seeks to remain grounded in selected 'traditional' patterns of behavior, while embracing many of the globally accepted management practices.

Herbert J. Davis, S. R. Chatterjee, Mark (EDT) Heuer, (Sage Publications Inc, April 2006.) in their book *Management in India, Trends and Transition* discuss the emerging changes in the Indian management culture both at the macro and micro levels and their impact on domestic and multinational businesses based in India. They also discuss key issues such as leadership styles and leadership issues that face Indian corporations; ethics and values and their impact on leadership and management culture; the issues confronting global corporations working in India; tackling human resources issues in the Indian context; and the emergence of the new global Indian manager.

One problem faced in professionalising Indian management is that many Indians derive their identity based on family and caste membership. Additionally, age and seniority are given great respect in India. A typical Indian is also very loyal to his or her own group or team, and places the interest of the group before his or her own interests. On the face of it, one would expect to see this collectivism to be carried over to the work place in the form of hard work, commitment, dedication and loyalty to the

company. But a closer examination reveals that Indians are not that committed to their organizations as say the Japanese. Indeed, most Indians put their individual interests ahead of those of their organizations.

Another insight from the book is that Indian CEOs receive greater idealization from senior managers than their counterparts in the West. Consequently Indian leaders are insulated from critical feedback from their senior managers. Moreover, in contrast to Western managers who are expected to react consistently, logically and objectively in different situations, place, time and person influence Indian managers.

Some behavior that is judged appropriate for a given place, time and person(s) may not be appropriate for other times, places and person. But here again, thanks to globalization, things are changing, especially in industries like the IT.

A number of Indian management pundits suggest that due to an individualistic cultural dimension in the US, the US concept of management is somewhat bureaucratic, inflexible, and oriented towards the individual. Geert Hofstede, while working at IBM as a psychologist conducted perhaps the most comprehensive study of how values in the workplace are influenced by culture. He argued that, in taking a global perspective, US management theories contain a number of idiosyncrasies that are not necessarily shared by management elsewhere. These include a stress on market processes and the individual as well as a concern for managers rather than workers.

The core of the enterprise is the managerial class in the United States, whereas the core of the Indian enterprise is made up of permanent workers who aspire to life-long employment. As a result, motivation and leadership is not the same in India as it is in the United States.

Most Indians put their individual interests ahead of those of their organizations



Indra Nooyi
CEO, Pepsico

A true global Indian

India seems to be moving towards a unique form of management grounded in 'traditional' patterns of behavior, while embracing globally accepted practices

Want to measure advertising waste



Ad guru John Philip Jones shares his insights on advertising effects

Only 41% of the \$ 500 billion spent on advertising globally produces sales and rest is wasted!' says John Philip Jones, the renowned advertising guru. Basing this statement on robust research, he takes the marketers from the world where they did not know 'which half of advertising was wasted' to a world where advertising effectiveness is measured across different time periods and where the return on advertisement is measured in dollars.

What's more, Jones offers his methods of measurements of effectiveness and waste. A staunch advocate of measurement research, he has developed certain measurement devices such as STAS (Short-Term Advertising Strength) and AIC (Advertising-Intensiveness Curve).

The STAS tool measures the share of a brand in total purchase at different levels- with no advertising and with advertising- and measures the effect attributable to advertising at different time periods. He then looks at the range of these STAS effects indexed to 100 in short term and medium terms and observes that **the short term shows stronger effects while the medium term effects are less strong.**

During his visit to India last month, John Philip Jones said that the first advertising exposure has much more effect than what is added by subsequent exposures. Extra weight generates very few additional sales due to diminishing returns. Hence **"Any advertising that does not deliver sales in the first 7 days is completely ineffectual,"** Philip Jones said. According to him, the immediate (7 days) 'gatekeeper' impact of short-term advertising strength

(STAS) can be influenced by a good creative ad, while the medium-term (one year) impact can be created by a combination of creative, ad-spend budget and media choice through effective planning. The long term is all about brand building which is to be driven by accumulated added value at the cognitive level.

Do not concentrate only on short term but deploy your resources more continuously: Decline or milking a brand in its product lifecycle is a self-fulfilling prophecy. A brand can be rejuvenated at regular intervals and kept alive with innovation and investments. Forget lifecycles and cash cows, for a soap has been reformulated 80 times and is thriving! Brands like Lux, Tide, Listerine, and Budweiser are some examples which have successfully done renovations and have grown big. Big and old brands have more loyalty, are used more than other brands and enjoy premium pricing and high brand valuations.

Spread your net wide: Why focus on a shoal of fish while there are more fish outside a shoal than inside? Do not target tightly for it can exclude huge segments. Reach can be especially important in markets like India where increasing penetration can expand your markets.

Do not focus only on the TV but also on secondary media like the magazines, radio and internet to get an effective mix. John Philip Jones' concept of Pay Back Value of advertising is a measure of return per dollar invested. It is the dollar value of sales generated by advertising alone. **Philip Jones, in fact, demonstrates with his research data, that print**

advertising generates a higher Pay Back value than does TV. The Pay Back Value, as per his research, for media advertising overall is at 54 cents for FMCG sector and 87 cents for Non FMCG sector. Splitting the value between TV and print, the Pay Back Value for TV advertising is 49 cents (FMCG) and 81 cents (Non FMCG) while the value is greater at 68 cents (FMCG) and 99 cents (Non FMCG) for print advertising.

- Only 41 % of ad spend produces sales
- An ad that does not produce sales in the first 7 days is ineffectual
- Returns on print advertising higher than TV advertising
- Under invest as you grow
- Decline in the product lifecycle is a self fulfilling prophecy
- Do not target markets tightly

Understand the concept of advertising intensiveness curve: This is a plotting of share of market (SOM) on the X-axis and share of voice (SOV) in category minus share of market (SOM) on the Y. The curve declines as share of market increases, implying, you can under invest in share of voice as you grow your market share. But by how much can you under invest? "A 2% gap is safe, 4% gap is marginal but 5% and more can be dangerous', cautions John.

Isn't it time marketers gave importance to measurement research on ad effectiveness and waste to optimize their investments and media choices?

Innovation according to Vijay Mallya



I was still 27 years old when I was voted the chairman of United Breweries by the shareholders. I lived as a 27 year old with modern passions of a 27-year old. My mission was to create brand Kingfisher as a generic brand for lifestyle. There happened to be some sort of compatibility between the way I lived my life and the brand image that I was thinking to create. One of the key ingredients of innovation is to simply be yourself.

