Global Mindset. Indian Roots.

GREAT LAKES
INSTITUTE OF MANAGEMENT, CHENNAI

Global Mindset, Indian Roots.

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C. K. Prahalad @ Great Lakes

Sucheta Dalal on Ethics

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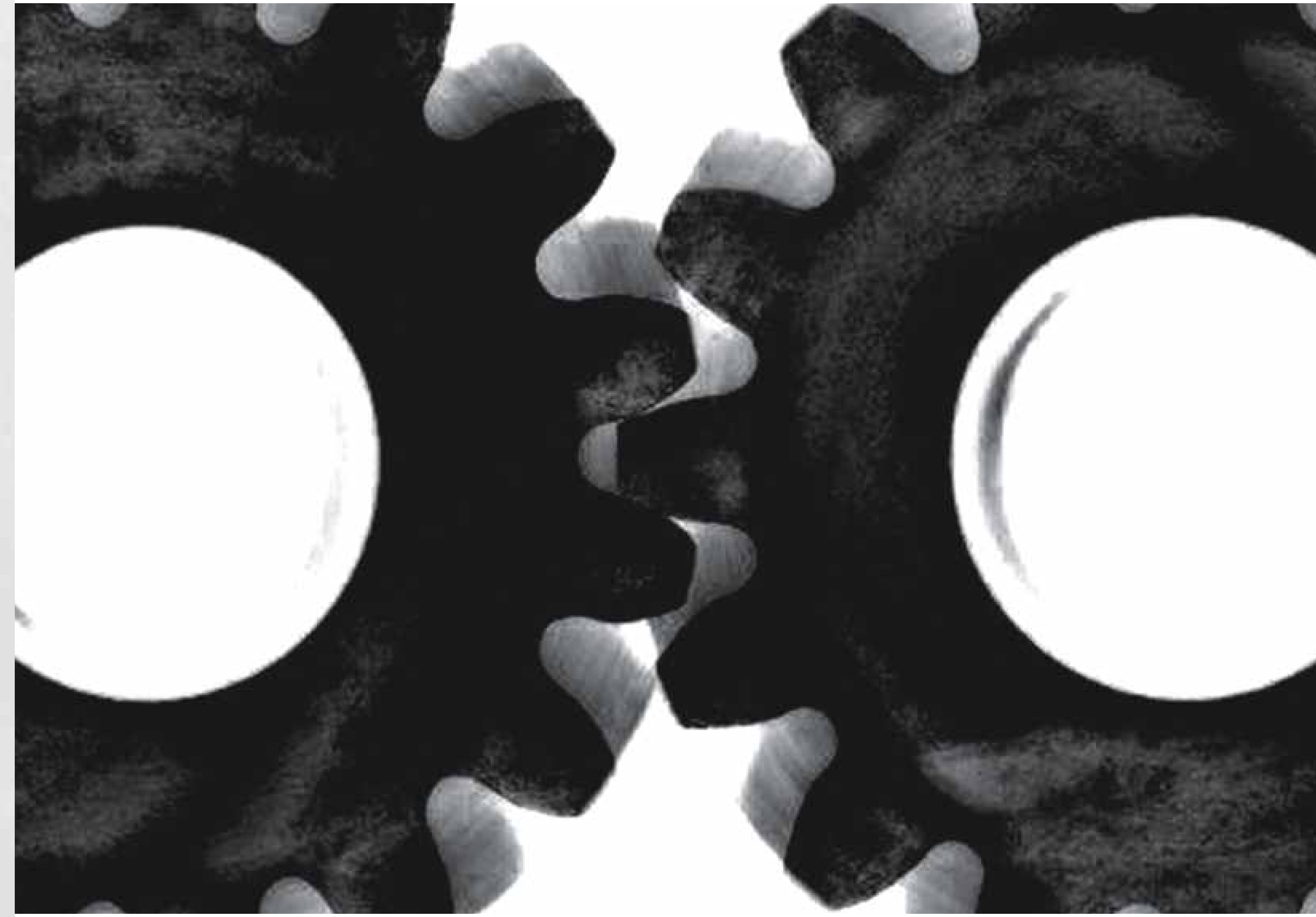
GRAVITY

The Great Lakes Magazine



What drives your Business?

Team Gravity

(from L to R: Saishree Srinath, Kartika Natrajan , Koushik Srinivas, SrividhyaV., Sachin Kumar B. , Priyamvada S. , Prasanna V., Karthikeyan V., Sriharsha B.V.)

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The Spirit of Gravity

Gravity is ubiquitous and has been in existence for ever. However, it took a Newton's ingenuity 'to ask why' resulting in the discovery of gravity. On hindsight, the discovery looks very simple and 'common sensical', yet for so many centuries in the past, no one had looked at it the way Newton did.

The managers from Great Lakes emulate this Newtonian attitude. Great Lakers are a bunch of individuals who have learnt to look at things differently, to ask why and to innovate, continuously!

A manifestation of this Great Lakes culture is 'Gravity'.

From the Editor's Desk

Dear Readers,

Performance management, like beauty, lies in the eyes of the beholder. However, companies the world over are attempting to look within and are consciously seeking to unravel the elusive 'business mantra' in an attempt to understand what it is that makes a business tick. More often than not, people who are exceptionally good in business aren't so because of what they know but because of their insatiable need to know more.

The drivers of a business can depend on myriad factors and can mean different things to different people. Both at the macro and micro level, there are different critical success factors that are essential to the performance of any given business. As our previous edition focused on "**Marketing Brand India**" as a theme, we at Gravity believed that the time was appropriate to look inward and try to unearth some of the deeper reasons as to what makes an enterprise tick. It is for this precise reason that we at Gravity zeroed in on '**What drives your business?'** as a central theme for this issue. Using this issue as a platform, we would like to present varied perspectives on how different forces come together to make an organization profitable. We have brought together a veritable who's who of luminaries from the academic world, including strategy guru **Dr. C.K. Prahalad** and **Dr. Jagdish Sheth**. To bring forth a practitioner's viewpoint, this issue also covers some of the leading lights from the corporate world including **Rahul Bajaj** and **Madhur Bajaj** in an attempt to uncover the quintessential nuances that go into making a business venture successful. A plethora of topics have been covered that include insights on what makes an entrepreneurial venture click, a new product a hit, an innovative idea a rage, a process cost-effective to name a few drivers.

As mentioned, the drivers of a business are contextual. These drivers are multifarious and can range from product innovation to operational excellence. History is fraught with examples of companies within the same industry that chose to trace different paths and yet emerged successful. Apart from the usual drivers of business as propounded by Tracy and Wiersema in the 'Discipline of Market Leaders', business paradigms have rapidly evolved and this has brought about the emergence of new intangible drivers of business such as corporate governance. As witnessed in the Enron saga, not following a strict code of corporate governance can cause irreparable damage to a company's reputation, potentially leading to even bankruptcy. Throwing light on this germane issue is **Sucheta Dalal**, a journalist of great repute and the whistleblower in the Harshad Mehta scam.

In addition to the central theme, this edition of Gravity also features the various happenings at Great Lakes during the calendar year, right from our hugely successful B-School fest, L'Atitude 13°05' to the landmark placement season that concluded this February.

As usual, we look forward to your candid comments and feedback at gravity@glakes.org.

Till then, Happy Reading!

S. Priyamvada

Priyamvada S.

Foreword

Dr. Jagdish Sheth

Dr. Jagdish Sheth is a renowned scholar and world authority in the field of marketing. His insights on global competition, strategic thinking and customer relationship management are considered revolutionary. He is the Charles H. Kellstadt Chair of Marketing in the Goizueta Business School at Emory University. Prior to this, he was a distinguished faculty member at the University of Southern California, the University of Illinois, Columbia University and the Massachussetts Institute of Technology. Professor Sheth has published more than 200 books and research papers in different areas of marketing and business strategy.

As we move forward into the most exciting part of the 21^{st} century yet, we are fortunate to be both witnesses and proponents of change that will shape the future of the world. We are at an interesting juncture where the decisions we take today will have an impact on the way we operate tomorrow more than ever before. It is to understand these changes better and respond successfully that one needs to ask the pertinent question 'What drives my business?'

Markets evolve over long periods of intense competition. And countries evolve over long periods of 'Globalization'. Intense competition in free markets leads to consolidation within the industry. And long periods of globalization will lead to a realignment of forces that shape the globe's economic and geopolitical future. Throughout history, we have seen the emergence and dominance of power centers that have assumed economic dominance at different points in time. The future would see 'Regionalization' replacing 'Globalization' and the emergence of three huge economic and political unions the EU, the Americas and Asia.

Consolidation within the industry and the redrawn economic map of the world would require massive reorganization efforts on the part of corporations to be able to survive the shifts. Unless the drivers of a business enterprise are known and understood properly, corporations may not be able to survive in the long run. This edition of Gravity attempts to compile together perspectives from some of the best academicians and business heads on what drives businesses.

I have been closely following the progress of Great Lakes since its inception three years ago. The institute has evolved from strength to strength and is on its way to becoming one of the top management institutes in India. I am pleased to be associated with this institution as a member of the Academic Advisory Council and wish Great Lakes and its fraternity all the best as they stride on to make their mark as a world-class management institute with its roots in India.

Dr. Jagdish Sheth
Charles H. Kellstadt Chair of Marketing
Goizueta Business School, Emory University

Member of the Academic Advisory Council, Great Lakes Institute of Management

Founder and Honorary Dean's Message

Vinton Cerf, Google's Chief Internet Evangelist once said "A year in the Internet business is like a dog year…equivalent to seven years in a regular person's life. In other words, it's evolving faster and faster." I was reminded of this very quote when the Gravity Team informed me that they had chosen "What drives business?" as their theme. Today almost every business is like what the Internet business was in the late nineties and the quickness with which managers grasp their business drivers often makes or breaks an organization. I am glad that the fourth edition of ***Gravity*** has chosen this theme and brought in interesting new insights from the doyens of academia and the business world. As I have always mentioned, it is no mean feat to bring out two magazines within the course of a year filled with tests, assignments, classes and interviews. Kudos to the Gravity team, and I hope and wish that their zest for knowledge and perfection permeates down to the future generations of Great Lakers as well!

Also while on the topic of IT, I truly appreciate the effort and work the Crusaders in the Strategic Profitability Management course put in especially in coming up with stellar, comprehensive and incisive reports on the IT industry. I have decided to publish an 'Industry Advisory Guide' by compiling all the best projects that focused on companies like TCS, Infosys, Wipro, Sathyam, HCL, IBM, Accenture, Oracle, Microsoft etc. The industry focus shall shift with every passing year from say banking to retail, to manufacturing to technology and so on. I would like all my students to keep up the good work.

Placements 2007

The placement season could not have gone better this year as Great Lakers romped home with the best of offers from the best of companies. Once again, Great Lakes has been able to achieve in only its third year what most b-schools can only dream of. A total of sixty eight companies visited the campus as the average salary shot up by a healthy twenty-five percent to Rs. 9.03 lacs per annum. Companies like British Petroleum made four offers, which is about half the number of offers they make to MBA graduates across the country. Infosys, for the first time in India, recruited a Great Laker into its coveted global program. Computer Sciences Corporation, visiting a b-school for the first time in India made a dozen offers and was highly satisfied with the talent pool. Overall, the placement season was a grand success with each and every Great Laker being placed before 5th February 2007.

Indra Nooyi joins Business Advisory Council

It gives me great pleasure to announce that Indra Nooyi, President & CEO of PepsiCo is now officially on the Business Advisory Council of Great Lakes. As you all know, Ms. Nooyi was at the Yale-Great Lakes Research Conference that happened in Chennai in the month of December-2006. Great Lakes is honored to have such a person as one of its advisors and I am sure that Ms. Nooyi, voted the #1 Most Powerful Business Woman in 2006 would inspire many a Great Laker to follow in her footsteps.

A Confluence of Marketing Ideas

One of the long term goals of Great Lakes is to become the best B-school in the world in the field of Marketing. As a first step in attaining this, the 'Kotler-Srinivasan Research Centre for Marketing' was established in 2006. The Father of Marketing, Dr.Philip Kotler himself blessed the school during his visit in July 2006, and several other influential marketers and academicians have pledged their support to achieve this goal. As the next logical step, Great Lakes will organize a Marketing Conference in December 2007, where several leading members of the marketing academia including Dr. Seenu Srinivasan, Dr. Paul Prabhaker and several other reputed marketing professors from around the globe will share their ideas and unveil the marketing mantras of the future. The conference will also hope to bring in marketing gurus from the industry and give a practical angle to marketing.

Crusaders - Our next Ambassadors

As I have always said, the Great Lakes experience does not end in one year. It is a relationship similar to one that is shared between a mother and her child. *The Crusaders,* the Class of 2007, has until now exceeded expectations by performing well academically and building a brand name for Great Lakes by organizing events that made the old-timers sit up and take notice. Now that the time has come for the umbilical cord to be severed, the *Crusaders* will face the test of time. May God be with them while they traverse the business world, one filled with opportunities, fun and glory. May God be with you!

A Note to Junior Crusaders

As must happen with every B-school looking to become the best in the world, the admissions procedures at Great Lakes have become tougher, with more applicants competing for every seat when compared to the previous year. But we do not take comfort only in numbers, but also in the quality of students we take. The *Junior Crusaders* batch of 2007-08 will be inaugurated shortly, and I need to caution them that it would not be that easy a task to emulate the feat reached by their illustrious seniors. I hope and wish one and every *Junior Crusader* the very best.

With our global mindset and Indian roots, propelled with knowledge and steered by ethical values, I am confident that you will all exceed all expectations!

Jai Hind! Jai Great Lakes and God bless you all!

With Love,

Bala V. Balachandran

J.L.Kellogg Distinguished Professor of Accounting and Information Systems
Founder & Honorary Dean, Great Lakes Institute of Management, Chennai

FOUNDER'S MESSAGE

Attitude towards Human Beings: Key to Business Success

Dr. Venkat R. Krishnan

Dr. Venkat R. Krishnan (http://www.rkvenkat.org) is a professor of organizational behavior at Great Lakes Institute of Management, Chennai. He is also the Director of the 'Yale - Great Lakes center for Management Research'.

Human resources are a special kind of resource for any organization, and they cannot be meaningfully compared with other resources. When human beings are considered to be just like any other resource, the tendency is to use the human resources as a means to achieve business goals. Nothing could be more destructive of long-term business success than treating human beings as a means to be used. Human beings are not pawns in the game of corporate chess, but they are beings whose dignity is to be respected. Using other human beings to achieve our goals, in any manner whatsoever, is Machiavellian and is the exact opposite of authentic leadership.

