

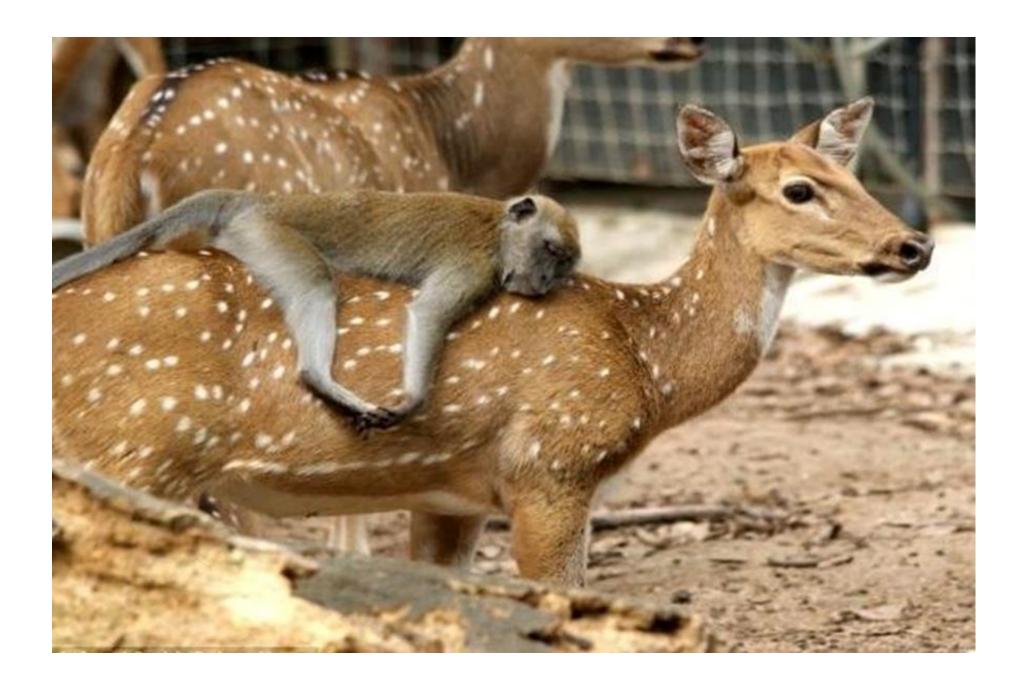
HIGH IMPACT LEADERSHIP: INCULCATING THE MINDSET TO NURTURE A WORLD CLASS INSTITUTION

Dr. L Prasad

(Ph.D., Northwestern University)