When I inherited United Breweries in 1983, I had 21 operating divisions. I cleaned it all up and restructured UB into six key operating divisions and I did it without any sense of embarrassment. We are all sometimes stymied, curbed and limited by ourselves.

Given the Kingfisher brand, the consumer expectation (from an airline called Kingfisher Airlines) was very clear they expected a lifestyle, a quality, a statement. So the airline was positioned to address exactly these needs.

Kingfisher's innovation was the decision to go with all brand new aircraft. Apart from the maintenance advantages they have reliability advantages, guest experience advantages and better on-time performance advantages.

The second thing we did was, we put in this plane something that is not easily replicated. We were the first to launch an in-flight entertainment system in every single seat that was our product differentiation.

We have built a culture that is uniquely Kingfisher where the mission statement reads **“We are not in the transportation business, we are in the aviation hospitality business.”** That is why we refer to our passengers as guests. The winning combination is of innovative thinking in the hardware (aircraft) and software (culture).

Encouraged by the overwhelming response we are bold to say 'Alright, it's time now to go up the value chain while everybody else is talking about low cost airlines and going down the value chain.' We launched Kingfisher First the absolutely finest flying experience in the sky.

All these are driven not just by passion, but by an innovative spirit to do things differently; to do things outside-the-box and that is what keeps us ahead of the game. This way we are constantly innovating, constantly staying ahead of the competition. We come up with features and pamper the Indian consumer that others find it extremely difficult to match. That ladies and gentlemen is my definition of innovation.

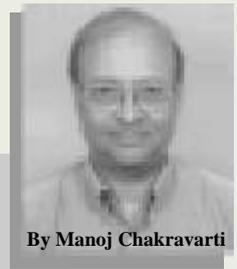
- ◆ **One of the key ingredients of innovation is to simply be yourself**
- ◆ **We are all sometimes stymied, curbed and limited by ourselves**
- ◆ **We are not in the transportation business, we are in the aviation hospitality business**
- ◆ **We want go up the value chain while everybody else is talking about low cost airlines**

Excerpts from Dr. Vijay Mallya's address at India Innovation Summit, June 2006 in Bangalore



'Business of corporations is mankind'

More and more companies are experiencing a positive correlation between a healthy bottom-line and an 'active' CSR strategy



By Manoj Chakravarti

This is neither 'revelation' nor rocket science as any enterprise has multiple stakeholders and the delicate task of balancing their expectations is the science of management. One cannot have an island of excellence (read an efficient enterprise) in a sea of troubled waters. It is only a matter of time that the efficiency of the enterprise will be adversely impacted by the unhappy or deprived community.

The recognition that the community is an important stakeholder in business has led to an articulation of form and structure in CSR strategy. **While doing good for philanthropic and charitable causes is commendable, CSR goes a step further and attempts to integrate CSR strategy into the business planning process.** It clearly has a vision of 'sustainability', thereby identifying itself as a critical component of strategy, ensuring long-term progress.

Investments by Nestle and Starbucks in the coffee producer community has resulted in not only improving the quality of life of those people but has also enhanced efficiencies in their supply chain. Some of the examples closer home are the MeadowsWomen Empowerment project of Titan, where underprivileged women have been trained to become vendors / service providers and the Tanishq Karigar Parks, where the quality of life of highly skilled artisans have been enhanced, while their genius is captured in producing exquisite jewellery.

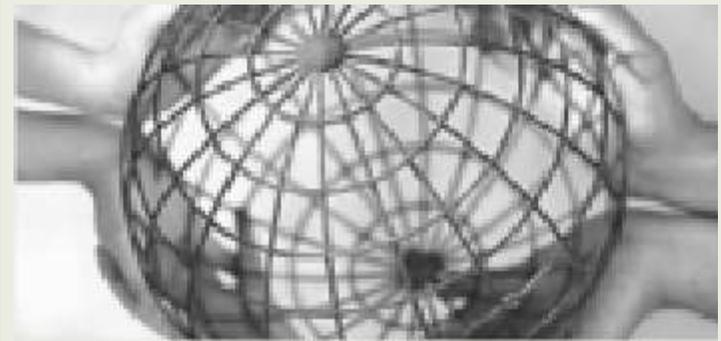
Likewise, a policy of preserving the environment and reducing energy consumption is a sound policy of sustainable development, as current business operations then would not diminish the capacity of future generations to carry on and grow the business in their time. There also has to be a feeling of partnership between the government and the private sector as the responsibility of development cuts across all sectors. Hence the **mantra should be to go much beyond compliance and build-in an element of pro-activity on the part of Corporate India.**

There are three pillars, which are the foundation of any business-economic, social and environmental dimensions. The reporting of the performance of a company with these three criteria in mind is what is now popularly known as '**triple bottom line**' reporting or a 'Sustainability Report'. **The United Nations through the 'Global Reporting Initiative' has laid down some guidelines, according to which this report has to be prepared.**

Publishing such reports by successful and good companies is a common practice in the developed world, as it captures a holistic 360° performance of the company and clearly addresses

the concerns of 'sustainability'. As India shines and smiles, maturing into a vibrant developed economy, and as Indian companies look upon the world as their customer, **it is imminent that CSR becomes an integral part of business strategy and triple bottom line reporting becomes common place and a hygiene factor. There really is no alternative way to go.**

Having established a positive case for CSR, the strategy must follow a well documented process which:



- ◆ Articulates the policy in clear and uncertain terms
- ◆ Establishes a procedure for need mapping and selection among different CSR alternatives.
- ◆ Brainstorming amongst the company's CSR team to select the initiatives, which are aligned to the company's businesses.
- ◆ A robust review mechanism

As a critical part of the strategy, it is necessary that a set of measurable parameters, which highlights the value addition of the initiatives to the company's goal of wealth creation, must be in place. These could be impact studies from the targeted community and the usage of the Tata Index of Human Development, which captures the impact as well as response at three levels in detail viz. a) Systems level b) People level and at the c) Program level. It is an assessment tool, aimed at measuring the improvement in the quality of life that the CSR initiatives have resulted in.