The primary difference between power and leadership is that power-holders treat other human beings as things or inanimate objects and use them to achieve their own goals, while leaders treat followers as human beings and aim at achieving followers' goals besides achieving their own goals. Leadership over human beings is exercised when persons with certain motives and purposes mobilize resources to arouse, engage, and satisfy the motives of followers. This is done in order to realize goals mutually held by both leaders and followers. Leadership is inducing followers to act for certain goals that represent the values, wants, needs, aspirations, and expectations of both leaders and followers. Moreover, the genius of leadership lies in the manner in which leaders see and act on their own and their followers' values and motivations. To control things is an act of power, not leadership, for things have no motives. Power wielders may treat people as things. Leaders may not (Burns, 1978, "Leadership," pp. 18-19).

It is often argued that organizational goals are higher in priority and that individual goals should be subordinated to organizational goals. It is sometimes even claimed, perhaps ignorantly, that when individuals join organizations, they accept the organizational goals as their goals. But, no one works for another person's goals. Striving towards achieving one's goals is part of one's motivational process. Hence, goals of human beings are always personal goals only. Goals of individuals in organizations could comprise of money, status, meaningful work, enjoyable social relationships, providing good education for their children, etc. Achieving organizational goals could be a means for achieving one's personal goals, but human beings strive towards only their personal goals. Superior leadership requires addressing the followers' personal goals as well as the leader's own goals or organizational goals, both as equally important ends in themselves. If there is a forced trade-off between the followers' goals and organizational goals, the followers' goals should get a higher priority. Human beings cannot be used as a means, no matter what. Some degree of farsightedness may be needed to comprehend this though. As Swami Vivekananda said (Complete Works, Volume 1, p. 32), "Unselfishness is more paying, only people have not the patience to practice it."

ON LEADERSHIP

O'Toole (1995, "Leading change: The argument for values-based leadership," p. 37) said: "Contrary to received wisdom, when leaders fail to bring about change, the fault seldom lies in a mistaken choice of how-to manuals. Our review of the Rushmorean approach to leadership prepares us for a different conclusion: leaders fail when they have an inappropriate attitude and philosophy about the relationship between themselves and their followers. Those who do not respect and trust their followers cannot lead them. Conversely, those who succeed at bringing about effective and moral change believe in and act on the inherent dignity of those they leadin particular, in their natural, human capacity to reason."

Burns claimed that moral leadership emerges from, and always returns to, the fundamental wants and needs, aspirations and values, of the followers. It is a kind of leadership that can produce social change that will satisfy the followers' authentic needs. Such leadership is not to be confused with the too common practice of pandering to the base wishes of the lowest common denominatorpromising whatever the masses think they want, even if that might be inherently evil. Instead, leaders must discern the followers' true interests from their stated desires and learn to address the underlying needs that the followers are unable to articulate. An effective leader must refine the followers' views in a way that transcends the surface noise of pettiness and contradiction. All values-based leaders illuminate their followers' better sides, thereby revealing what is good in them. In the end, the leader's vision becomes their vision because it is built on the foundation of their needs and aspirations. Leaders appeal to the minds and hearts of their followers and the leadership goal is to change the beliefs and behavior of the followers to make them better human beings.

Leading change does not depend on circumstances, but rather it depends on the attitudes and values of the leaders. In complex settings, effective leadership will entail the dimensions of vision, trust, listening, authenticity, integrity, hope, and especially, addressing the true needs of the followers. Without these factors, the likelihood of overcoming the ever-present resistance to change is minimal. If this is correct, what is required to guide effective change is not contingency theory but, rather, a new philosophy of leadership that is always and at all times focused on enlisting the hearts and minds of followers through inclusion and participation. Such a philosophy must be rooted in the most fundamental of moral principlesrespect for people. In this realm of morality, there are no contingencies. Values-based leadership, by definition, cannot be situational or contingent.

Evidence indicates that leaders who understand why change is resisted and are willing to make the personal investment required to overcome that resistance are likely to achieve the goals they seek. Leaders overcome the chronic and inevitable pattern of resistance in only one-wayby building an alternative system of belief and allowing others to adopt it as their own. That is the essence of values-based leadership. Value-based leadership is an attitude about people, philosophy, and process. To overcome the resistance to change, one must be willing, for starters, to change oneself.

The following are some characteristics of values-based leadership:

1. ***Integrity***. Leadership requires integrity. Integrity has two aspects. Firstly, it is synonymous with truth telling or honesty. A true leader must behave with integrity in this sense by being an honest individual, someone whose words and deeds are consistent. Secondly, the leader needs that related type of integrity that has to do with the integration of one's personality. Integrity in this sense refers to the much-admired trait of wholeness or completeness that is achieved by people who have healthy self-confidence and self-esteem. People with integrity know who they are. Their self-esteem allows them to esteem and respect others. Such leaders' ease with themselves allows others to esteem and respect them. In spite of odds, they never lose sight of their goals or compromise on their principles. They are simultaneously principled and pragmatic. The long-term courses they adopt are based on what is morally right. They are pragmatic- they maybe willing to lose out on some immediate issue but would not be distracted from the ultimate objective. Successful completion of one's short-term mission is not the clearest sign of effective leadership, but lifelong consistency of high moral purpose is.

2. ***Vision***. Values-based leadership is based on an inspiring vision. The only course for the leader is to build a vision that followers are

able to adopt as their own because it is their own. In the end, the leader's vision becomes the vision of the followers because it is built on their needs and aspirations.

3. ***Trust***. Values-based leaders inspire trust and hope in their followers, who in turn become encouraged to serve, sacrifice, persevere, and lead change. They win the loyalty of their followers through deeds and by example. The trust in the leaders also grows if the leaders' manifest integrity, willingness to serve, and respect for followers.

4. ***Listening***. Values-based leaders listen to their followers because they respect them and because they honestly believe that the welfare of followers is the end of leadership. While values-based leaders listen to the opinion of the people they serve, they are not prisoners of others' opinions.

5. ***Respect for followers***. The sine qua non of morality is respect for people. Effective leadership of change usually begins with commitment by leaders to the moral principle of respect for followers. Those who succeed in bringing about effective and moral change believe in and act on the inherent dignity of those they leadin particular, in their natural, human capacity to reason. In bringing about change, these leaders include the people affected in the change process. All human beings have certain inalienable rights; particularly everyone is entitled to be treated with respect and as ends and not means.

6. ***Clear thinking***. The leaders are clear about their own beliefs. They have thought through their assumptions about human nature. They listen to the needs, ideas, and aspirations of their followers, and then, within the context of their well-developed systems of belief, respond to these appropriately.

7. ***Inclusion***. Values-based leadership requires full inclusion of followers. Inclusive leaders enable others to lead by sharing information, by fostering a sense of community, and by creating a consistent system of rewards, structure, process, and communication. They are committed to a principle of opportunity, giving all followers the chance to contribute to the organization (O'Toole, pp. 9-34).

Values-based leadership is the best prescription for long-term business success. Values-based leaders believe in the principles of liberty, equality, and natural justice. They bring about change by pursuing moral ends that their followers would ultimately adopt as their own, ends that are derived from the real needs of followers. The standard of excellence for a values-based leader is to lead change both morally and effectively. Values-based leadership is founded on an inviolable moral principlethat followers are human beings who are not to be used as means, but whose dignity is to be respected.

Who Will Work the Seed Farms of Knowledge?

Dr. Shyam Sunder

Dr. Shyam Sunder is the James L. Frank Professor of Accounting, Economics and Finance at the School of Management, Professor of Economics in the Department of Economics and Professor (Adjunct) in the Law School, at Yale University. He is also the Director of the Yale Center for Corporate Governance and Performance and the President-Elect of the American Accounting Association. The views expressed here are his own.

A farmer saves some of his best grain as seed to plant the next crop. While eating an extra mouthful is satisfying today, it is not worth the risk of having nothing on the table next year. What is true of agriculture is also true of society and education, except education requires us to think of much longer generational cycles, not just annual crop cycles.

To teach its children in schools and universities, to create knowledge, and innovate, a society must attract a fair share of its best young minds to education and scholarship. Is the number and quality of people attracted to teaching and research sufficient to support India's dreams be a brain bank or technological superpower?

Can India have the kind of future it dreams of if she fails to attract the highest level of talent into universities to teach, and think of new ideas in science, technology, social science, arts and the humanities?

To find your own answer, look around the room or street you are standing in. Count the number of things you see which were invented in India. Watch, car, television, computer, bicycle, phone, electricity, synthetic fabric, ballpoint pen, pencil, or mobile phone? Learning to make others' inventions is not the same thing as being the first in the world to think and to make them. The distance we have to travel to stand among the countries which lead the world in brain power becomes immediately obvious.

Next ask: what were the characteristics of the people who made the inventions that have transformed our lives. If these were the people with high brain power, surely India has plenty of those. Again, look around you in the Great Lakes class. Now ask: how many of them are, or will be, devoted to invention and scholarship? It might be easier to answer the question: how many of our brightest friends are NOT pursuing MBA or software engineering. In India, the answer can sometimes be disappointing.

India cannot aspire to the future as an advanced society without original thinkers to inspire the new generations of students, new ideas, original scientific research, development of technology, and producing fine arts and literatures that great minds create and appreciate.

How do we make sure that India's institutions of higher learning attract a fair share of the best minds of each generation into teaching and research careers? As a member of the extraordinarily talented group of India's young generation, each student of the Great Lakes Institute, and the readers of this magazine, are candidates for such careers. India is a free country. How many of us choose to toil in the seed farms of knowledge, instead of consuming the fruits of the knowledge created by others, is for each person to decide. What is your answer?

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In conversation with Rahul Bajaj and Madhur Bajaj

Mr. Rahul Bajaj is the Chairman Bajaj Auto and Mr. Madhur Bajaj is the Vice Chairman of the Board of Directors of Bajaj Auto.

In the 1970's & 1980's, Bajaj scooters had a waiting time of 10-years. However, today anyone can walk into a Probiking show room and drive out with a Pulsar 180 DTSi. How did this change occur? How has the supply chain evolved?

R.B.: No company will survive in 2006 if they perform the same way as they did in 1996. This problem was due to socialism. We could not work as fast as we wanted to. Every scooter had a waiting period that was higher than ours. Today quality is something totally different from that of 1996. The comparison would not be appropriate. There was a time change.

But the credit goes to Rajiv Bajaj and his team. They were able to convert the Scooter Company into a two wheeler and three wheeler company. But we lost out in scooters, where we gained in motor cycles. However, 2000 was a disaster for us. But still we made a 200 crore profit in that year, and there are companies that still don't make that kind of profit. So, in the year 2000, we lost our number one position to Hero Honda. Hero Honda had an 85% market share. But in 1999, the displays at the Auto Expo had been worked on for many years. The beginning was in 1997. We also introduced variants. They were not 16 distinct models. Nobody in the world can do that, anyway. But we were intelligent in introducing variants. We promised to deliver in eighteen months and we did. Now we are number one in the lower and upper segments. Splendour is the leader in the mid-segment or executive segment. We have Discoverer and the Platina there. But they still are clearly the leaders. They took three years to become number one. And the media blamed us, but the fact was that we had failed in seeing the competition forefront. But the great thing was that we were able to come up with a motorcycle model that would sell well. A young team was working on that. From 2003 onwards, the turnaround started. And when the PULSAR got the bike of the year award, the media went gaga!

M.B.: As R.B. rightly said no company can survive with a strategy that is 10 years old. The market has evolved rapidly and customers want more choices all the time. People want delivery of their vehicles within days and expect dealers to deliver prompt service. It is only natural that Bajaj has evolved to cater to the demands of its customers.

During the 1990's, Bajaj hardly had two motor cycle models. However, at the 1999 Auto Expo, Bajaj displayed 17 new models. How was Bajaj able to achieve this technological feat?

M.B.: Right from the beginning in the 60's we were a scooter company. Then in the mid eighties the Kawasakis' and the Yamahas' started entering the market. For a long time it was the KB 100 and the two stroke and four stroke variants that dominated the market. But from the 60's right until 1996 we have been the leaders in the scooter industry. In 1996, we still did not have much competition. In 1997, the scooter market gave way to the motor cycle market and things started changing very fast. We never anticipated anything. But clearly Hero Honda had an advantage. They made only motor cycles. So their growth was very good. But we started responding to change like anybody else.

Bajaj has offices at Central America and Latin America - are you looking to enter the European market? On a different note does Bajaj plan to enter into the Chinese market?

R.B.: We don't plan to enter China. However, we would like to go global. But China is a huge market and we would eventually be there. We exported 250,000 vehicles worth Rs. 900 crores in 2004 and in 2006 we are exporting 400,000 vehicles worth Rs. 1400 crores. We are also increasing our capacities. We have also started our own plants in Jakarta and Nigeria. We also sold 40,000 vehicles in Latin America(in Columbia). However, China does not allow for 100% FDIs in the Automotive sector. I will enter the day when it becomes a proper market economy. India is WTO compliant, but China is not. So we would not enter that market until this happens.

M.B. : The European market has got certain issues to be dealt with but we will enter it in the future. Right now our thrust is on Latin America, Sri Lanka etc., where the markets have a lot of commonality with the Indian market. While we will continue our thrust in neighboring countries, we are looking at emerging markets because that is where our vehicles are more suited for.

Do you believe in inorganic growth? Or would you prefer to add your own capacities and believe in organic growth?

R.B.: We are for both organic and inorganic growth. But we aren't in an industry which does not have too many companies. There are very few small companies that are not taken over. For example, there is Ducati, a small company by size, but a large one by image. So we are keeping all our options open.

M.B.: We could probably be looking for Joint Ventures with auto ancillary companies. If a suitable company is available we would go for it. However, in our industry, we would have to grow by expanding. In a two-wheeler industry inorganic growth is not a very viable option currently.

As a businessman, what are the two things that you would like to change about governmental policy? What are the two things you would like to improve to enable 'India Inc' grow faster?

R.B.: I would say infrastructure and a flexible labor policy. These are the two main things, but there could be other areas too. But these are the most important right now.

M.B.: I think better focus on the practical part of education would be one area to improve on. The other would be the quality and efficiency of our infrastructure agencies.

Could you tell us about Bajaj's CSR activities?

R.B.: We give four awards a year through the JB Foundation. But apart from this, we aren't involved in CSR. The initiatives are present, but we would always be increasing this.

M.B.: We have focused on the safety aspect of our vehicles and have taken necessary steps to ensure that we produce more and more safe vehicles in the years to come. There are a number of stakeholders as far as safety is concerned and the industry as such has announced various training programs for drivers and we at Bajaj have taken an initiative to show a film highlighting the safety aspects of driving to all the three-wheelers' drivers in Pune. This has helped a lot in improving the image and driving aspects of the three wheeler drivers there.