Professor of Organizational Behavior















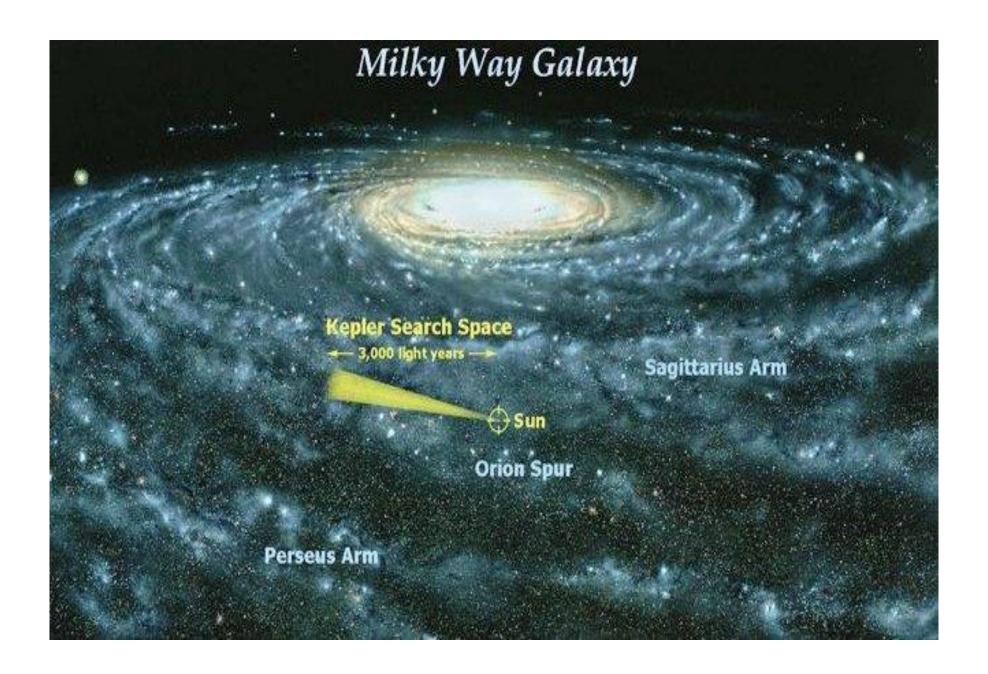


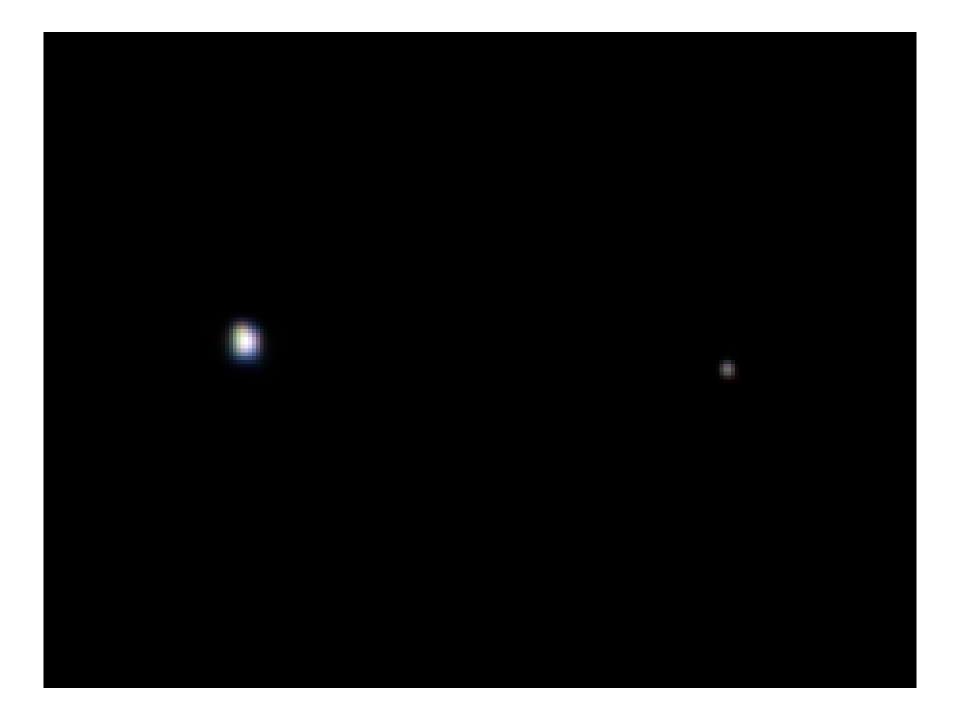
WHAT MAKES ONE A LEADER?

THE ABILITY TO REFLECT BEYOND THE **OBVIOUS AND** INCULCATE THE SOFT SKILLS THAT TRANSFORM PEOPLE

Individually and collectively, what do you all represent?

THE IDEA OF INDIA!









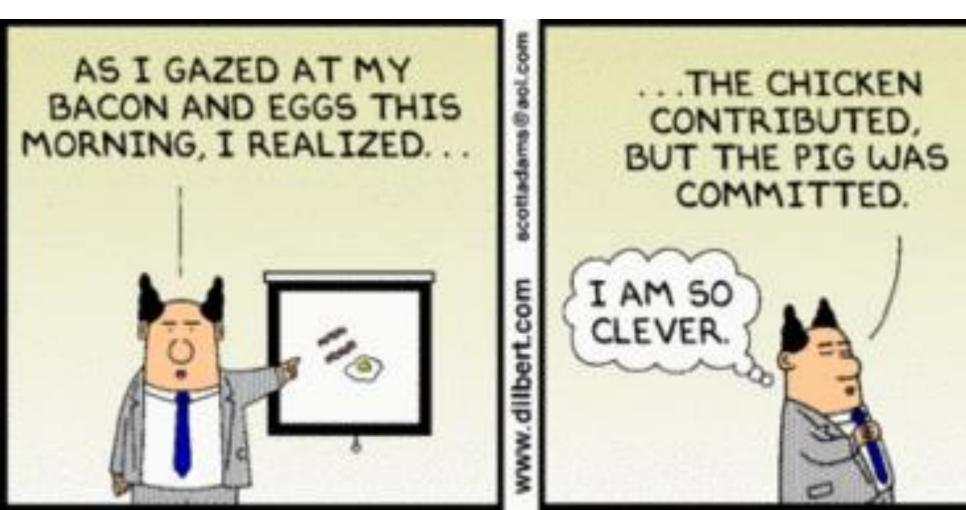
Shall (the idea of) India die...? Then from the world all spirituality will be extinct, all moral perfection will be extinct, all ideality will be extinct; and in its place will reign the duality of lust and luxury as the male and female deities, with money as its priest, fraud, force and competition its ceremonies and the human soul its sacrifice. Such a thing can never be!

(Source: Letters of Swami Vivekananda,, Calcutta, Advaita Ashrama, 1991, pp. 164-168.)

A MOOT QUESTION?

The sixties and seventies were the golden age of the Public Sector behemoths. Today, sucked dry by political vampirism, milked by corrupt bureaucrats, smothered by technocratic incompetence and "gulliverized" by the Lilliputian intransigence of militant trade unions, the putrefied carcasses of these industrial dinosaurs pose a serious threat to the nation's economic health, not to mention being a millstone around the neck of the long suffering tax payer.

Incompetent Bosses... (Pompous asses who always talk but rarely listen?)



Demanding Employees...





Are a lethal combination...



WHY HAVE THERE BEEN NO MILITARY COUPS IN WASHINGTON DC? 'CAUSE THERE'S NO US EMBASSY THERE!