The maturing of CSR strategy is now resulting in senior management and Board level involvement and supervision, as more and more companies accept the lesson told to us by Charles Dickens, in his wonderful story, 'A Christmas Carol' that the business of corporations is mankind.

*The author is VP, corporate affairs,
Titan Industries Limited*

GMR: Share of Profit CSR

By V. Raghunathan & Meena Raghunathan

It takes very little to make a difference. We want to enable children to dream

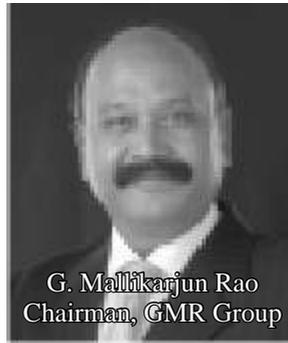
Interestingly, CSR in GMR comes from the heart of the chairman rather than being a structured or perceived need in modern management context. This is often true in family-managed businesses. But the fact remains that we are now putting a professional structure to the entire activity.

While the Foundation is a CSR arm of the Group, it must be said that what the Foundation does is only part of what is understood as CSR. CSR in its entirety is about a responsible organization working responsibly with several stakeholders who include employees, suppliers, creditors and the community at large. The Foundation essentially works with the community. It is also trying to bring the culture and spirit of giving into the minds of the employees at large.

What's unique about us, **unlike probably many other CSR initiatives that are essentially corpus driven, is that we are percentage of- profit driven.** About 4% to 5% of the group profit is committed to CSR every year and that amounts to about Rs. 15 crores in a year today.

At GMR, CSR is driven as a group philosophy, by a group of professionals and is not a knee-jerk activity. Our vision is to empower the poorest of the poor and make a difference to the most deprived. Our coverage areas are around our industries and infrastructure projects. We focus on four key areas, viz., education, health-hygiene-sanitation, entrepreneurship development and community services of various kinds. Because of historical reasons we have a strong presence in Andhra Pradesh. Work around the Delhi airport is being planned and also in Mangalore and Chennai where we have our projects.

What kinds of new activities do we have? An interesting initiative is in the direction of helping youth get livelihoods. In partnership with Andhra Bank and others, we have set up three



G. Mallikarjun Rao
Chairman, GMR Group

Entrepreneurship Development Institutes to train unemployed rural youth. These institutes are about offering the right skills to unemployed youth, facilitating loans and handholding entrepreneurs. In all we help over 1500 youth become self-reliant every year. Two more such initiatives are being planned this year, including one near the new Hyderabad airport.

We look at what difference we can make to the lives of particularly lower-level employees. It is the bottom that really needs a sense of security. Here the objectives of business and the foundation come closer. We run state-of-the-art educational institutions and here we offer free education to the children of the employees who earn below Rs. 5,000/ a month. We also have clear environment and energy-saving policy that comes under the wider definition of CSR.

Worldwide the line dividing public relations and reporting on CSR is rather thin. We are very conscious of this, and generally do not seek any media coverage for our CSR initiatives. Our efforts are more internally driven than externally driven. Further, we make sure that the benefits of the Foundation are not arbitrarily distributed but in a transparent and sensible manner.

We realize that today only the corporates can make a difference. Individuals are not empowered and because of leakages, government efficacy is weakened. If every corporate adopts areas around its operations for social development, the pace of development can be much faster. In fact, without meaning to be literal, one is tempted to observe that the gap between the haves and the have-nots today is so wide that it's a surprise we don't have Maoists in every corner of India. However, the good thing is, people at the corporates level are waking up to the needs of the community.

V. Raghunathan is CEO, GMR Varalakshmi Foundation and Meena Raghunathan is director, community services Varalakshmi Foundation

BILT: From charity to development

CSR is becoming an integral part of the business plan of a unit



By Yashashree Gurjar

CSR is part
of the
KRAs of
the senior
management.

The genesis of CSR in Ballarpur Industries five years ago was out of our business need. Our mill locations are in remote parts of the country, more often than not, the communities living around these locations are poor and marginalized. Over the years we realized that sporadic inputs were not enough. Despite regular charity, newer demands kept getting generated, people had become dependent on the company and expected the company to fulfill all their needs. The business did not benefit from this attitude of the community.

Over the last five years BILT has made a **strategic shift from more conventional model based on philanthropy to a more development-based approach.** Also inherent to this model is active partnership with NGO's in helping to fulfill the social obligations.

This shift has been accelerated by the formal inception of a CSR department in the year 2000. The CSR department is responsible for creating the bridge and the link between the business and social responsibility. The ultimate objective is for management to see that each activity should make a socially responsible business sense. **It is thus becoming an integral a part of the business plans of a unit and not just an add-on activity.** Today, the business case is apparent through all the activities that BILT takes up as part of CSR. Increasing account-ability and allocating responsibility for CSR within each unit has given an impetus to the process.

Reporting (monthly & quarterly) to the top management on the progress is part of the Management Information System (MIS). CSR is part of the KRAs of the senior management. BILT has also developed a participatory monitoring system wherein the participating communities/NGOs are part of the review systems. A change in the mindset of people is essential to make CSR a part of the mainstream. The methodology adopted by BILT puts a huge emphasis on the employees themselves for taking this process ahead. The Employee Volunteer Programme (EVP) was launched with the intention of maximizing employee participation so that CSR philosophy remains active within the company.

Adarsh Youth Service Co-operative Society, led by Nagesh Singh, an employee volunteer, has helped empower youth for approaching and receiving contracts from various agencies and developing the image of the cooperative society as a good 'Service Provider Agency' in the area.

Micro entrepreneurship

BILT works with more than 200,000 people living in the peripheral 100 villages in six districts across the country. An initial survey conducted found that 70% of the communities were living at or below income of Rs.50 per day. Literacy rates for women were as low as 15%.

Preliminary feedback obtained through stakeholder dialogues on the CSR activities in these areas has shown that the activity has provided the much-needed boost to the employment in the area. The participation of youth and women in the socio-political process has gone up. **In this year alone we have been able to augment the income of people by about 40%.** The incomes of those who were unemployed before, but have now taken up an entrepreneurial activity are between Rs 500 to Rs 2,000 per month. **More than 3,000 families living below the poverty line have been impacted by this project.**

Services like basic curative healthcare, artificial insemination for livestock, community libraries, to name a few, are now provided at a cost. People are willing to pay because they now get quality services provided by their own people.