Do you think 'India Inc' is doing enough on the CSR front?

R.B.: Somebody will say we are doing enough and somebody will say that we aren't doing enough. Not everybody understands CSR well. The company's activities are threefold: The first important thing for a company is corporate governance. Without this, it would be difficult to do CSR. Corporate governance would involve accountability, transparency and disclosure. This is not a voluntary choice, but a necessary one. We have already talked about it in the Budget Session and in Clause 49 of the SEBI act. These are requirements. Fifteen years ago, corporate governance was not present. Right now it is a buzz word because it is required by law, especially after Enron and WorldCom. So all over the world, there is an increased level of awareness today. After that, there is CSR. Doing CSR will help shareholder value in the long term if not in the short term. It will help the environment. This could include employee welfare, for example. This is not required by law. Whether it is HIV/AIDS awareness, employee welfare or anything else, this is what CSR is. The third part is charity. We do not expect returns for charity. So these are the three categories. Maybe when you see it with this framework, maybe we are better than America. When it comes to charity, we are better. Lots of companies engage in philanthropic activities.

M.B.: Currently what is now called Car.B on credit points is being increasingly earned by India. We are very concerned about the environmental issues and you would be surprised to know that India has the most stringent emission norms as far as 2 wheelers are concerned. As far as cars are concerned we are getting there and trying to fast catch up and remove the gaps. Also the Auto Industry that we represent is not considered in the polluting industry category and the problems with chemical effluents have also been rectified. We have taken a very long term view and the auto industry came out with the Auto Vision Plan 2006-2016 to chart out a course to see that the environment is protected.

Any particular reason why Bajaj is pursuing corporate knowledge partnerships in exploring technical and market options in third world countries like Nigeria etc. Also what are your export projections for this year?

M.B.: When the whole world was in India we went out to the world and made sure that 10-15% of our entire sales were from exports. Now we are the largest 2 and 3 wheeler exporters from India. We have also started a plant in Indonesia and will be starting another one soon in Nigeria. We feel that the world has to be our stage and do not want to limit ourselves to India alone. And we expect our exports to cross about 400,000 vehicles this year.

R.B.: We wanted to leave our footprints across the globe and the most logical step was to focus on developing countries like Nigeria and Indonesia. The main reason for a global outlook was to ensure that Bajaj has more avenues to explore and capitalize on in the future. Another angle would be the risk mitigation that becomes possible once you expand your market. So all in all it looked like a very good option to explore market options in third world countries.

We have Dr. Abdul Kalam, Dr. Manmohan Singh & Dr. P. Chidambaram at the helm of affairs in our country. As a businessman, is this the most conducive team that you have come across? Can they deliver what they promise?

R.B. : There can't be better reformers than the names you have taken. However, the left will always prevent them from implementing their decisions properly.

- As told to Team Gravity

Beyond Conventional Wisdom

Dr. C.K. Prahalad's talk at Great Lakes

Dr. C.K. Prahalad is the Paul and Ruth McCracken Distinguished Professor at the Ross School of Business, University of Michigan. He is a globally known figure and has consulted with the top management of many of the world's foremost companies. He has written many bestsellers including Competing for the Future and The fortune at the Bottom of the Pyramid. Dr. Prahalad has a Ph.D. from Harvard University.

The author of the famous "The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits" Dr. C.K.Prahalad, the Paul and Ruth McCracken Distinguished Professor of Corporate Strategy, University of Michigan, addressed the students of Great Lakes Institute of Management as part of the "Business Prophet" lecture series organized by the school. The welcome address was delivered by the Founder and Honorary Dean of Great Lakes Institute of Management and J.L. Kellogg Distinguished Professor of Accounting and Information Systems Dr. Bala V. Balachandran. The event was presided over by Mr. Lakshminarayan, the then CEO, Cognizant Technologies Ltd.

Dr. Prahalad spoke on the various business challenges in the current global environment and spoke on ways of overcoming the impediments that lay before India. He laid stress on the importance of challenging and questioning the old ways of creating value. The creator of the famous 'co-creation of value' concept, Dr. Prahalad said, "We should get rid of distinguishing between the services business, software business and manufacturing and instead use sensors, connectivity, database, deliverable analytics and intelligence so as to create values."

The key drivers of value he said, were experience, co-creation, thematic communities and networking. Speaking on what India should focus on and about India's critical skills, Dr. Prahalad added, "Collaborative capacity, innovative business models and integrative capacity should be used as a substitute for investment capacity". He also spoke of how one could tap into the myriad new opportunities that exist for the Indian manufacturing sector by creating intelligent products and services, having a global supply chain, energy efficiency and price performance. He cautioned the corporates, students and other guests in the audience on the dangers of giving less that world class quality to people just because they were poor.

Speaking of Great Lakes he emphasized on the importance of learning Chinese as part of the business curriculum keeping in mind the fact that the Chinese populace across the globe was a whooping 1.8 million. "Every business school should teach by force one additional foreign language to make global managers," he said.

As for the dismal conditions prevailing in the agricultural industry, Dr. Prahalad spoke of how agriculture could be reformed with the use of logistics. He spoke of the huge inequalities that were inherent in India with one end of the spectrum having many children die year after year of malnutrition and on the other end having children who suffered from a different sort of malnourishment- acute obesity at a very young age and of the many who live oblivious of the growing shanty towns. To put things in perspective he spoke of the cell phone diffusion in India, which has seen 5 to 6 million consumers per month. He lauded the efforts taken by ITC and E-Choupal for the work done by them to empower the rural poor.

"The three priorities that India should look at are focusing on intelligent products (software intensity), a consortium for nano-technology and an eco system for innovation," he stressed. Dr. Prahalad concluded his speech by leaving the audience with the revolutionary thought of combining the automotive industry and software industry, which were located in the same geographic clusters on the premise of making better profits. On the whole the audience consisting of both students and business executives were richer from the experience.

- Priyamvada S., PGPM Class of 2007

Service May Begin with a Smile, but Doesn't End with it

Dr. Suresh Ramanathan

Dr. Suresh Ramanathan is the Associate Professor of marketing at the University of Chicago Graduate School of Business. He graduated from the Indian Institute of Technology, Delhi and is an alumnus of the Indian Institute of Management, Calcutta. He has a Ph.D. in marketing from New York University. His areas of research revolve round the 'Dynamics of affective and goal-driven processes', 'Non-conscious decision processes', 'Impulsive behavior' and 'Health-related marketing'. He was previously the Media Research Director, McCann-Erickson.

Pick any company where you may have had an occasion to interact with its customer service, either in person or over the phone. Chances are that you waited a while before an obsequious employee uttered a series of banal "Yes Sirs" or "Yes Madams" in dealing with your issue. Chances are that the problem did get solved ultimately after jumping through a few hoops. Someone then asks you, "On a scale of 1 to 5, how satisfied were you about how we resolved your issue?" Not wanting to be too mean, you answer "4." That number determines a key metric customer satisfaction. Imagine now that 1000 people like you also answered the same way, and the company you interacted with has a pretty good satisfaction score. Managers pat themselves on their backs, and everyone is happy with the state of affairs. Unfortunately, this reflects a mentality, where customer service is seen to be nothing more than the back end of a transactional relationship, limited to interactions immediately before the sale and soon after the sale.

Organizations that are truly customer-oriented do not merely hire employees, who are trained to smile and answer questions politely. While courtesy is an important determinant of how happy customers feel about the experience, it is not the sine qua non of customer satisfaction. Customer-oriented organizations recognize the goals and motivations of their customers and identify dimensions along which true value can be delivered. Business Week recently listed 25 companies which were at the top of the heap in customer service. Listed at No. 1 is an insurance company called USAA, which caters exclusively to employees of the US military. What makes this company so special is the fact that every employee goes through continuous training where he/she is exposed to the trials and tribulations faced by their customers from eating MRE (ready to eat meals that are the staple for the troops) to strapping on 65 lb backpacks and flak jackets to reading real letters from soldiers to their families. The idea is to build empathy and understanding for customers and to be able to better anticipate what they might need. At No. 14 is a bank that revels in how different it is from all the others. At Washington Mutual's branches, there are no tellers sitting behind tall counters (and certainly not any who sit and drink a cup of tea and chat with fellow employees while customers fret and fume, but that is another matter) and no long lines. Instead, employees are stationed throughout the bank and can be freely approached by customers. These are but two examples of companies that listen to their customers, empathize with their concerns, and resolve those concerns by creating systems and structures to deal with them.

How can companies in the new vibrant Indian economy benefit from these lessons? India is blessed with a young workforce and a strong service orientation. It is relatively easy to get very good people to man the customer service positions. They are smart, well-educated and competent. What is missing, at least in many companies that I know of, is the desire to understand what their customers really want. At the heart of this is a transactional mindset, wherein everything is geared towards the sale and everyone gets the same plain vanilla treatment. Instead, it is important to define relationship priorities for different groups of customers. While some customers may undoubtedly not be looking for anything more than a transactional relationship, others require an emotional relationship based on principles of empathy and mutual entrainment. In other words, there is a large group of customers out there who expect to interact with a company that not just responds to their needs or problems, but proactively anticipates them and manages the points of pleasure and pain during the interaction. The Ritz-Carlton hotel is one such example. Every customer's requests and preferences during a stay at any of the hotels in the chain are tracked continuously. If a customer is an opera fan and has asked a concierge for tickets at some previous occasion, the information is available on the system and oftentimes, tickets to a new show will be waiting for the customer when she/he checks in. Harrah's, the world's largest casino chain, tracks plays on a real-time basis and designs promotions and compensations for individual customers based on their playing patterns. Again, this information is tracked across all properties, not just in Harrah's own casinos but also in other casinos that are part of the Harrah's group such as Bally's or Caesar's Palace. What makes all this possible is investment in high quality CRM systems. Many companies have invested in CRM and indeed, CRM is probably the most-used buzzword in industry today. However, most companies view CRM as an elaborate database, where behavioral or transactional data is stored. Merely having a CRM system in place does not mean that a company is customer-oriented. Investing in CRM without thinking about the specific needs of customers and how they wish to develop a relationship with the company is akin to putting the cart before the horse.

In order to be customer-oriented, organizations need to ensure the following:

1. Effect organizational changes to ensure buy-in from every part of management. Companies that are recognized for their quality of service have a Chief Customer Officer whose role is to be a customer advocate. While that might lead to abdication of customer-centricity on the part of others within the organization, it is possible to integrate this role more tightly with the rest of the organization. Importantly, this also means effecting changes in information technology resources and in HR and training.

2. Listen to customers to understand what they value the most. A variety of tools are available to research customers' met and unmet needs. While some of these needs can be articulated and available through self-report measures, others are relatively non-conscious and may need more careful and in-depth research. Critical incident surveys (e.g., among customers who return a product), benchmark studies against competitors and switching surveys (recently won/lost customers) are all potential sources of information.

3. Empower employees so that they can go the "extra mile." Too often, bureaucratic wrangles and excessive red tape can come in the way of a customer relationship. A recent experience with a large private bank in India underscored this fact. Looking to transfer some foreign currency to India, I was hoping to open an NRI account. The bank manager was extremely courteous, but threw up her hands on the issue of how long it would take for the account to be opened. She said that the forms would need to be sent to their head office in Mumbai, verified and approved by some nameless entity there. The entire process was expected to take more than a week. Instead, an empowered employee would have been able to close the deal right then. Needless to say, the bank lost my business.

4. Systematically map out points of pleasure and pain during every interaction and at every touch-point. People do not remember everything about an experience, but they recall two key moments the peak pleasure/pain during the experience, and the feeling at the end of the experience. Knowing what people like and don't like about the interaction is therefore very important.

5. Establish better measures of satisfaction and customer engagement. Apart from objective factors that measure performance along specific dimensions, it is also important to look at how emotionally invested the customer is with the company. Rather than having a "loyal" customer who is just a hostage to the company because of lack of choice, it is better to have an emotionally engaged customer who is more likely to be an active advocate for the company.

These are the drivers of a truly customer-oriented company. As the Indian economy evolves and emerges from its cocoon of socialist thinking, forward-thinking companies will re-invent themselves not just to adapt to changing customer needs but to actively anticipate those changes and deliver truly world-class service.

Build a Strategic Dashboard And Fast-Forward Business Performance

Dr. Paul Prabhaker

Introduction

The concept of a *strategic dashboard* is analogous to that of *vision* for human beings: without vision, great human capabilities have limited value; with vision, the value of human capabilities can be multiplied many times over. To achieve sustained success a firm must constantly monitor, evaluate and modify its strategies. To continue to reach its corporate goals that firm also needs to monitor, evaluate and redesign its business processes. Effective formulation of new business strategies and redesign of business processes are both predicated on timely and accurate measurement of the appropriate business metrics. Thus, for sustained success, a business organization needs to have in place a set of metrics appropriate for a particular competitive and customer environment.

Business Metrics a Key to Competitive Advantage

Business metrics and performance measures serve as "dashboard gauges" in guiding the strategic direction of a firm. The dashboard consists of appropriate gauges (metrics) indicating the current performance, baselines, directional trends and targets. These gauges indicate where a business is headed if the current strategies were to continue unchanged. Any change in the environment in which the firm is competing in, will affect the performance of the firm. The link between business strategies and organizational goals is ever-changing. Constant, close monitoring of this link, via the use of appropriate business metrics, is essential for sustained business success. This continuously changing performance of the firm should then be captured, as measurements, by the gauges (metrics), as long as proper metrics are being deployed.

These measures would then be the pivotal spark leading to changes in the firm's business strategies. Timely and appropriate steering of a firm's business strategies is a key issue for any firm in sustaining business success. Such tight management of an organization's strategies, however, *is possible only by the knowledge and measurement of the appropriate metrics*.

Typology of Business Metrics

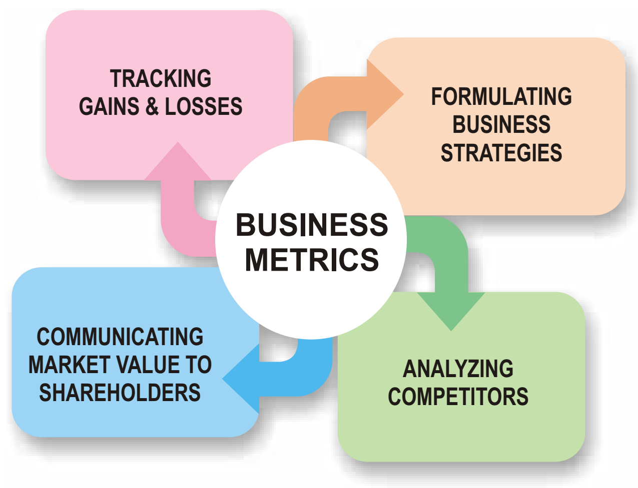
Different metrics serve different purposes. In general, there are business metrics for accountability purposes and other business metrics for organizational improvement purposes. Some measures are used for the efficient strategic steering of a firm. Other measures are used for communicating the proper worth of a business to all interested parties.