This has been enabled through many community-based organizations like self-help groups (SHG) and youth groups, service providers for health, education, agriculture and livestock that BILT has created.

The focus area of the rural development project this year was on empowering communities through micro entrepreneurship

The story of BILT is about how it progressed from sporadic charity-based philanthropy to a development-based CSR. It's about seeing the benefits of institutionalizing CSR with structures, systems, processes and making it everyone's business in the organization.

The author is chief general manager & head CSR, Ballarpur Industries Ltd.

Corporate Social Opportunity: Are you up to it?

By Benedict Paramanand

John Doerr, a doyen of venture capitalists in the Silicon Valley in the 1990s, said this two years ago: "I'm interested in making things again - clean water, clean transport and clean power. Those are the big markets of the future."

Several companies are already applying corporate social opportunity (CSO) thinking but it is yet to touch the outer layer of the mega opportunity sitting to be untapped. Philips with its LED (light emitting diodes), Unilever with its research center in India, HP in Costa Rica and Encore Technologies with its Simputer in India are a few CSO examples.

However, it's important to understand the difference between Corporate Social Responsibility (CSR) and CSO. **Although CSR has progressed from corporate philanthropy to being part of the business strategy, it still has a strong 'give-back' tint to it. But CSO is a big business attraction which has a huge social impact as a by-product.** CSO is gaining popularity because of the unsustainable nature of the bottom-of-the-pyramid business strategy which companies of all hues are lapping up. C K Prahalad, the author of the concept, is yet to convincingly reply to this critique.

Companies like Philips have already shown the power of CSO. Its LED can outlast incandescent bulbs by a factor of 10, uses 80% less electricity, and used in conjunction with solar power, its impact multiplies. LED is already being used in disinfecting water, food and air. So, through LED, Philips not only hopes to grow its business substantially (a \$3 billion opportunity) but also positively make a difference to the environment in low-income countries where wood is still the primary source of fuel.

Cemex is the third largest cement company in the world, based in Mexico. Creative thinking has led them to invent a concrete mix with added anti-bacterial

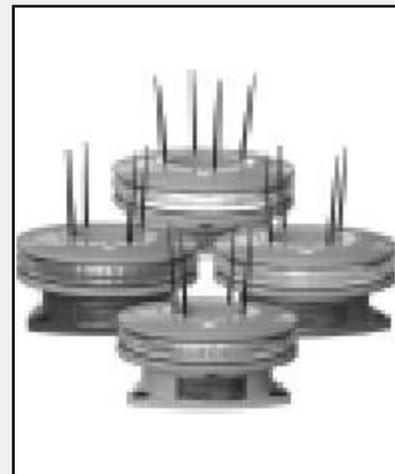
agent which means that when used for flooring in low cost housing projects for poorer communities, dwellings have built-in health protection; when used in hospitals and clinics, the treated concrete not only helps kill germs but also means less expensive (and potentially polluting) cleaning agents can be used. Vodafone have just established a whole new product and marketing department to explore products which have both commercial and social benefits.

Simputer, a low-cost PC, with multiple connectivity options is targeted as a shared computing device for a local community of users. Aravind Hospital in Chennai has developed vaccines, replacing expensive Western ones, into the hands of the poorest of the poor. The same hospital has made certain operations, especially cataract, easily affordable. ITC's e-chaupal perfectly fits into the CSO paradigm. It has put the power of computing into the hands of farmers by giving them real-time information of prices thereby eliminating middlemen.

David Grayson, in his book *7 Steps to CSO* says: "A company may strike lucky and hit upon a specific CSO by accident. But if it is going to make a regular habit of finding profitable business activities which also advance environmental and social sustainability, it requires drills and tools such as open stakeholder dialogue and engagement that recognises the unique skills, capacities and capabilities of non-traditional corporate partners, invites their active collaboration and respects and rewards their contribution."

It also requires value-based leadership that holds no truck with short-term expediency that undercuts relationships with consumers, suppliers and communities. In other words, the commitment has to be authentic. "You can't fake it!" Are you ready for it?

**CSO is a
big business
attraction
which has a
huge social impact**



LED (light emitting diodes) can replace conventional bulbs

BeoLab5: Puts you in a spin

By Satish Kumar



If you are a music freak of the top order and don't mind the price tag, then welcome BeoLab5 into your drawing room gleefully. You know that design today is as important as the performance of a machine. Keeping this trend in mind Bang & Olufsen's has gone the distance to make BeoLab5 look exquisite. Large and rounded, with a futuristic cone-shaped base and a matt black and brushed aluminum casing, they look almost majestic. But why such a boring name for such a beautiful thing?

These speakers have a strange robot-like look, have mid and high domes with reflectors and more than 1 kW of digital power amplifiers. By breaking radically with conventions of design, performance and applied technology, BeoLab 5 has tried to establish a new paradigm in domestic sound reproduction.

With completely new type of sound reproduction and a radical simplification of bass management Beo5 aims to achieve a true synthesis of sound and design. Behind this unique loudspeaker concept lies 20 years of intensive acoustic research. It is the first loudspeaker in the market that, by pressing a button, adapts to its surroundings, ensuring that the pure and transparent sound

you experience is completely independent of where the loudspeaker is placed in the room.

BeoLab5 is Bang & Olufsen's first digital loudspeaker, weighs 61 kg and with its 15 inch bass driver brings you as close to the real music experience as possible. It tackles two acoustic problems at once: adjusting bass reproduction to the individual room in which the speakers are located and improving the directional control of the sound. BeoLab 5 reproduces the entire audible sound range from 20 Hz to 20000 Hz. Yet, some reviewers are not all that impressed with its bass effect.

It appears that after Bose, more than two decade ago, there hasn't been any really ground breaking speaker technology. It appears BeoLab5 has broken that jinx. Is the price tag of Rs. 12 lakh a pair worth it? Check it out!

Where to buy

delhi@beostores.com,
mumbai@beostores.com,
chennai@beostores.com

With completely
new type of sound
reproduction and
a radical
simplification of bass
management Beo5 aims
to achieve a true
synthesis
of sound and design.

Decision Regret and the CEO

Behavioral Economics is growing in relevance to CEOs and CFOs today. Two of the Noble Laureates in the last three years are from this field



By V. Raghunathan

Let us say you are a financial advisor advising your client on whether to invest some surplus funds into HLL or a new biotech start-up company to your client. Which of the two are you more likely to recommend?

If you recommend HLL, and a competitor comes along with a competing product next day making a dent on HLL's profitability, you will have an unhappy client on hand. If on the other hand, you recommend the start-up, and this new company goes belly up next day, you might have on your hands, an even more unhappy client.

Why should the client be any more unhappy in the second case than in the first? Keynes is said to have remarked, "Better to fail conventionally than succeed unconventionally". Keynes remark underscores the fact that should the risky investment make money, it's bound to be chalked up to the luck of the maverick; while a failure in the same risky investment invites a remark like, "well, he asked for it"! No such jibes usually attend a conventional investment!

Interpreted in simpler terms, this means that if things go wrong when you advised investment in HLL, it's the "stupid market" that will be blamed more than you, while if things go wrong after you advised investing in the start up, well it's only you who will be blamed for the insouciant advise!

In other words, you are likely to regret the losses arising from the second advice much more than those resulting from the first, even if the two losses were equal in magnitude.

Behavioral economists call this phenomenon as *decision regret*. There is enough research evidence to show that the decision regret for recommending the start up is much more than the decision regret for investment in a more stable company and hence a majority of decision makers will invest in the option that involves lower decision regret.

Well, according to behavioral economists, that's basic human nature. If so, it's useful for a CEO to be consciously aware of the phenomenon. Why? Consider a manager who took an out of the way solution to a problem and failed, while another who tried a rather conventional route to address a problem and also failed.

Now, a CEO, being as much a victim of *decision regret* as any other, is likely to be upset much more with the former manager than the latter. And when this stronger displeasure is reflected in the CEO's body language or the balance score card of the manager who failed following an out-of-the-box solution, the CEO clearly ends up sending a clear signal discouraging all future attempts at out of the way solutions, not only from that particular manager, but from the organization at large, since everybody has been watching the CEO's reactions to the failure of the above manager. Well the CEO has effectively doused all fire for innovation and discouraged all entrepreneurial thinking in the company.

That's where some knowledge of behavioral economics in this case being consciously aware of *decision regret* phenomenon - helps. If you 'counted ten', as it were, before reacting to one who failed with an unusual or a highly risky project, you might ensure that you do not stifle your organization of enterprising managers. True, it is not easy being aware of one's human frailties (and "not being easy" itself is a human frailty!) and to take remedial measures consciously, as it involves having to oversee yourself at a Meta level. But that's what probably distinguishes a good CEO from the mediocre.

V. Raghunathan is CEO, GMR Varalakshmi Foundation and also teaches Behavioral Economics at the University of Bocconi, Milan. He was a faculty in IIM Ahmedabad

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How to bridge technology and business gaps

Information technology related products and solutions have vastly evolved over the last few decades. While several path breaking ideas have matured, technology is still in a catch up mode with business needs. This article examines the causes and how technologies are now evolving to be more near real time with business changes.

The technologist always looks for fundamental changes that could be evolutionary (databases, operating systems etc.); revolutionary (internet, embedded technologies etc); pervasive (email, networking, mobile technologies etc); utilitarian (cheaper hardware, storage etc); portable (laptops, handhelds etc) and so on. The technologist's challenge has been to deal with frequent changes and making technology transition painless for end users as well as satisfying a wider range of users.



The end user always looks for cheaper, faster, better, flexible, simpler, reliable, resilient and longer lasting solutions/ products. However, in most cases, the end result only partially satisfies user needs since it is not possible to involve a majority of users in the design process. We therefore end up with technologies that are either not fully utilized, evolved, tested or almost obsolete in terms of the idea. We experience this regularly with early versions of software, new generations of first products (e.g. first generation iPod docks etc)

Need for business to technology mapping

Technology is measured by the end users in terms of ease of use, features, cost of procurement and ownership. Business to technology mapping is an important step in the pre-design/ideation phase and if done in a structured manner will result in significantly better payoffs for both the technologies and end users. The tools and methods are however complex or

The pitfalls of high user involvement are that a product may get over engineered and heavy (e.g. PDA phones) or over-simplified (e.g. a one button scanner) or end up being very expensive. The designer's challenge is to balance user needs and stakeholder expectations (read costs, price and profits).

Techno-business evangelist
futurist could be
emerging as
a new career option



by Ranganath Iyengar

expensive. While R&D in a lot of organizations is inward looking or controlled for intellectual property reasons, business to technology can be an effective input into R&D programs.

Classical and contemporary software engineering/hardware design provides for techniques and tools that cover different dimensions of business to technology mapping (sample key elements are Features, Usability, Performance, Metrics, Use Cases etc.) at the end user level and other engineering elements (e.g. portability, compatibility, data management, security, interface capability, storage etc.) as well as physical elements for hardware (e.g. weight, size, ergonomics, electrical safety, communication standards etc.)

To balance several of the above elements into a device, software or utility program is a designer's challenge and does not need user acceptance/involvement. The earlier this comes into the process, the better the end result. Modern methodologies like Agile, Software specification, Scrum, PDM, PLM etc. have brought in fresh thinking and aided by collaborative tools for the above methods focuses on design which is closer to the user needs (quicker, near real time and cheaper).

The pitfalls of high user involvement are that a product may get over engineered and heavy (e.g. PDA phones) or over-simplified (e.g. a one button scanner) or end up being very expensive. The designer's challenge is to balance user needs and stakeholder expectations (read costs, price and profits).

Business to technology mapping is an iterative task and helps bring in different stakeholders to buy into the concept or technology being created (e.g. the automotive industry uses this very effectively). It also reduces the change of a product/solution to be guessed and left purely to the designer's thinking/fantasy all of which may not be practical at that time (e.g. Apple's Newton). A good example of where business to technology mapping is working is in the area of SDR which deals with technologies that can upgrade the software of a mobile phone without having to change a handset (still early days!)

There is no single formula or tool that works to anchor the business to technology process seamlessly and needs to be evolved/customized keeping the organization and market needs in mind. The technique that works best is a war room approach with set boundary conditions (Price, Features, Dimension etc) and involvement of business leaders/strategists to guide the focus groups. Now, maybe that is a new career option that some of us could aspire for: the techno - business - evangelist -futurist.