Different metrics serve the interests of different stakeholders. Some business metrics are used as the basis for an organizational tune-up. Such metrics could be used for quality improvement or business process reengineering. In such cases, the stakeholders are generally internal to the firm. There are other business metrics like, the accountability measures that are used by shareholders, customers, vendors or creditors in evaluating the general quality of a provider or in estimating the future growth of a firm.

Dr. Paul Prabhaker is currently the Dean and Professor of Marketing at the Fayetteville State University. He is well known for his contributions to the broad area of technology-enabled business strategy. In addition to his academic pursuits, he is involved in numerous professional assignments. Dr. Prabhaker has a Ph.D. and a Master's degree from the University of Rochester. He also has an MBA and an undergraduate degree in Engineering from IIT, Madras.

Limitations of Traditional Metrics

Traditionally, businesses have used financial performance measures as their mainstays in (a) tracking their gains and losses, (b) formulating business strategies, (c) communicating market value to shareholders, and (d) analyzing competitors' strengths and weaknesses.



While the traditional metrics have served adequately for the contexts they were designed for, *they increasingly fall short of reflecting today's business environment, as discussed in earlier sections*.

Examples of shortcomings of such metrics evaluated in light of today's powerful business drivers, are:

- In software companies, the real assets include the people, software and R&D. Traditional accounting methods do not record these "off-balance-sheet" assets. Hence, traditional metrics do not reflect these assets.
- In automotive companies, sales revenue and customer satisfaction are not always correlated. Within the industry, one of the most important metrics that signals future sales growth and market-share formation is "customers' intent to purchase". This is a non-traditional metric and is never revealed in traditional accounting information. This metric is measured and reported by organizations such as J.D.Power based on customer surveys.
- In food companies the metric "brand equity" reflects the degree to which a product has differentiated itself from the competitors' products. This again is a non-traditional metric. It is not reflected in traditional financial statements.

The notion that traditional financial metrics less and less reflect current strategies has been argued extensively in the research literature. A study conducted by Ernst & Young LLP's cennter for Business Innovation concludes that two-thirds of the allocation decisions financial analysts make are based on non-financial metrics!! Specifically, the three non-financial metrics that mattered the most were (a) quality of product, (b) quality of management, and (c)market position of firm. A key conclusion in this study is that "the market evaluates a company based on the perception of its non-financials. To realize full value for your company, you have to communicate non-financial information". Unless a construct is defined and measured it cannot be communicated. <u>Your strategic dashboard has to provide your business with the right vision to steer strategy effectively.</u>

Furthermore, the inadequacy of traditional metrics is clear when it comes to measuring the performance of different organizational functions , for example there is a need to develop non-financial measurements to evaluate the performance in functions like sales & marketing, manufacturing, information systems, purchasing, R&D, or any other organizational function. In the next section we will discuss the inadequacy of traditional metrics from functional point of view and how new metrics are helpful in such functions.

Properties of Strategic Dashboards

In coming up with new metrics, it is best to specify the *properties* one desires in that metric and then define the metric. As an illustration, consider the link between strategy and performance of a business. The metrics in use will ultimately reflect the strength of the strategy performance linkage. Different metrics will invariably reflect different levels of this linkage. In studying the impact of total quality management (TQM) programs, different metrics may reflect different effects. A study comparing quality award winners with other control firms shows that as quality increases (a) operating-income increases, (b) sales-growth increases, but (c) costs do not decrease. Depending on which of the three metrics are being used, the impact of the TQM program could be measured differently. Thus, based on the metric being used, one could end up with a biased conclusion regarding the efficacy of that strategy.

In examining the current research, there are some specific properties that good metrics need to possess:

- Metrics, designed for purposes of accountability, should be constantly reviewed based on the changing standards of accountability.

- Good performance metrics need to reflect progress against a plan. This property allows a metric to go beyond being just a measure. Metrics with this property are vehicles for organizations to clarify, communicate and manage strategy.
- Good metrics should closely reflect long-term organizational success and not just short-term financial gains. A survey of 420 practitioners suggests that analysts go well beyond traditional financial measures and use a broad range of strategic leading indicators to assess long-term organizational success. Thus, it makes sense that organizations use the type of metrics analysts use to evaluate them.
- Any good metric should be part of an integrated performance measuring system. Metrics, no matter how well defined they are, if interpreted in isolation, can lead to problems. It is best to construct metrics by fragmenting the measurement system.
- Good performance metrics should be properly aligned with business strategy. It is not uncommon to find an organization redoing its business strategy but without concurrently redefining it's metrics. As discussed earlier, changing business strategy, without updating the metric, can lead to serious problem in measuring the strategy performance link.

Anti-Metrics

Beware of accounting indicators that come disguised as strategic direction-finders !!

Consider the metrics normally utilized by business in managing products across their PLC. It is well known that product marketing strategies vary depending on the stage of the life-cycle the product is in. At every stage of a technology-life-cycle there are key metrics that need to be leveraged and key anti-metrics that should be de-emphasized in forming strategies.

The marketing mix strategies are aggressive and driven by key metrics, which are market acceptance of the product and customer satisfaction. The key anti-metric here, the one that could lead to a premature market failure, is product profits. In the growth stage of the product-life-cycle, the preferred marketing strategy is to focus on market penetration, with the goal of quickly establishing a dominating presence in a niche. The key anti-metrics in this case are segment-share and time-to-segment-dominance. The anti-metric to be actively avoided in this stage is total revenue. The third stage in a product-life-cycle is the maturity stage. The strategic focus here is on standardization and securing mass-segment customers. The metric driving the strategies is overall market-share and cost-minimization while the key anti-metric to be suppressed is customer satisfaction. The decline stage is considered the final one in a product-life-cycle. Marketing strategies that are usually advocated at this phase are segment-of-one marketing mass-customization. The metric driving these strategies is profits and the anti-metric to be wary of here is design changes.

Conclusion

The theme of this article is to highlight the requirement for near real-time visibility into the strategy-performance dynamic. Poorly conceived or inappropriate metrics result in organizational insensitivity to changes in firm performance. As Lewis (1996) puts it, regarding business metrics, "use it well and performance will improve. Use it poorly and only the measure will improve". The gauges may show higher customer satisfaction, but the profits may not have increased. Thus, the critical need for a *strategic* dashboard.

A firm can only manage what it "sees". But, by the same token, that firm should also "see" only what it wants to manage. A business organization that continually monitors and effectively adopts the use of a *strategic dashboard* would have discovered a fundamentally unique source of competitive advantage.

What Drives your Business?

Mr. Arjun Chakraverti

Mr. Arjun Chakraverti, Principal Consultant, Indusage, is an alumnus of IIM Calcutta. Mr. Chakraverti has worked with companies such as Motorola, US West and British American Tobacco in a glittering 20 year career. Since 2001, he has been a full-time Management Consultant, advising corporations on matters pertaining to Strategy, Marketing and Integration issues. He is also a visiting faculty at Great Lakes, where he teaches a course on Technology Marketing.

We can intuitively arrive at a set of stakeholders who may conceivably drive a business. These include customers, shareholders, employees, suppliers, the Government and society in general, among others. Clearly, every single one of these has an influence on the direction that an organization takes. The question is whether any one of these stakeholders has a prime role in determining the direction that the business takes.

The dictionary definition of 'business' allows for a range of activities by an individual or an organization, some for profit, some for other reasons. If one proceeds by a process of elimination, it is easy to conceive of businesses which have no employees, no shareholders, or operated in environments where the Government or even society has little role to play. However, it is difficult in the extreme to conceive of a 'business' which has no customer in mind.

We may thus infer that the distinguishing characteristic of a business (as opposed to other forms of human activity), is the existence of a customer. One would, therefore, normally assume that the customer would play a disproportionately large role in the mind of the person running the business.

In actual fact, we find that this is not so in many cases, perhaps even in a majority of cases.

The most striking example in India is that of governments (of all types) in India. Under normal circumstances, one could be forgiven for believing that any Government is a part of the 'service industry', so to speak. Their prime customer would be expected to be the ordinary citizen and action by the Government could reasonably expect to be determined by the expectations of these customers.

However, in actual fact we see that that action by the Government has only a tenuous link with customer expectations. On the contrary, government officials at all levels are actually seen to harass those that may normally be described as their customers. Little or no heed is paid to their needs or expectations. One could be tempted into believing that rather than service, a huge extortion racket is at play.

Yet, in reality, if one were to ignore the odd instances of extortion and dishonesty in the Government, much of the harassment that the citizen is subjected to is not driven by venality or questionable morals. Instead, we find that the real driving force is the illusory sacred cow of ***'Public Interest'***. What is this ***'public interest'*** and what in it is so important that it drives millions to extreme measures, some to suicide, each year? If one studies the phenomenon carefully, it soon becomes clear that ***'public interest'***, for the best part, translates into an obsessive preoccupation with the protection of public assets. Mistakes are strongly discouraged, not just from within the Government but from outside too, especially the media. This retards initiative and encourages centralization within the Government. Even the smallest and most trivial decisions get propelled up the hierarchy by officials in customer-facing positions. Far from the frontline, the urgency to address customer issues evaporates. Understanding of the problem is also poor at these rarefied heights and so, if at all the issue is addressed; it is done in a manner that leaves the customer dissatisfied. His dissatisfaction, if expressed, is put down to ingratitude and lack of appreciation of the finer aspects of governance.

We thus see that ***'Asset Protection'*** can be a two-edged sword enabling the Government to harass and even torment us, all in the name of protecting our assets!!!

It is not as though companies in the private sector are immune to this approach. ***'Asset Protection'*** is a potent mantra that is regularly invoked by companies to be less than helpful to their customers. The trend is more pronounced in companies that have been in existence for long, particularly so in those that either hold monopoly status or else held such status till recently.

Do these companies stand to benefit? Clearly, they believe they do. That is why the practice continues. Perhaps, the presumed benefit outweighs the cost in such cases. But are the costs properly enumerated?

Speaking for myself, I know that I tend to shy away from purchasing insurance because of my doubts that the company concerned will ever pay me if the disaster insured against actually occurs. This perception has been created in my mind by some acute harassment by insurance companies in the past. I'm sure the harassment was not intended as such. Their obsessive suspicion was really indicative of their desire to protect their company's assets. But in the process they have probably alienated a lot of prospective customers and done their business a serious disservice.

By way of another example, a well-known chain of hotels has the rather unfortunate tendency of telling guests checking in after 10 pm (sometimes, even guests with reservations), that no rooms are available. They are really doing this probably to conserve scarce rooms for customers important to them, especially these days, when hotels run full. The executive at the front office will claim a lack of authority to ameliorate your situation. The matter will get escalated to the next level and you will get your room. The image you will carry away will be strongly negative. You may ask what the hotel achieves through this and whether it wouldn't be preferable to give the room in the first place. In reply, you will probably hear that the executive is simply following the SOP (Standard Operating Procedure) prescribed for such situations. Under the SOP, a front-office executive cannot release rooms but his immediate superior can. ***'Asset Protection'*** being invoked again?

In contrast, I have found a strong customer-centricity in some companies, even in India. An example pertaining to Jet Airways, going back some ten years, may help illustrate the point. The person recounting the story was a colleague located in Bangalore at the time. He was required to fly to Mumbai for an important conference. After checking in at the airport, it suddenly struck him that he had left his laptop at home and without it, it was pointless traveling. The only option available was to go home and pick up the laptop but this would have meant missing the flight. There was another flight an hour later but that was not a Jet Airways flight and he did not have a ticket. The Jet Airways executive at the counter not only cancelled his ticket with full refund but told him to go home and get his laptop while in the meantime he (the Jet Airways executive) used his good offices to organize a ticket and check-in on the Modi Luft flight an hour later. Jet Airways had not just lost revenue on a ticket but actively helped a competitor earn some revenue. In an 'Asset Protection' oriented organization such an act would never have been permitted. However what they did earn was the undying loyalty of my colleague. He remains loyal to Jet Airways to this day and also never tires of selling Jet as a brand to others.

Of all the private airlines operating in India at the time (1997), (and these included Modi Luft, East West, Damania, NEPC among others), Jet Airways has been the only one to survive...and thrive! Coincidence? I don't really think so.

Trust is one of the important intangibles that a business organization offers. But trust is only one part of a larger customer-centric agenda. In the example just cited, Jet Airways quite clearly placed the customer above any petty revenue assurance agenda it could have had. And won out in the long term!

However, a culture like this presupposes considerable freedom on the part of management to operate unfettered by influence from other stakeholders. Business climate has always had pressure from other stakeholders for the verifiable pursuit of their agenda, narrow as it may be. Shareholders would like to know that their investments are being protected. In the Jet Airways example given, what they might see is irresponsible profligacy, not customer-centricity. If Jet Airways had been under the control of a powerful hands-on shareholder or shareholder group, their idea of corporate governance and associated controls may well have precluded any possibility of the customer-centric behavior of the Jet Airways executive.

Jet Airways also acquired fairly early a reputation for punctuality and quick service. One element in this has been the hard work and commitment put in by employees, unfettered by the kind of unionism that you see in other airlines.

The business environment in India has over the past ten years, seen a drop in the influence of unions, whose obstructive behavior in earlier years was again done ***'in the best interests of their members'*** (never mind that most were on the streets when the companies shut down) but this loss in influence has been more than compensated for in the increase of shareholder influence.

Today managements often do things that they know to be against the company's interests because of corporate governance norms introduced by zealous shareholder groups. These norms often require the impact of management policy to be verifiable. In the Jet Airways example cited, the loss of revenue would have been verifiable, the positive impact of customer loyalty, rather less so. In addition, shareholders are usually less cognizant of the business nuances of the companies they own than managers within the company. If managements allow themselves to be tyrannized by shareholders into accepting customer-unfriendly rules (which often happens), everyone, customers, shareholders, managers and all other stakeholders in the company suffer.

Here again we observe that what shareholders seek is not conflict with customer interests but verifiability. Other corporate governance related norms and policies instituted by shareholder groups do also help the company so rather than ask for their removal, companies would do wisely to negotiate freedom to address customer interests through documented and verifiable measures. This is easier said than done as a lot of customer delight is linked to spontaneous action.

So to be truly customer-centric, a company has to:-

- Introduce processes that empower the front end to the greatest possible extent.
    - This empowerment has to be used for the benefit of the customer so it may be a good idea to have feedback systems to measure this.
    - The more verifiable this is, the less other stakeholders will resist.
- Create a culture of customer-friendliness.