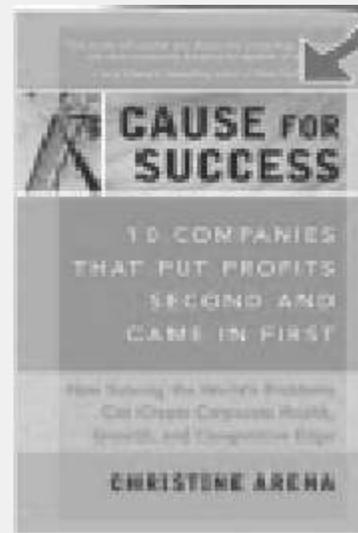
Capitalism at the Crossroads: The Unlimited Business Opportunities in Solving the World's Most Difficult Problems

Stuart L. Hart, Wharton School Publishing February, 2005

Professor Stuart Hart's book complements Professor C. K. Prahalad's 'The Fortune at the Bottom of the Pyramid'.

Prof. Prahalad's book leaves unanswered, the question of how the BOP theory fits into the larger context of sustainability, particularly environmental sustainability. Prof. Hart's book not only answers this question, but also presents a comprehensive and compelling argument that capitalism cannot afford to ignore sustainability--indeed, that capitalism will thrive by embracing sustainability (and vice versa). Hart shows companies how to identify sustainable products that can drive new growth as they also help solve today's most crucial social problems and how to integrate new technology to deliver profitable solutions that reduce poverty and protect the environment at the same time.

the context of countries with evolved CSR, there is a market for virtue, but it is limited by the substantial costs of more responsible business behavior.



Cause for Success: 10 Companies That Put Profit Second and Came in First

Christine Arena, New World Library, November, 2004

The book presents fascinating insights into a new paradigm for business success in the twenty-first century. It shows how a leading set of "high-purpose" companies moved beyond charitable giving

and used constructive social engagement as the central means of improving their performance in the marketplace. These high-purpose companies are changing the face - and the principles - of standard business practice with a diversity of commitments to ethics, partnership, economic justice, environmental wisdom, and service to a greater good are thriving because of it. The book will help all leaders redefine success in broader, longer-term ways previously overlooked in traditional business analysis.

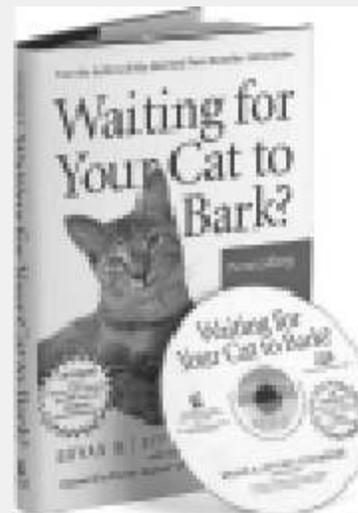


The Market For Virtue: The Potential And Limits Of Corporate Social Responsibility

David Vogel, Brookings Institution Press, July 2005

This is a definitive guide to what corporate social responsibility can and cannot accomplish in a modern capitalist economy. The study combines sound

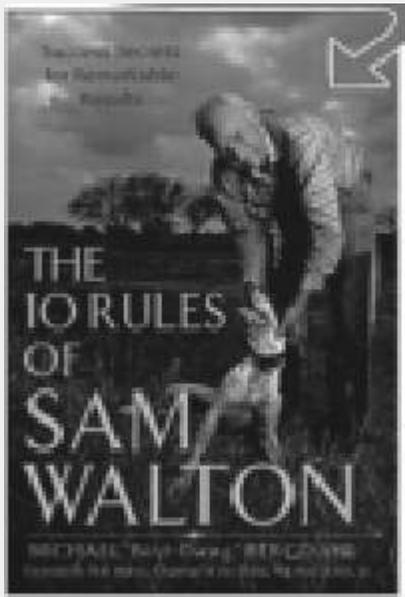
logic with illustrative cases, and advances the sophistication of the CSR debate considerably. The book explores the extent to which improvements in corporate conduct can occur without more extensive or effective government regulation in the United States, Europe, the Far East, and developing nations. In other words, what is the long-term potential of business self-regulation? The improvement that can be expected is far more modest than recent breathless writing on CSR would indicate. In



Waiting for Your Cat to Bark? Persuading Customers When They Ignore Marketing.

Bryan Eisenberg and Jeffrey Eisenberg, Nelson Business, 2006.

The book aims to promote the brothers' persuasion architecture. The architecture is a persona-based methodology, persona representing broad consumer patterns such as methodical, spontaneous, humanistic and competitive. The authors believe that people are like cats, independent-minded and hence it will take a lot of work to persuade people who are not listening.



The 10 Rules Of Sam Walton : Success Secrets for Remarkable Results

Michael Bergdahl, John Wiley & Sons, June 2006

The book brings out the leadership style of Sam Walton, the legendary leader of Wal-Mart. Having managed the complexity of Wal-Mart's operations, Sam Walton recommends simple leadership rules

that help you manage complex operations. Many of these rules which may sound obvious now, in his times were futuristic. Six of these ten rules are about people management, one about personal commitment, one about customer relationship, one about costs and the last about taking risks. The book also gives an account of how Walton turned conventional management on its head.

Governing Collaborative Governance: Enhancing Development Outcomes by Improving Partnership Governance and Accountability

Simon Zadek and Sasha Radovich, Harvard University's John F. Kennedy School of Government, 2006.

The performance of such partnerships depends on how well they make decisions and their legitimacy to key stakeholders. This in turn depends on their governance and accountability structures, processes and norms. This is particularly true for partnerships that become conduits, amplifiers and arbiters in the allocation of public resources, but is also the case where they are de facto stewards of public goods, whether through commercial contract or as standard setters. A Framework is proposed to guide the governance and accountability of such partnerships, the first of its kind. The 'Partnership Governance and Accountability Framework' has been developed and tested over two years across diverse partnerships and experts, and offers a sound foundation for advancing a more systematized approach to the effective governance and accountability of multi-stakeholder, or public-private partnerships in the future.



The 100 Best Trends, 2006 Emerging Developments You Can't Afford to Ignore

George Ochoa, Melinda Corey, Adams Media Corporation, October 2005

This is the first accessible reference guide that keeps pace with the current lightning-fast developments, summarizing the most important

trends in every industry: Arts and entertainment, Business and industry, Demographics, Health and Medicine, Politics. Whether you're creating new products, expanding your portfolio, or simply trying to stay one step ahead of the competition, you'll find the true scoop on what's in, what's out, and what's on the horizon in this guide. A perfect tool for marketing specialists, PR and advertising professionals, investors, entrepreneurs, and anyone with a vital stake in what's ahead.



Insights to Performance Excellence 2006: An Inside Look at the 2006 Baldrige Award Criteria

Mark L. Blazey, ASQ Quality Press, April 2006

The book thoroughly explains the Baldrige Award Criteria for 2006. Author Mark Blazey has simplified the criteria through the use of linkage diagrams and flow charts for each of the items that comprise the criteria. What distinguishes this book from others on the market is the author's simplification of the 2006 Baldrige Criteria and the application process. Through its use of flowcharts, relationship matrixes, and examples of effective practices to help assess and document continuous improvement efforts, the book will strengthen your understanding of the Baldrige Criteria and provide valuable insights when analyzing your organization, achieving higher levels of performance, and applying for the Baldrige Award.

Unleashing Entrepreneurship; Making Business Work for the Poor

An independent publication by UNDP, Commission on the Private Sector and Development, 2004

The Commission believes that the primary responsibility for achieving growth and equitable development lies with developing countries. This responsibility includes creating the conditions that make it possible to secure the needed financial resources for investment. And those conditions are largely determined by the actions of domestic policymakers.

Their challenge is to capitalize on advances in macroeconomic stability and democracy and to launch reforms that would bring about further changes in institutional frameworks to unleash and foster the private sector.

Most of the recommended actions involve more than one of the actors working together. The Commission believes that any approach to private sector development and the policy and action recommendations that accompany it should be grounded in the realization that the savings, investment and innovation that lead to development are undertaken largely by private individuals, corporations and communities.

Cleaner is Cheaper: Case Studies of corporate environmental excellence

A TERI publication, Volume II

Twenty-nine stories of sustainability initiatives and the ensuing profits have been culled into the TERI publication. This is the second volume in the series of books on corporate environmental case studies. The case studies of transformation and environmental excellence from a wide cross-section of the Indian industry have been put together into the hardbound volume. Distinctions in environmental standards have been organized into five broad categories. Each category of case studies documents some of the best practices that have evolved in the industry. The case studies clearly convey that environmental measures are not unjust investments, and environmental management is relevant for long-term sustenance for companies of all sizes



Citizens at work: Indian corporates in a social setting

A TERI publication

'Citizens at work' is an insight into such CSR objectives and initiatives.

It features case studies of companies that competed for the TERI Annual CSR Awards in 2001/02 and 2002/03. This compilation gives a glimpse into the efforts made by companies both public and private towards developing a better socio-economic environment and fostering positive relationships with social

communities. The benefits such endeavors led to are also highlighted.

The book provides the basic know-how on various aspects of CSR and serves as an example for companies willing to undertake initiatives in this field. Besides corporates, it will also prove interesting for development experts, management practitioners, consultants, business analysts, and students. In fact, Citizens at work is a must-read for anyone who cares for the well-being of society.

Hindustan Lever Limited and marketing to the poorest of the poor

Gorman, Michael E., Pia Sabharwal Ahmad, and Patricia Werhane,

International Journal of Entrepreneurship & Innovation Management; 2004, Vol. 4 Issue 5

The article presents a case study on the marketing activities of Hindustan Lever Ltd. (HLL) and Nirma Consumer Care Ltd. in India. In India, HLL tended to focus upon the urban middle class and elite. Meanwhile, Nirma Consumer Care Ltd. produced and marketed a detergent, Nirma, targeting the poor rural sector. Comparison of their marketing strategy suggests that the common description of the bottom-of-pyramid market segment as the disorganized sector can have a psychological impact on marketing strategy formulation, over and above the real effects of absent infrastructures.

The Sustainability Series: Country Study, India

Sustainability Consultancy, 2006, Sustainability.com

As companies consider their strategy for India, it is important to understand and appreciate what makes the country unique and what makes it tick. And to develop a corporate responsibility strategy based on the key sustainability challenges, stakeholder expectations and current best practices. The study discusses the global influence, the market reach, governance, inequity and business responsibility in India. Best practice case studies, including Tata Steel, Hindustan Lever (part of Unilever) and the national ICICI Bank, are available towards the end of this Study.

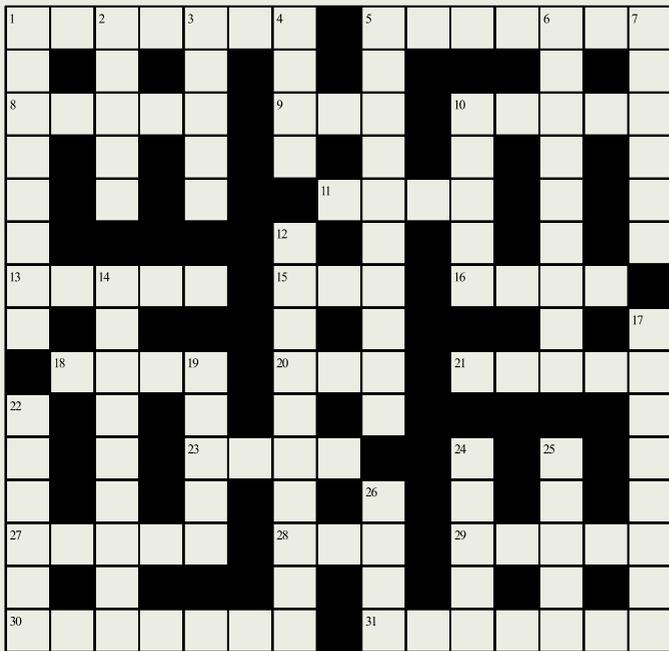
Good Companies, Better Employees

Michael Tuffrey, The Corporate Citizenship Company, 2003

Focuses on two trends: increasing awareness of value of employees and corporate mission to rediscover a sense of purpose; and aims to find the linkage between the two trends, thus bringing together aims of HR and Corporate Citizenship functions: Examines if Corporate citizenship can be managed more strategically, and what is the bottom-line impact on the business.

The study concludes that if Corporate Citizenship is to be viewed as a 'profit centre', not a cost overhead, managers should set out to design community programs which help to achieve the company's strategic HR objectives, while still making a vital contribution to the community.