The creation of a customer friendly work culture starts right at the stage of manpower selection. There are some people who are more helpful by nature than others, some who are more meticulous than others, some more patient than others and some more friendly than others. It is highly unlikely that you will find individuals with all the listed traits so it is more realistic to aim for a team with members who cover the cross-section of desired traits. Yet, in practice, we find that recruitment is done based on qualifications and experience, the latter being measured in years spent in the concerned job profile. It is one thing to be naturally helpful, quite another to have qualifications and even experience in customer care. I have in the course of my career, found several of the most qualified people to be the least helpful.

The other aspect to creation of a culture of customer friendliness is the internal work culture that the organization practices. If the internal culture is surly and unhelpful and a customer-facing employee is regularly exposed to this, you can rest assured that he or she will also be surly and unhelpful to the customer. On the contrary, a work culture that promotes 'work as fun' and emotional support is one where the customer too will be treated extremely well.

While there is much more to being customer centric, what we have focused on are the steps that are easiest to implement, deriving, for the best part, from common sense.

But the first step on the road is the acknowledgement that the customer is, indeed, the most important stakeholder in your business, the stakeholder that, more than anyone else, drives your business. ***And this acknowledgement, as we see all too often, isn't always easily forthcoming.***

Corporate ethics or self-righteousness?*

Ms. Sucheta Dalal

Ms. Sucheta Dalal talks on the importance of corporate ethics in creating and delivering shareholder value in a bid to drive ones business profitably.

In yet another 'summit' on corporate governance, capital market regulator M. Damodaran said the debate needs to move away from the arithmetic of board composition to the issues of compliance, transparency, better understanding of corporate governance messages down the line and sharing information with stakeholders. The summit threw up the usual talk about 'governance being equal to trust creation', changing corporate culture and raising the 'ethical bar'.

At almost the same time in the US, IT major Hewlett Packard (HP) had been reinterpreting the rules so fast that it could have easily been a case study on corporate ethics versus self-righteousness, or how swiftly governance rules are abandoned to save the company.

I had previously written about HP's paranoid investigation covering nine journalists, several board directors and some employees to track down which of their directors was leaking information to the press. HP's controversial methods included physical surveillance, pre-texting (impersonation or false claims) and the use of tracer software.

HPs actions became public when Tom Perkins, the Director heading its Corporate Governance Committee resigned in protest, especially on discovering the hacking of his own phone records. Significantly, Perkins had advised Patricia Dunn (Former HP chairperson) against such an investigation; but she went ahead with it and later presented the findings to the board, which identified Director George Keyworth as 'the leak'.

Keyworth was asked to resign, but refused at that stage. Instead an angry Perkins quit when it was clear he too was investigated.

At this stage all the smug self-satisfaction of HP's actions began to evaporate. For starters, it did not honestly report the reason for Perkins' exit. This prompted Perkins to write seeking confirmation from the telecom provider AT&T and then report the issue to the Securities Exchange Commission (SEC). An inquiry followed. It is pertinent to note that there is no record of independent Directors in India taking such an action even when they have quit on ethical grounds. An infamous example is that of Global Trust Bank, where a little spine on the part of the independent Directors may have saved some shareholder's money.

Once the HP sting became public, it was bound to snowball into a mega controversy, especially when nine journalists had been under HP's scanner. Good governance went out of the window at the first sign of trouble and there was worse to follow. What is not clear till date is whether the information 'leaked' by the director had harmed HP at all.

If the witch-hunt was only a matter of principle, then HP's subsequent actions are not justifiable. HP probably hoped to staunch trouble by getting Dunn to resign earlier than planned. Ms.Dunn made a cordial exit, especially with CEO Mark Hurd, whose own role in the issue is

Ms. Sucheta Dalal is currently the consulting editor for the Indian Express group. She has had an outstanding career as a business journalist and has won many prestigious awards including the Padma Shri in 2006. She is well known for her investigative pieces, most famous among them being the breaking of the 1992 securities scam that involved Harshad Mehta.

still under a shadow. But as soon as she was out, HP sought to deflect the entire blame on her saying she had interacted with the security firm hired for the investigation. This caused Dunn to hire her own lawyers to defend and clarify her side of the issue. In the process she has fired several curious salvos and only added to the haze of confusion.

For instance, while Dunn has vehemently defended her actions, her lawyer issued a written statement saying, the "first phase of the leak investigation started before Dunn became Chairman. The former Chairman and CEO initiated the first inquiry into the leaks". For an investigation that began in a burst of self-righteousness, the blame game was turning ludicrous.

Then, at the US Congressional hearings on 28 September, Hurd and Dunn took a completely divergent stand. Hurd played the good guy and was profusely apologetic. He acknowledged that HPs actions had turned into a "rogue investigation that violated our own principles and values".

Ms.Dunn, on the other hand continued to deny any knowledge about the use of illegal methods in obtaining information. The obvious question to this is how on earth did she think her investigators would get the information? Surely she knew there would be surveillance involved when she ignored the Corporate Governance committee Chairman's suggestion to simply ask the directors about who was talking to the media and accept an admission or apology if it were proffered.

At the Congressional Committee hearings, Ms.Dunn not only defended her actions, but also urged the Congress to create "an effective legal framework to protect companies like HP from leaks".

She also wanted "legitimate and sanctioned ways" for companies to pursue their "responsibilities to protect their intellectual property and confidentiality." A simple interpretation of this suggestion would be that Ms.Dunn now wants legislative sanction for companies to encroach on the State's turf by launching their own investigation against real or imagined leaks.

While Ms. Dunn made this preposterous demand, HP's behaviour continued to be shadowy. For instance, its General Counsel, who directed the sting operation resigned on the very day of the Congressional hearings and refused to testify invoking the Fifth Amendment (which offers protection against incriminating oneself). It is reported that she walked away with a golden parachute of $3.6 million, which suggests that HP does not really condemn her actions or lapses. This is hardly consistent with the high moral stance in launching the investigation.

HP's action also creates a basic conflict between the role of a journalist to try and break news before the company is ready to make a press announcement and the company's need to keep information confidential. Corporate governance rules need to be debated in this context, as companies conveniently hide behind media leaks orchestrated by themselves, or as in HPs case, use financial muscle to launch a witch-hunt when the leaks are against their interest.

**** Excerpted from "Corporate Ethics or Self-righteousness?", published by Indian Express on October 02, 2006.***

The 3 Gears of Innovation*

Ms. Radhika Chadha
& Mr. Parmit Chadha

Every manager is familiar with the 'S' curve, which takes its name from the curved shape characterizing the performance of a product or a business over time. The 'S' curve first slopes gently, reflecting the initial slow growth as the new business creates its space in the marketplace, followed by a rapid take-off as the idea gains traction. All good things must come to an end, and the 'S' curve of a product or a business will inevitably plateau. This could be due to changing customer preferences, societal trends, or competitive factors. A sharp decline then follows as the old success formula becomes increasingly irrelevant in the new world.

Accepting this cycle is important: plateauing and decline is to be expected, indeed, anticipated, as part of the growth process. It can be arrested to some extent by rejuvenating the product, keeping it up to date with competition, etc. But sooner or later, a new product, or a new business will be needed. The danger in listening to a voice that whispers insidiously "why innovate?", lies in its assumption that the current growth will continue into perpetuity. It won't. Business history clearly illustrates the fate of erstwhile market leaders who fell behind as competitors came in with new products and services, or business models that rewrote the rules of the game. Interestingly, most of the market leaders were considered innovative in their heyday, but took their eyes off innovation somewhere along the way.

Christensen and Raynor (in 'The Innovator's Solution') highlight the difficulty of achieving sustained growth. They point to Jim Collins' research on 1,435 companies over thirty years, which indicates that less than 10 per cent of companies are able to sustain the growth that creates above-average shareholder returns for more than a few years. Further, for those who face the spectre of declining growth, it appears that regaining momentum is difficult. A study by the Corporate Strategy Board of 172 companies that had been part of the Fortune 50 between 1955 and 1995 indicates that, of the companies whose growth had stalled, only 4% could successfully reaccelerate. Given that nearly 70% of mergers and acquisitions fail to deliver value, growth needs the organic route, through innovation in new products, processes, business models, and so on.

Innovation is not easy!

The Paradigm Innovation Survey, the first of its kind in India, an in-depth survey of over 100 Indian managers on the innovation issues and challenges faced by them, brought into sharp focus the dilemma that most managers face with the innovative imperative: they believe innovation is important, they aren't happy with their organization's experience with innovation, and they don't know how to fix it. There is a clear dichotomy here, between the dissatisfaction with what the individual manager expects innovation to deliver and the ability of the organization, as a whole, to rise to this challenge.

- 95 per cent of Indian managers believe innovation is key to competitive advantage.
- Only 36 per cent believe that their innovation outcomes were as, or better than, expected.

Clearly, there is widespread dissonance between what is expected of innovation, and the actual results.

Source: Paradigm Innovation Survey 2006

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One clear takeaway from our research into innovation (including both extensive literature survey and talking to scores of managers), is that the management of innovation suffers from the Rashomon Effect. In Akira Kurosawa's film, Rashomon, observers of an event give substantially different but equally plausible accounts of it. Described as 'surprisingly simple and deceptively complex', the film illustrates how perspective distorts reality. In much the same way, the concept of innovation appears to have so many facets that viewers risk getting focused on only one element.

Our interviews with managers across different sectors and across levels brought home the very real danger, (and many organizations are guilty of this) of viewing innovation in a linear and uni-dimensional fashion. Innovation is treated as being synonymous with either individual creativity, or research and development and patents, or new product development processes such as stage-gate, or some other individual element on the innovation continuum. Each of these is indeed important, but there is much more to innovation.

In our view, successful innovation is an outcome of a happy alchemy of many complex, interlinked variables, including strategic, cultural, economic, and infrastructural factors. It is the variability in these factors, and the fact that they interact in so many different and complex ways, that lends innovation its unpredictability. The reaction is different for each organization. It depends on the organization's business environment, its choice of strategy, its size and maturity, its culture, the type of people staffing it and sometimes, even geographical location.

Making innovation effective

From the point of view of the innovating organization, though, what really counts is how the innovation improves its own performance. A product innovation could create new markets or improve market-share in existing markets; a process or business model innovation could alter competitive dynamics in its favour. If an organization is to take innovation seriously, it has to find an emphatic answer to 'What's in it for me? '. Rather than be treated as synonymous with an idea (the beginning), or an outcome (the end), innovation occupies a wider canvas, incorporating the entire gamut of activities starting from conceptualizing a problem, engineering a solution, and finally, exploiting it successfully to create value.

Further, innovation needs to have a discernible impact on moving the organization towards its objectives. Otherwise, the result will be an outpouring of ideas that could be creative yet useless in achieving the overarching organizational goals. We believe that this could be a significant reason why CEOs have a vague feeling of dissatisfaction with their return on innovation investment: despite a stream of creative ideas, they fail to see an appropriate impact. Successful innovation is a balance between the right brain and the left brain, the bubbling up of ideas that drive business-unusual, not business-as-usual, and a relentless thrust on seamless execution that propels these ideas forward to creating value. It is difficult to say which is more important. A great idea is useless if it never gets off the ground. On the other hand, a perfectly implemented but inconsequential idea will make only a marginal difference to the topline or the bottomline.

We strongly believe that there should be no cookie-cutter approach to success in innovation: instead, each organization should introspect deeply about what makes sense for it at that point in time and shape its innovation strategy accordingly. Instead, we recommend that each organization evolve its special innovation system, which can be viewed as three interlocking gears: goals-cum-strategy, culture, and processes-cum-competencies. Strategy provides the background to understand what type of idea is right for the organization at that point in time. Then, ideas need to be generated and thrown up this is where the organization culture plays an important role. Only ideas that have a strategic fit should be chosen. Finally, processes and competencies need to be in place to ensure the execution of the chosen ideas.

The CEO's role

Yet, innovation cannot be produced on demand like a champion athlete, an organization has to keep itself fighting fit all the time so that it can deliver when asked to.

To do this, steering innovation and creating new engines of growth should be the responsibility of the CEO: only from his vision and leadership can the organization derive the culture and strategic direction to drive its innovation efforts. Equally important, his backing ensures that things will happen. Which is why it is critical that innovation comes onto the CEO's personal agenda. We submit that the responsibility of realizing growth and profitability through innovation lies squarely on the shoulders of the CEO and his top management team. The importance of the CEO's role becomes apparent once innovation is seen not as a functional activity but as a system affecting the entire organization.

In organizations where innovation has failed to fulfill its role in creating sustainable competitive advantage, there is evidence of systemic breakdown: inadequate ideation, weak strategic foresight and poor execution all combine in a negative vortex that sucks resources and energy out of the system, leaving in its wake an aftermath of failed products and destroyed morale. On the other hand, in organizations that have a history of successful innovation, we believe that is the CEO's vision, leadership and supervision, that generates a virtuous spiral in which the different interacting elements reinforce and recombine in a value-creating reaction.

One definitive statement can be made: by taking charge of the innovative agenda, through a combination of advocacy and execution, by infusing positive energy in the right elements, a CEO can transform his organization into a living entity where value-creation through innovation becomes an integral component of the genetic code.

Excerpted from "Innovative India: Insights for the Thinking Manager", to be published by Penguin India in June 2007.

'CHINDIA' - A new buzzword*

Mr. Santha Ram

Mr. Santha Ram is the Executive Director of the Indian Chamber of Commerce, Hong Kong. His interests lie in global trade and investment promotion.

The global economic power is slowly undergoing a paradigm shift with Asia emerging as a third pole to the US and EU. More specifically, the power of *CHINDIA* is something that is going to become a force to reckon with in the years to come. First coined by Jairam Ramesh, *CHINDIA* is a portmanteau neologism that refers to China and India together in general and their economies in particular. The *CHINDIA* region's potential of huge domestic markets encompassing a third of humanity, highly skilled labour and governments pursuing capital-friendly policies have led many to conclude that the world is at a tipping point in history. In ***Mapping the Global Future***, a report by the National Intelligence Council, a division of the CIA, analysts concluded, "In the same way that commentators refer to the 1900s as the 'American Century,' the 21st century may be seen as the time when Asia, led by China and India, comes into its own."

Going back to the history books might give us a bit of perspective. There was considerable trade in ancient times between the two countries. However, in post-colonial times there was a lot of antagonism between both countries due to the politics of the day. India's distrust and fear of the Chinese has only grown from the 1960s and there are mutual misgivings on the border disputes, our nuclear policy and support to the Tibetan cause. However, there has been a trend in recent times of these differences being set aside for the greater good of both countries. If prophecies of *CHINDIA* are to be fulfilled, both nations have to cooperate and compete peacefully. The extent to which historic differences are now being put aside by growing economic links can be judged by the rising trade figures. Trade is projected to rise to $20-billion by 2008 and shoot up to $30-billion two years later. From mid fifties camaraderie to mid sixties conflict and to the present thaw in the bilateral cooperation, Sino-Indian relationship has gone through the full cycle.

A combined population of 2.3 billion (one third of the world population) is a formidable combination. Economic power unleashed by this combine will change the way the global economy is looked at. We are already witnessing upheavals. Commodities prices are at a historic high, be it Copper, Aluminum, Nickel, Iron Ore and this has to a large extent been influenced by the appetite of these two Asian giants. Oil is selling at US$ 62 per barrel, stubbornly high. *CHINDIA's* consumption of basic commodities is expected to account for 16-50% of global consumption by 2020 up from current levels of 10-30%. Driven by rising affluence and the concomitant increase in the disposable income, *CHINDIA's* consumption of industrial/ agricultural inputs and consumer goods set to soar. The consuming population of nearly 700 million in *CHINDIA* is an alluring market. No wonder global retail majors are salivating at the prospect of hefty profits they expect to reap. Over the next five years, it is estimated that about 50% of *CHINDIA's* population will be in the age group of 15-49. India's demographic split up is something all international majors worth their salt are talking about with about 620 million people in the highly productive age group of 15-64. In the retail industry, China has taken a leap forward with global giants Carrefour (75 stores) and Walmart (55 stores) setting up shop in a big way and others following in their foot steps. India is trying to fine tune its strategy for inviting foreign majors into this critical sector of the economy.

With the opening up of trade and globalization, some skeptics were under the assumption that Indian industry would be unable to stand the might of Chinese manufacturing and would be swamped with Chinese products. However, while there has been a huge increase in trade, it has not been one sided. Yes, Chinese products practically dominate certain sectors such as electronic gadgets and toys but we have seen that most Indian companies making quality products have continued to thrive.

There is a steady stream of Indian companies entering China, mostly in the manufacturing sector, particularly in metallurgy, electric appliances, pharmaceuticals, printing ink, textiles and information technology. Ranbaxy was the first in a long list of Indian companies that have established shop in India to take advantage of the global markets. Today the list contains a veritable who's who of Indian corporates including Sundaram Motors, Wockhardt Pharmaceuticals, Infosys, Satyam, Tata Consultancy Services, Reliance Industries, Ispat Steel, ICICI Bank, and many more.

From the Chinese side, Huawei Technologies, TCL, Haier Electronics, Zhongxing Telecom and Chalco are some of the Chinese companies operating in or seriously looking at India. However, the level of investment of Chinese companies in India is not as encouraging as the level of Indian investments in China. Reasons are aplenty, both political and economical. One major criticism of the Indian psyche is that there is a mind block that does not want to accept that with changing times, even sworn enemies can become friends. Indian leaders and policy makers are often wary of giving too much to the Chinese, thereby losing out on their manufacturing expertise in the bargain. Chinese attempts to invest in India have perennially met with roadblocks and the likes of Huawei and Haier have not been allowed to expand as freely as they would have liked to.

The Chinese openness to learn from the Indians as far as the IT and Software services sector is concerned is reflected in the statement of Li Yuanchao, Chairperson of the Jiangsu People's Congress, on a recent trip to India, “We have come to learn from the Indian masters”. Sadly, the same willingness to learn has not been demonstrated on the Indian side. While there certainly are some legitimate political reasons to be wary, it is high time the Indian policy makers awaken themselves to the fact that there lay ahead of them tremendous opportunities to learn from China's manufacturing prowess, thereby benefiting the country in the long run.

As discussed in this article, the economic strengths of these two countries are extremely complementary in nature - China has a strong manufacturing base and a sound infrastructure setup while India is strong in services and information technology. China is stronger in hardware while India is stronger in software. China is stronger in physical markets while India is stronger in financial markets. The countries also share certain historical interactions - the spread of Buddhism from India to China and trade on the Silk route are famous examples. Both countries should come together and make use of this opportunity in time to strengthen their ties not only in terms of business, but culturally and with 'people to people' contact as well. This would be a great occasion for the two countries to use collaboration and the power of synergies to help make each other bigger players on the world stage.

China and India will rewrite the global economy in this century. For two decades, their economies have been growing twice as fast as the rest of the world, and they now account for 40 percent of the world's working age population and 18 percent of the global economy, on the basis of purchasing power parity. On this basis, China's consumers are going to have more buying power than their American counterparts in a decade and the Indians will have more than the Japanese. International companies will be able to get their hardware made in China and power it with software and circuitry designed in India. There's no doubt that the two will become the biggest consumer markets, with a vast number of investors, producers and users of energy and other commodities.

In the words of Morgan Stanley's Stephan Roach, there is going to be a “rebalancing of the global economy”. The 21st century belongs to Asia and more particularly to *CHINDIA*.

With inputs from Ashwin Sunderkumar, PGPM Class of 2007

President Carter's Goodwill visit to India.

“Not a Hand-Out but a Hand Up”

Dr. Bala V. Balachandran

The tsunami that struck terror in the hearts of the people of Thailand, Indonesia and Tamil Nadu towards the end of 2004 was indeed an unprecedented global catastrophe of gargantuan proportion. Since this fateful day many NGOs have worked tirelessly in rehabilitating people and putting communities back on their feet.

One such tiny step was the building of thirteen homes by volunteers of the 'Jimmy Carter Work Project' organized by 'Habitat for Humanity India (HFHI)'. Located on the east coast road, the tiny fishing hamlet of Hanumanthaikuppam was one of the worst affected Tsunami areas. Habitat stepped in and offered a helping hand to these villagers. Their help would be in line with their mission of building 'simple, decent and affordable' houses. And so they did.

When I was initially approached by Mr. Joe Mulvey and Ms. Karen Haycox to take on the responsibility of being the Honorary Chairman of the U.S. Chapter of the “Jimmy Carter India Build Advisory Committee", I gladly accepted this noble cause on the condition that Jimmy Carter visit Chennai and help the Tsunami Victims and that Great Lakes students who love to volunteer be allowed to partake in the activities. This was accepted and following the time honoured tradition of the "Great Lakes Cares" philosophy, I gave my voluntary services to the noble cause of Jimmy Carter India Build Program and thus went to Lonovala in Maharashtra for the Earthquake Victims in a village nearby called Manavli from 28th October 2006 for 5 days.

Of course, our Great lakes students and Alumni were volunteers to work on housing for the poor which is "Not a Hand-out, but a Hand up". Following this I left with President Carter to the home of Great Lakes at Chennai and drove from Meenambalkam to Hanumantha Puram where over 25 Great Lakes Volunteers who could spare their time in spite of their internship requirements stepped up to the occasion and lent a helping hand for the Tsunami Victims 200 kms from Chennai on the East coast road near Pondicherry.

With the work going on in full swing, the first sets of houses were ready to be occupied by October 31, 2006. And this day would forever be remembered by the villagers as one of hope, an auspicious day when they would get brand new houses built of brick and mortar and none other than the former US President and Noble Laureate Jimmy Carter would be attending the house warming ceremony. Also a few students from the Great Lakes Institute of Management would have the opportunity to volunteer for Habitat and witness the event.

Braving the rains and the chilly winds, volunteers worked on a gamut of tasks ranging from cleaning the beach front to filling pot holes on roads to handling the media. Having been involved with HFHI's cause for several years I have always been appreciative of their stupendous efforts. But it was wonderful and gratifying to see the passion and energy that Jimmy Carter has shown in the twenty years he has been with Habitat. Carter had stood side by side with volunteers from across the globe on that day and on several other occasions. This thought invigorated all the volunteers; and together we all worked harder and with a purpose!

Come evening - the village bore a festive look. When the Carters arrived, they were welcomed like old friends returning to the village. Children danced to famous South Indian tunes, village leaders thanked him and everybody else was delighted by the very presence of the Carters. Carter then spoke passionately of how this was just the start of things and that the commitment to this entire process of rehabilitation is of paramount importance.

The Carter entourage had previously visited the village of Malavli (Lonavala, Maharashtra), where a total of hundred houses had been planned with over two thousand volunteers from both India and abroad. This is definitely one of those unprecedented responses that Kofi Annan talked about with families, celebrities and students working side by side to help affected families overcome obstacles.

Overall, the experience was blissful-one that on a normal plane involved the building of houses and at a transcendental level involved the rebuilding and transformation of lives.

As one of the Crusaders, Mahesh wrote to Swati CA[1] about management students, "They enter MBA institutes and leave with huge pay packets, which leaves them bereft of any knowledge of the struggles faced by the majority in India. The fact that this exposure to their struggles and our help to this poor and handicapped group might play a huge role in our future and the future of the country is undeniable." Helping the impoverished and the under-privileged helps build character and create happiness. These set of actions by Great Lakers prove ample testimony to our commitment to 'The Build India' program in a small way.

I am proud and privileged to be part of the Crusade with my Crusaders of 2007.

Reference

[1] *The Hindu Business Line, Monday, Jan 15, 2007, page 13.*

My EMBA Journey

Ms. Sharada Ramani

Ms. Sharada Ramani is the Head of Computers International. She is an alumnus of the EMBA batch 2005.

Having already received the **Best Woman Entrepreneur of the Country** award from our President, **Dr. A. P. J. Abdul Kalam**, and having demonstrated my ability to run a 'Successful Growing Business', you might wonder what prompted me to pursue an Executive MBA Course? How could one possibly spend time away from a business that was in its growth phase and needed personal attention to tackle the various issues that it faced during this critical period? Wasn't the real world supposed to be a better teacher than a mere academic curriculum?

These were some of the questions that were typically thrown at me when I first mooted the idea, during the course of the last two years.

The EMBA program at Great Lakes looked like a very tempting option as doing an MBA was always close to my heart. As a self taught person, I have always felt there was something missing in terms of professional management education. I was sure that an MBA would fill this gap and believed that Great Lakes provided me with a wonderful opportunity to fulfill my ambitions. However, being the head of a successful growing business, there were other factors that had to be taken into consideration before making this monumental decision.

Just as there are two sides to every coin, doing an MBA had its share of positives and negatives. The course helped me polish a lot of concepts and despite the fact that there were many facts that I was already privy to (having run my own enterprise), I did learn means and ways of doing a lot of things in a more efficient and optimal manner. This was my primary takeaway from the EMBA course. To quote from one of my personal emails to Dr. Bala "***If only I had joined such a course a couple of years back, my company would have scaled even Mount Everest***."

More on EMBA

During December 2006, the Tsunami struck the coast of Tamil Nadu creating great havoc for millions of people. The same time there was another Tsunami which affected few people however this Tsunami was a constructive one yes, I am referring to the starting of the EMBA Pioneer batch. This Tsunami was the result of Dr.Bala's vision and foresight.

Our class had 30 students- most of them were sponsored by their companies. The average age of the batch was close to 35 and the average experience was more than 10 years of managerial experience. The students were from different industries handling different functions and were truly established performers in their chosen professions. Teaching this class sure did come as a challenge to most professors owing to the stellar work experience credentials, professional expertise and high expectations that our batch had. The synergy that existed in the batch had to be felt and seen to be believed. Going back to the classroom over the past two years has been more fun that one can imagine and I can whole heartedly say that I have learnt a lot from both my peer group and the faculty at the EMBA program.

Looking at the Pedagogy

The entire conceptual framework of the course was excellent with the emphasis being on equipping future top management professionals to take on bigger challenges. The challenges involved taking a 360 degree view of the organization-one that goes beyond the practice of having a narrow and tunnel vision of the task with respect to ones current responsibilities.

EMBA follows a three pronged approach in the classroom namely, case study analysis, understanding the concepts from case studies and supplementing the same by listening to the lectures by faculty. This is followed up by reading the recommended text books on the subject. The eternal management-'Classic Book Collection' was also given to us to build on the best of the management theories and practices. ***Emphasis is more on why rather than how to do things***. This enabled us to understand the concepts in our own area of expertise and observe and absorb the effects of applying these concepts into the business directly.

The Great Lakes faculty hailed from both prestigious international universities and Indian Universities of great repute. We had the honor of having great teachers like Uncle Bala himself taking class on the most important aspect of business, "Strategic Profitability". The Professors were academicians with a difference. They had rich consulting experience and were great practitioners in their chosen field. We were lucky to have dedicated lecturers who sometimes stayed awake through the night with us to solve a case or a pressing business issue. Hats off to these great teachers!

How the experience benefited "Me" - The Head of Computers International, an IT company in Chennai

From a Strategy perspective, this course has made me focus on the core strategy of developing the business. What we used to do intuitively is now analyzed from different view points and an extremely workable decision is taken. More than anything, it has made me think deeply which is anathema to my nature. There is a clear focus and aggression in handling my company's business growth. Overall, everyone around me can feel the difference in my standard of thinking post EMBA and my execution style has risen to higher levels.

This course has also helped me market my organization in a cleverer and more efficient manner than before. The various cases that were discussed as part of the EMBA program, the basic tenets of marketing that were imparted by professors of high acclaim and the shared wisdom and experiences of a diverse class has enabled me to view the Marketing Aspects of my Enterprise from both a macro and a micro perspective. I have now started to look at the "What is in it for me" question from the viewpoint of various stakeholders be it clients, employees or our company and then take things up rather than doing things in a blind manner. From the point of throwing stones blindly and hoping that mangoes will fall, I have personally come a long way and today I take a bird's eye view of things before taking any decision.

I have also realized that however small your objective maybe, having **SMART** goals is of utmost importance if you want to succeed. The importance of manpower was also stressed upon during this course. If you want to succeed with your dream, make others dream your dream and this collective pitch will enable you to turn these dreams into reality much faster.

My biggest takeaways on the finance front were Activity Based Costing which helped me understand the importance of breaking down costs. This idea helped me to think differently and strategize our Co-opetition Model.

In all, there was an entire gamut of takeaways that ranged from small & immediately implementable ones to high end Strategic course correction of the business model even.

More than anything, this course became a stepping stone to our growth strategy for scaling up my company from its past day status as an SMB company to a larger organization within the shortest time frame.

As my batch mate, Hari, so eloquently put it *"The Best decision I have taken ...apart from of course finding the right girl. Much better prepared to face leadership roles in the future than ever before"*.

This neatly sums it all up for all of us.

What makes an airplane work - the engine or the wings?

The following is a small fictional story that takes place in a company called Widgets India Pvt. Ltd. This story tries to look at what drives a business through the eyes of practitioners.

Guru V. Gurumoorthy
Chairman and MD

'Baloney' was the word that came to my mind yesterday when I was discussing the possibility of *right sizing* the company with Siva(HR Director). Both of us knew that the decisions we took would affect the lives of so many families who have given so much for the success of this company.