ManagementNext CROSSWORD 18



Across:

- 1 This kids' TV channel has been bought out by Walt Disney (7)
- 5 Antiquity is considered this type of whisky (7)
- 8 _____ Club International: the world's largest service club organisation (5)
- 9 CNN- ____ : whatever it takes (3)
- 10 A person under legal age (5)
- 11 To obtain a profit or advantage (4)
- 13 Pioneering maker of arcade games and home game consoles (5)
- 15 The self or self-esteem (3)
- 16 Pro-_____ : in proportion (4)
- 18 West Indian great who is the MRF brand ambassador (4)
- 20 _____ Sports : Bukhatir's Dubai-based channel (3)
- 21 Mistake (5)
- 23 One who utilises (4)
- 27 The world's most wanted man! (5)
- 28 The total goods and services produced by a nation in one year (abbrvn.) (3)
- 29 Our national language (5)
- 30 He is setting up a billion dollar university in Orissa (7)
- 31 Pharma research subsidiary of Biocon (7)

Compiled by RaviNarayan Raghupathi

Down:

- 1 The 65-year old brand synonymous with namkeens and sweets (8)
- 2 This Chennai-born lady is the next head of Pepsi (5)
- 3 A valuable item that is owned (5)
- 4 Mercury is the sole franchisee in India of this world-famous car rental agency (4)
- 5 India's largest lifestyle store (10)
- 6 IBM: the innovator's _____ (9)
- 7 This recently-retired IT czar rang Nasdaq's opening bell by remote control! (6)
- 10 Windsor ____ Sheraton and Towers: ITC's luxury hotel in Bangalore (5)
- 12 The Indian state where the Tatas are building their small-car unit (4,6)
- 14 The manufacturers of Amaron batteries (5,4)
- 17 The TTK brand name synonymous with pressure cooking (8)
- 19 India's top social entrepreneur in microfinance (5)
- 22 Global leader in automobile manufacturing who have their factory outside Bangalore (6)
- 24 _____ Meakin: brewery established in 1855 (5)
- 25 Marico's tagline: "Uncommon ____" (5)
- 26 A musical composition numbered to designate the order of a composer's works (4)

Solution to Crossword No. 17

P	R	E	M	I	U	M		I	N	F	O	S	Y	S	
O		U			A			L		W				P	
K	U	R	O	I	L	E	R		S	A	H	A	R	A	
E		O		N		R			T		T				
R	I	P	L	E	Y	S		C	A	S	H	C	O	W	
		E		P		K		O			H			I	
W	E	A	L	T	H			T	R	U	M	P		P	
A			N		L		M		E		O		A	R	
L				N	Y	L	O	N		A	R	A	M	C	O
L			M					R		P		E		E	
S	H	I	P	P	I	E			E	X	P	O	R	T	S
			D		R				O		E		I		T
I	N	D	I	A	N			S	P	A	N	D	A	N	A
B		A		D					L				N		R
M	A	Y	B	A	C	H			E	M	B	R	A	E	R

Send completed Crossword and get surprise gifts

Business Reporters could become extinct

August 15 is a Black Tuesday for most business reporters who have made their careers reporting company results. On this day US-based Thomson Financials launched a service which threw up earnings stories even before reporters could bat their eyelid. In all of 0.3 seconds a company making results public, this computer-generated story tells an investor or a trader exactly what he or she needs to know. Thomson and Reuters are also trying to help their customers' computers read the news.

Yes, technology cannot replace good journalism, but it can certainly replace lazy journalists.

Keyboard as your spy?

Researchers say that small devices called "JitterBugs" could piggyback onto network connections to discreetly send passwords and other sensitive data over the Internet.

Just like the current keylogger hardware used by the FBI and criminals alike to record passwords and other data, JitterBugs are small devices that attach to a keyboard and record what users type. Unlike current keyloggers, which store the data to internal memory, JitterBugs do not have to be retrieved before captured data can be read.

The device could encode data in keystrokes by introducing an extra delay between the time when a key is pressed and when the keyboard tells the computer that the key has been pressed.

Although no such device has been found "in the wild" yet, researchers have developed a working prototype, and they postulate that similar ideas may have already been used in unnoticed attacks. Scary indeed!



Feline PR

A magazine vendor on Church Street in Bangalore is drawing huge crowds, not so much for the variety of titles he sells (which he really does) but for two huge and hairy Persian cats that laze around. The cats are so huge they can pass off for Pomeranians. The cats have indeed increased the vendor's business. With all the attention, will they forget to catch mice? You never know!

Earn from your mistakes

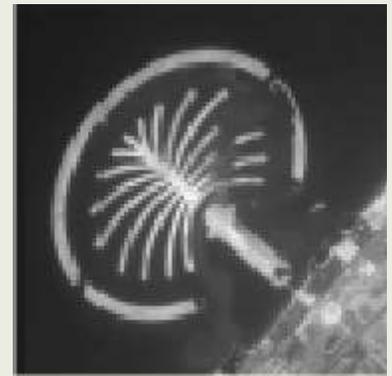
Usually, individuals and organizations go to great lengths to avoid errors. Companies are designed for optimum performance

rather than for learning, and mistakes are seen as defects. Paul J.H. Schoemaker and Robert E. Gunther, *Harvard Business Review* (June 2006) cite the example of Bell System, a U.S. telephone company, which learnt that making mistakes correctly is a powerful way to accelerate learning and increase competitiveness. Moreover, executives who apply a conventional, systematic approach to solving a pattern recognition problem are often slower to find a solution than those who test their assumptions by knowingly making mistakes.

Dubai Sheikhs in a hurry

There's no doubt that the Sheikhs of Dubai are outrageously daring. How else could they have transformed a desert village into one of world's top luxury tourism destinations? But they seem to have stretched their guts a bit too far when they decided to go ahead with the Palm Island project even before technical feasibility research was completed. National Geographic, in its series on mega structures, reports that Palm Island project, which is on the verge of completion, is turning out to be an engineering marvel although fears of mishap persist. But what was the hurry? Like everything else, even this secret will remain behind the veil.

Contrast this with India where mounds of research is done and projects languish for years..



Reinventing Your Strategic DNA



Embrace the Principles of Strategic Resilience



By Strategy Guru Gary Hamel

12 September 2006 New Delhi
14 September 2006 Mumbai

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

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