I still distinctly remember the day I stepped back on Indian soil fifteen years ago after completing my PhD from America. Starting a company in India back then seemed a crazy idea. "Wishful thinking!" said everyone around me. But to me it was all very clear. I would have the power to give jobs to so many people if I came back, the same jobs I am supposed to take away now!

G. Sivaramakrishnan
Director HR

I have not seen Guru in such a mood ever before. I have known him from the time we were kids, after all our dads worked together and we went to the same school. He had always been fresh and full of energy. To me he is still the kid I knew. Yesterday was different; he looked tired, old and harried.

Guru started this company from scratch. With his patent for a new process of making widgets, he could have done this right in the US but he chose to come back. Money was never a problem for us from the start, getting the right people was. We had to make people leave their *secure* government jobs and join a young startup. Looking back, I would say they had made the right decision. But as reality dictates the good times don't last forever. Guru has not told me his decision yet, but I expect some big announcements today at the meeting.

Gaurav Shah
Vice President - Marketing and Sales

I don't know why we have this sudden meeting today. This better be good because I had to cancel a customer meeting for this. Gurubhai has been acting funny this week. I love this company and though we are going through tough times, I strongly believe that we will turn it around.

I still remember the speech Gurubhai gave at our college ten years ago. 'The true leader is not the one who gets more accolades, but the one who wins more hearts', he said. This simple truth has helped me close many a deal in my career. As a fresh MBA then, I clearly knew that joining this company was my destiny. The more experienced among us told me that I would be spoiling my career and that a company making widgets would never succeed in India. They advised me to take up a job in FMCG or in a big government company. I decided otherwise. I have never regretted my decision.

T. Shyamsunder
Vice President - Accounting & Strategic Finance

'Tough decisions have to be made in successful companies', I tell Mr. Gurumurthy every time I meet him. He is a good man, but then we are running a business here.

I joined this company six months ago. I am supposed to be their turnaround man. I had studied the entire cost structure and pricing ability of the company's products and submitted a report to Mr. Guru a week back. We desperately need to cut costs drastically if we ever hope to be competitive. I hope some useful decisions are made in today's meeting.

Ragahvendhar Rao
President - Operations

I am hearing a lot about job cuts and this is really demoralizing the workforce. I hope we don't take such drastic measures. Guru and his R&D team are almost ready with WidgetX. Guru tells me about how we will take off once the product hits the market. It's just a matter of time, a year or two utmost.

I have been with Guru from the beginning. Siva, for lack of a better word, had poached me from a big government organization with a promise of more challenging work. And boy! has he kept his word! We have seen trailblazing growth in the past and I hope today's meeting will set the direction to get us back on that track.

The Meeting

Gurumoorthy: "Good Morning Gentlemen. For the past few weeks, I have been having frequent discussions with most of you regarding the current situation of the company. Most of you have been, by this time, compiling data and taking an objective look at our sales, operations and financial performance. When I take a combined look at all the data I don't see a pretty picture.

We started manufacturing widgets in India and we are probably the most innovative company here currently, but as you can see we are neither the top company financially or in the marketplace. I know that some of the major reasons for this have been the entry of multinationals and big Indian conglomerates into this business. This meeting though is not to discuss them. Neither is this meeting a platform for discussing the causes of our plight.

I have called you gentlemen, to discuss something more fundamental. I want you to do some soul searching and tell me *what according to you really drives our business and propels it?*"

I did not want them to start a blame game by asking them as to what went wrong. Instead I wanted them to ask themselves- "what is it that when done right can rectify the 'wrongs'?".

Ragahvendhar Rao: "With all due respects sir, what makes an airplane work the engine or the wings?"

Gurumoorthy: "Point well taken Mr. Rao, but all I wanted was for everyone in this forum to come to the same level of understanding regarding all the activities in this company before we decide on a course for the future. I wanted everyone to appreciate the purpose and direction taken of departments other than theirs"

Gaurav Shah: "I believe a strong marketing strategy built around the needs of our customers is what has driven our business till now. All our competitors though have really caught up with us on that. But where we really stand tall is the customer's knowledge about us. *They know our customers but our customers know us!*

We are one of the most well known and trusted companies in the market and our competitors are constantly being benchmarked against us. All we now need to do is to build a strategy to leverage this mind share to get the market share. I suggest we do a comprehensive and integrated marketing campaign that tells the market why we are different. We can introduce a slew of schemes, promotions, warranties and tie-ups backed by targeted advertising. This strategy is what I believe will propel us forward till we take off with the introduction of Widget X.

Gentlemen, we do not have the lowest price in the market. So, let's be different."

T. Shyamsunder: "Using our brand image to increase sales is fine but our current cost structure does not allow us to compete in the market. A detailed costing analysis has revealed that our variable costs are more than the price we command leading to negative contributions. We are bleeding gentlemen. Gaurav spoke about growth. I am here to talk about *survival. Prudent financial management is what will help us survive and drive us through these tough times.*

Our competitors are driving our pricing decisions, but what they cannot decide is our costs. That is the variable we have in our hand. I strongly suggest we start a program to drastically cut costs. Our current employee utilization rates are an abysmal sixty percent. We should immediately lay-off some employees to bring the numbers close to 90/95 percent. This single move will reduce our costs by five percent.

I know this is a tough call, but right now we need to survive and our survival depends on cutting costs."

Ragahvendhar Rao: "Downsizing is always the trump card, we the management have, to pull ourselves out of tough spots. But, by doing so we are just pushing the real issues under the carpet. We also have to see the long term effects of such a decision and the morale of the surviving employees. Moreover these are real people that we are dealing with and not just numbers.

In the past our production has invariably been able to meet the demands of the market on time. *Our quality and reliability have really been the driving force in establishing our brand in the market*. If we are able to increase our sales by measures suggested by Gaurav, we will be able to match that demand by moving to three shifts from the current two shifts (by increasing machine and manpower utilization rates).

Moreover, through a process improvement program, we can improve the flexibility of our production. With that we will be able to churn out smaller batches of customized widgets exactly matching customer requirements. This would give us a better pricing ability compared to our competitors. All these improvements will eventually augur well for the eventual launch of WidgetX as well.

Friends, we can improve on the cost front without going in for lay-offs."

Gaurav Shah: "Good suggestion Mr.Rao. I can include a 'Widgets to order' program as part of my campaign."

G. Sivaramakrishnan: "Three shifts is a very good idea. This gives a strong signal to the workforce that the management is not going for a lay-off strategy. This will improve our attrition figures.

Moreover our employees are our wealth. The experience that our employees have in the widget industry is way ahead of the other competitors. *It's our people who have driven our business to the success and stature we enjoy today*. We simply cannot afford to lose them to our competition. We will then be handing over our competitive advantage to them in a platter."

Gurumoorthy: "Well said, Siva! It's definitely our people who have taken us to such heights and it our turn to stand by them in times of distress. I am sure that we as a team will be able to turn around the company.

I thank you all for taking time to answer my question. You have all answered in earnest and I now clearly see what really drives our business. No, all businesses in general. It is ***passion*** gentlemen. Passionate people like you make a business successful. It gives me great pride to see just how passionate each one of you is about your respective domains. When put together I am sure you all will be a force to reckon with. It is not the engine or the wings that make an airplane work, but man's passion to fly!

It is this passion that made me start this company. It is this passion that will take this company to greater heights.

Gentlemen, I present to you WidgetX."

"Gentlemen, I present to you WidgetX."

- Ramachandran C.V
PGPM Class of 2007

"Marketing - For, By & To the Employee : An HR Perspective"

Today's Organizations face a number of business challenges. For them to meet these demands, the traditional approach to management would not suffice. Organizations need to streamline themselves in order to understand the needs of customers and differentiate themselves from competitors, based on capabilities that go beyond quality, delivery and services. Gone are the days when customers purchased and used a product and forgot all about it. Today's customers look for experiences. Companies that provide these experiences would evolve as the quintessential leaders. India, growing at a break-neck speed needs more of these organizations.

Some of today's super brands like Starbucks, Google, Yahoo and Amazon have thrived on the 'delivery of experience' model and successfully stayed ahead of competition. Even companies that belong to the so called 'traditional' industries have started demonstrating such capabilities. CEMEX, a cement company, allows its customers to decide price based on value added by the product. The customer pays low prices for company schedules and pays higher prices for on-demand deliveries. The additional advantage of such a model is that it enables quick price discovery.

While talking about the delivery of an experience, logical flow would require that the experience be first delivered to and understood by an organization's internal customers (read: employees), who will then transfer the experience to the company's external customers. Indian Organizations like WIPRO have through alumni associations and ex-employee clubs created unusual and frank brand ambassadors for the organization. On a similar note, companies like Google have helped employees create a brand new identity and lifestyle for themselves. In this case, the Organization itself becomes an 'experience' and enthralls its first and foremost audience, its employee!

Who delivers these experiences?

One thing common to suppliers, vendors and customers is that they all have to use the nerve centre of the organization its employees. Hence, experiences are delivered most effectively by front line employees of the organization. Now it is even more important that such employees understand the paradigm shift from a product and service orientation to an experience based one.

How to deliver these Experiences?

The employees or the 'delivery agents' and the human resource department have a very crucial role in enabling an organization transform itself from a product or service oriented one to an experience oriented one. Organizations face the following challenges while delivering the experiences.

- **Attracting the right talent**

  Attracting talent could be addressed by creating a corporate brand and thereby building a strong value proposition for potential employees. The second step would be to communicate the created value proposition.

- **Retention of Employees**

  Retention of employees demands that the corporate brand value be imbibed into every employee and thereby create a pattern of behavior to pursue excellence and quality. The company, having invested heavily on intellectual capital, should view the exit of every employee as a failure on the part of the organization to deliver value promised by the brand.

The distinguished Professor of Marketing at Kellogg, Dr. Philip Kotler has commented on this subject.

In order to attract talent, the company must primarily be clear about its goal, mission, its own personality and what is unique within it. The systems and processes need to be effective enough to identify and map the core values of the company with that of prospective employees. This can be achieved by completely understanding the employee's aspirations and personal values. Adds Mr. Anuj Kumar, AVP HR of CSC, "Values are the guiding principles of our organization. Business interests take a back seat if organsiational values are compromised. This has been our USP".

On the need for Marketing Specialists in HR, Dr. Kotler says, "Marketing should be kept in the loop of the HR processes. Alignment between service providers and service receivers is essential. As far as marketing people within the HR department are concerned, I think what we need is marketing thinking and not marketing people as such. So, I'm not ready to say that an internal marketing person is required. However, in the case of large companies which have large recruitments it may be required".

On the marketing for recruitment of employees, he says, "The recruiters generally go to colleges to make presentations and then competitors also go to the same colleges. So in that way a good presentation is required to interest those people. Good posters and good relations with the professors to know who the best students are. HR needs more organized thinking along with marketing."

Continuing on those lines, he comments on HR & Sales saying that, "The first rule is to deliver on the promises. Second rule is to create an open office, so that concerns and complaints can be evaluated. Evaluation of the boss by the employee and evaluation of the employee by the boss, are both essential. Whistle blowers are not necessarily required in an organization but certain people who remain confidential are needed in order to provide feedback. This helps you in gauging the happiness index."

"You need to have both a fast track and a slow track in the organization. The company needs to deliver on the fast track by watching its key people. Do you have a policy to counter offers by competitors? Some employees in the organization leave without even discussing it, others will come to you and say that they are very happy but will also demand 50% hike in salary. You should look into the opportunity cost to the company."

On the role of a CMO in branding HR, he says, "Absolutely, because in service companies people are a part of product delivery. If they are not living your brand, it will hurt you. The Chief Marketing Officer (CMO) would have built the organization as a customer centric one but he needs the human resource department to help make it a culture. People good in technical skills may not take equally good care of the customer. Joint planning of marketing and human resources will be very useful in this case."

He further adds about the Head of HR becoming CEO, commenting that, "The Head of HR has a chance to be a CEO, if they are also very good in finance and have experience in line functions. They manage hundreds of people in big companies by managing the budgets well. But they do not show profits, that's the biggest disadvantage with the HR department."

Finally, he advises on the Do's & Don'ts of managing employee perception by saying that, "The problem has always been one of over promising and under delivery. In the case of under promotion the potential employee may not take the job. In the opposite case, word of mouth may circulate so well that the company might end up creating an impression that it does not deliver on its promises. Some level of agility, honesty, integrity and trust is required to back up your words and promises. If you say you will give certain help, you better deliver it. If they know that you do not deliver then a correction is required."

-Praveen Pantula and Amit Bhalla
PGPM Class of 2007

The authors are thankful to Dr Philip Kotler for sharing his experience and thoughts on the subject.

On Lifestage Marketing

Mr. Madan Menon

Lifestage marketing has been a buzz term in recent years as a method of targeting consumers and characterizing consumer behavior. More and more companies are realizing the importance of positioning products not as products, but as something that a consumer would require at a particular stage of their life. Typically, marketers categorize consumers of fast moving consumer goods and consumer durables by social class, income, age and gender. However, discovering lifestage triggers help to identify who among these is more likely to buy the product.

In lifestage marketing, consumers tend to go through four distinct phases: ***Transition Stage***, ***Early Stage***, ***Expansion Stage*** and ***Mature Stage***. From a marketer's perspective, the key questions will be: "what are the target lifestage groups?" and "Within each stage, what are the purchase triggers?"

When Maruti was pitching for the 800 model car, their campaign started off with spreading the message of "Reliable and trustworthy[1]". This was in 1983, when the only competition was the old ambassador and the fiat, thereby the message seemed apt. The company soon realized that the M800 was the average middle income Indian's first car. The purchase decision was taken to move up from a two wheeler, to a four wheeler, and hence affordability played a big role. The main criterion for this was lifestage. The customer, a young family man, who needed to upgrade from a two wheeler to a car, with the many commitments of running a family, put off purchase because of the "cost" of the vehicle. M800's 2599 campaign that ran in early 2003 attempted to pitch the car as an "affordable" vehicle with great success.

In April 2000, the Financial Services Authority (FSA) published a report titled "Better informed consumers". In this report, the FSA found that in **16 per cent** of cases, the primary driver for the consideration of a financial services product was event/lifestage led and that it had an influence in almost a third of all cases. It was also found that consumers were unaware of what product would best meet their apparent need. This leaves a tremendous opportunity for financial service providers to help customers identify what they need at each lifestage and thus gain business.

The very essence of lifestage marketing is: ***"there are events or moments in people's lives that trigger particular needs or desires."*** The key is to recognize these changing priorities as quickly as possible and target customers, whether existing or potential, with the relevant products.

Lifestage marketing is a good way to attract attention to the product, as it relates specifically to what is happening in the customer's life. When done correctly and used in way that is consistent with the company's brand, this type of marketing should form a highly successful acquisition and retention tool.

Lifestage and lifestyle are two very different things. Both allow a company to identify and target consumers. While lifestage is event based and looks at where customers are in their lives, for example divorce or about to have children, lifestyle concentrates on how they live them.

Both methods have their uses and can be effective complementary tools.

Personalization

When consumers move between lifestages, they are entering unfamiliar territory. By increasing attention at these times, companies can help when it counts, thereby building strong, profitable relationships. The result is a much more personalized process which makes the consumer feel more valued and more loyal.

Technology, product and organisation cultural changes are necessary

Datamonitor's report found that centralized systems are vital to understand how a customer's need changes across all products and how best to target them. Systems also require sensitive and experienced handling. Investment in technology is necessary to receive the long-term gains available from targeted marketing.

The traditional product focus of financial service providers has typically fuelled a very rigid product offering to customers. This design is not considerate of customer needs and does not reflect that people's needs are constantly changing. As part of the process of becoming more customer centric, products need to evolve and become more flexible, with the ability to adapt as a customer moves from one lifestage to another.

Internal cultural change is also required, to switch from a product focus towards a more customer-centric approach. Change involves not only becoming customer centric within departments but also requires increased co-operation between them. This is vital if lifestages are to be used effectively.

In Conclusion

It is true that lifestages are becoming less predictable. However, their use can give an indication of what people are likely to want/do. The age bands where events typically happen are becoming more elastic and cultural changes are leading to more lifestages.

People in general actively make decisions in a very short span of time. By being better equipped to predict these decision points, for example by picking up changes to normal spending patterns, companies can increase their chance of successfully securing business. Many of these times will be when people enter new lifestages. Thus, careful identification of these stages might prove useful. By providing support and giving valuable advice over these periods, long-term, trusting relationships can be built.

- Madan Menon
PGPM Class of 2005

Reference:

[1] *http://www.exchange4media.com/Brandspeak/brandspeak.asp?brand_id=37*

The BIG Bash!

This year, Great Lakes' B-Fest L'Attitude 13°05' was back with a bang, with the CEO conclave on January 5 and the management events on January 6. The event was graced by the likes of Mr. Ramadorai of TCS and Mr.Rahul Bajaj. The dynamic duo graciously released the third edition of Gravity amidst great fanfare as Mr. Andrew Sherman, Chief Partner, Dickstein Shapiro, Mr. Sumanth Krishnamurthi, CEO, Grow Fast Grow Right and Mr. Balaraman - CEO, Adrenalin e Systems looked on. The premiere b-schools from India were all present vying for some of the biggest prize monies in the country. The Event also had its share of fun what with the students throwing a huge party and conducting a lot of informal events. Overall this year L'attitude made its mark as an event to be reckoned with on the countries' b-school canvas.

L'Attitude 13°05'
Management Fest

EVENTS

The Battle Begins- L'Attitude 13º05'

A great big bang and a shower of colorful confetti marked the inaugural at L'Attitude 13º05', Great Lakes' premier management fest. The occasion was graced by the presence of Mr. Jagdish Ramamoorthi, CEO Allsec Technologies, Dr. Nalli Kupuswamy Chettiar, Proprieter Nalli Silks, Mr. Andrew Sherman, Chief Partner, Dickstein Shapiro and our very own founder Dr.Bala Balachandran, Professor of Accounting at Kellogg.

"What's your War Cry?" was the theme of L'Attitude 2007, modeled on the concept of legendary battles of the past. Excitement and pride filled the air as students at Great Lakes prepared to play host to one of the best B-School fests in the country!

Battle lines were clearly drawn as the Corporate event kicked off with teams from Advent Net, Mindtree, Hexaware and Cognizant taking up the fight on the topic of 'Chennai- Gateway of South East Asia'. The teams made spirited presentations and came up with innovative ideas, insights and recommendations, to architect the rise of Chennai into a world class metropolis. The winning team from Cognizant suggested that the city should develop synergies with the rest of South East Asia and brand itself as a 'Hi-Technology Solutions' provider to the world.

The event was followed by talks by prominent personalities from Chennai like Krishnamachari Srikanth and business leaders like Andrew Sherman of Dickstein Shapiro, Mr. Balaram of Adrenaline Systems, Mr. Raghavendra Rao of Orchid Chemicals and Mr. Ramadorai of TCS.

The 3rd edition of 'Gravity' that explored the theme 'Marketing Brand India' was released by Mr. Ramadorai, CEO of TCS, amidst much cheering and enthusiasm by the student body.The star attraction of L'Attitude Day-1 was the prestigious 'CEO's Conclave'. The topic of discussion was 'Branding Chennai 2.0' and the thought leaders included luminaries such as Mr. S. Ramadorai, CEO, TCS, Mr. D.R. Karthikeyan, Former Director, CBI, Mr. K. Raghavendra Rao, Managing Director, Orchid Chemicals, Mr. Andrew Sherman, Chief Partner, Dickstein Shapiro, Mr. Balaram, Adrenaline Systems and Mr. A. Mahendran, Godrej Sara Lee.

Topics such as preservation of Chennai's traditional strengths to reinforce a modern workforce, development of world class infrastructure to leverage geographical advantages and the roles of government, citizens and corporates in branding Chennai were discussed. Another important insight was that branding from within, as in what Chennaites perceive of themselves should be aligned to the branding from outside, in terms of what visitors take away.

L'Attitude Day-2 was dedicated to a face off amongst students from the best business schools vying for top spots in a series of events that included 'Stalingrad' the Strategy Event, 'Schloss Adler' the Marketing Event, 'Waterloo' the Operations Event, 'Saigon' the Finance Event, 'Guantanamo' the HR Event, 'Vienna' the Paper Presentation and 'OK-Corral' the Quiz. There was a keen sense of competition and a lot of camaraderie as teams won and lost, partied and played and experienced the hospitality and warmth of Great Lakers.

Teams had the opportunity to size themselves up against the competition, win some of the highest cash prizes in the country and hone their managerial skills. Participants were in for a special treat as Mr. Rahul Bajaj, Chairman Bajaj Auto, spoke to students about his dreams for India, corporate social responsibility and giving back to a nation that hopes for great things from its future managers and entrepreneurs.

As L'Attidude 2007 came to a close, Great Lakers can look back at an event that provided a learning experience in terms of managing and triumphing against all odds, lessons in creativity and team work and an occasion that brought the Great Lakes family, closer than ever.

- Kartika Natarajan
PGPM Class of 2007

The EMBA Pioneer Batch Graduates

After two years of hard work, toil and relentless juggling between classrooms, boardrooms and family, *the pioneers* were finally ready to soar to new heights. The Taj Connemara Ball room, witnessed them embark on a crusade to redefine the future and meet business objectives in a competitive environment. They passed their batons to their juniors with the same momentum and vigor as they had when they started. Sending them off on their pursuit to corporate excellence were Uncle Bala, who congratulated them on a job well done, along with the Great Lakes faculty comprising of Prof Sriram, Prof. Veeravalli, Prof. Venkat R. Krishnan, Prof. Sudhakar Balachandran and Prof. Sivakumar, amidst the presence of the guests of honor, Dr. F.C. Kohli, Prof. Seenu Srinivasan and Mr. Anand Sudharsan, who handed the diplomas.

The Father of Indian I.T., Dr. F.C. Kohli, former Deputy Chairman, TCS, delivered the convocation address, wherein he stressed on the importance of IT education in eliminating poverty. His talk was followed by Prof. Seenu Srinivasan, Adams Distinguished Professor of Management at Stanford Graduate School of Business, who delivered a special address on a topic he is very passionate about - Market Research. He highlighted the emerging new market research techniques, such as Conjoint Analysis, which promises to deliver greater insights into 'consumer preferences'. The Presidential address was delivered by Mr. Anand Sudharsan, Group President, Manipal Universal, who presented an inspirational speech adding to the ardor and zeal that the graduating batch personified.

On the whole, the graduation ceremony of the 1st batch and the inauguration of the 3rd batch of EMBA students at the Great Lakes Institute of Management was beyond doubt very memorable.

- Divya Singaravelu
PGPM Class of 2007

Placement Report 2007

The Great Lakes Institute of Management continued its impressive charge towards becoming one of India's leading Business Schools with a highly successful campus recruitment season that concluded on 5th Feb' 2007. In only its third year since inception, Great Lakes has achieved in a short span of time what other b-Schools across India might have taken an eternity to do. Apart from a 100% placement record, the fact that each and every Great Laker was placed with the choicest of companies, desired profiles and deserved compensations and benefits was even more creditable and praise worthy.

In total, there were **244** offers made to **162** students at an average of **1.51** offers per student. The average CTC was an impressive **Rs. 9.3 Lakhs p.a.**, representing an increase of **27.3%** over the average CTC last year. The highest offer of **Rs. 17 Lakhs p.a**. was made to a student by **Cognizant Technologies**. There were **8** Pre-Placement offers made to students on the basis of their impressive internships and past records as well as an International offer from US based consulting company, **Frost & Sullivan**.

There were a host of new recruiters on campus this year such as **HSBC**, **British Petroleum, SAB Miller, Grow Talent, Langham Capital, Accenture Technologies, Computer Sciences Corporation** and many more in addition to the star studded line up of companies such as **Infosys, Cognizant, Wipro, TCS, Godrej, Kotak Mahindra Bank** and **Genpact** that have visited Great Lakes in the past.

With companies clamouring to recruit Great Lakers, the entire batch was placed within a matter of hours, and quite a few recruiters had to go back empty handed. This is a clear testimony to the ability of Great Lakers and the faith the corporate world has put in Great Lakes' growing brand equity. The fact that companies such as British Petroleum and Infosys offered customized roles to students that were not offered at other B Schools in niche areas like Strategic Planning and Business Development is a clear indicator of the quality and diverse background of the student populace at this fast growing institution. "***Placements 2007***" at Great Lakes has been yet another feather in its cap, and represents a giant step in its impressive journey towards becoming one of India's best Business Schools.

- Placement Committee
PGPM Class of 2007

SWIM 2007- 'The New Emerging Identities of Women'

The first event under the 'Successful Women in Management' (SWIM) banner was organized on International Women's Day (8th March 2007). It was a day long conference which brought together women achievers from different walks of life who shared their various experiences, views and challenges faced with the audience.

The event commenced with a video message from our Honorary Dean, Dr Bala V. Balachandran. This was followed by the inaugural speaker, Ms Rajshree Pathy, who shared her personal and professional experiences that would eventually lead to her success. The keynote speaker for the day, Ms. Kanimozhi, enthralled the gathering with her short but powerful speech before releasing the first SWIM magazine.

The next speaker was an alumnus of Great Lakes, Ms Sarada Ramani, an award-winning entrepreneur and Founder of Computers International. She provided inspiring insights from her experience and also shared her thoughts on the future of women as entrepreneurs. Ms Rekha Shetty, Founder, 'Mindspower' enthralled the audience with her anecdotes and her views on the topic "I think, therefore I can".

Our next speaker, Dr. Manorama struck a chord with the audience as she narrated her experiences as the head of an NGO- 'CHES'. Her talk focused on what individuals should do in order to give back to the society.

Dr. Pritika Chary, Neurologist, Apollo hospitals was the last speaker for the day. Her vivacious persona and inspiring speech captured the attention of the audience. She spoke of the challenges that need to be addressed in today's industry by women and men alike.

The audience included both male and female students from various colleges in the city and women entrepreneurs.

The success of this event has propelled the college to make the SWIM event a yearly feature.

- Nandini T. Reddy
PGPM Class of 2007

Students' Accolades

Ashis Behra and Sachin Kumar won the second prize in the prestigious 'Economic Times Classroom Quiz'; the third prize in the 'Tata Crucible Quiz' and the third prize in the Quiz event held by IIPM.

Vinotharish and Ashis Behra won the second prize in Stock Trading Competition, at DOMS, IIT Madras.

Tamoghna Chatterjee, Manish Kumar & Hariprasad, won the second prize in the Cognizant Innovation event at IIM-K.

Hari Prasad and Manish Kumar secured the third place in the 'Imperium' event conducted by MDI Gurgaon and were one of the finalists at Samanvay, Trail Blazers, conducted by DOMS IIT, Madras.

Priyamvada Sivasubramanian was featured as a 'Young Achiever' in the March 2007 issue of Advanc'edge Mastering Business Acumen'(an IMS publication) and her paper on Bio-ethics and Corporate Governance was chosen to be presented at the UN conference held by 'IHEU- Appignani Humanist Center for Bioethics' in New York. She also presented a paper for the 'International Rehabilitation Conference' for individuals with disabilities in the world of management at the Holy Christ College.

Tanvir Ahmad and Kapil Singhal presented a paper on 'Role of Nonverbal Communication in Effective Management Communication' at '6^{th} Asia Pacific ABC conference on Management Communication' at IIM, Ahmedabad. The paper has also been published in the book, 'Management Communication - Trends & Strategies'.

Praveen Pantula and Manan Sharma presented a report on 'Innovative Clauses in Wage Settlement' under the aegis of the FICCI HR Panel.

Sridhar Mosur, Vaishno Devi, Hardeep Lamba, Narendran K. and Shravan Kumar presented a case study on Marg Constructions which was selected for the Case Booklet collection of the London Business School (Aditya V. Birla India Center).

Preethy Balasubramanian, presented a paper at Fourth AIMS Conference on Management, IIM Indore.

Manik Kinra and Sitashwa Srivastava were the finalists at the 'Case File Presentation' at IMT, Nagpur.

Pradeep L.V., Viswanath G.K. Akella and Vikranth V., won the second prize in the 'EUREKA Business Plan Competition', IIT, Bombay and were finalists at 'Conquest 2007' conducted by BITS Pilani.

Sandeep Khanna was a finalist in the 'Best Manager Competition' conducted by SIBM, Pune.

Srividhya and Shipra Singh were finalists at Saaransh, conducted by DOMS IIT, Madras.

Manish Kumar, Adarsh Gupta and Hari Prasad were finalists at the Samanvay, Spin Doctors event conducted by DOMS IIT, Madras.

Parag Kulkarni and Ashwin Sedwal were finalists at the 'Business Plan Presentation', CCIM, Bangalore.

Shankar G. secured the third place in the 'Business Plan Competition' at XIM Bhubaneshwar and was a semi-finalist at ' Conquest 2007', BITS Pilani

Divakar S., Gaurav Singhvi, Arun Nair and Vimal K. were semi-finalists at the ET, Wharton Business Plan competition and semifinalists at the Business Plan Competition, IIT Mumbai.

The year that was