WHAT IS YOUR ROLE?

- Globally, we have to enhance the equity of Brand India.
- Internally, we have to bridge an inequity, the chasm between the "two" Indias!

WHY SHOULD WE WASTE OUR TIME ON REFLECTING BEYOND THE OBVIOUS?

Reflecting beyond...!

Management "...ask(s) questions like: how do (we) increase sales, reduce operating costs, improve supply chain management, reduce inventory or support-call costs? "These are questions that any... (paper shuffling administrator) would ask. But they are also deeply unimaginative ones because they are addressed to the world as it is (today?) rather than the world as it may turn out to be."

(Source: John Naugton, Amazon may live to rue naked aggression against blogging, The Observer(UK), April 09 2006.)

Thinking?

What Was He

Israeli Defense Minister Inspects Troops on Lebanese border July 2006

"OTHERS GO TO WHERE THE PUCK IS NOW, I GO WHERE IT IS GOING TO BE..."

Wayne Gretzky

Obama gives Hillary a f(r)ight!



tA PEARL OF WISDOM?
(Taleb: The Black Swan)

"...IN ALL MY EXPERIENCE, I HAVE NEVER BEEN IN ANY **ACCIDENT...NOR WAS I EVER** IN ANY PREDICAMENT THAT THREATENED TO END IN **DISASTER OF ANY SORT..."**

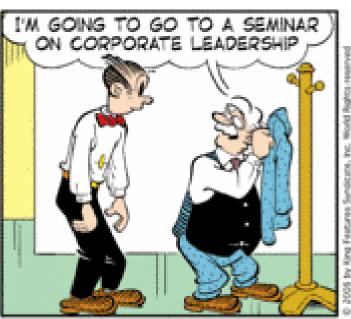
Captain of the TITANIC

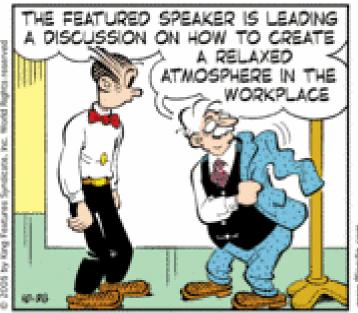
The illiterates of the 21st century will not be those who cannot read and write, BUT THOSE WHO CANNOT LEARN, UNLEARN AND RELEARN.

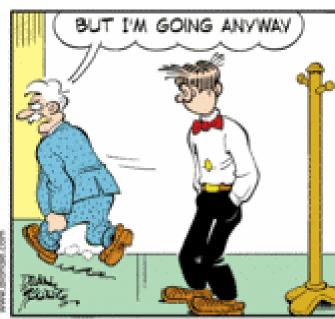
(Alvin Toffler)

WHY SHOULD WE WASTE OUR TIME ON MASTERING THE SOFT SKILLS?

Mastering the Soft Skills





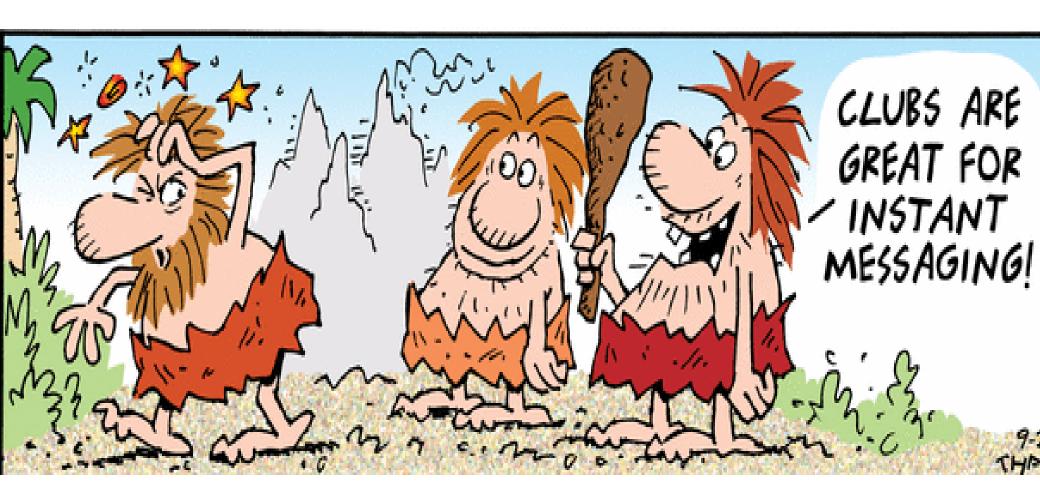


WHY BOTHER WITH SOFT SKILLS!

"It is the problem of slavery, and we try to solve it by amusing the slaves...I don't desire to change anything...except the weather..."

Lord Henry Wotton in The Picture of Dorian Gray (Ch. 3), by Oscar Wilde

ALL STICK AND NO CARROT!



WHY BOTHER WITH SOFT SKILLS!

The soft skills "...(a)re...not the tools that enable you to splice genes, (or build) cantilever bridges...but those that enable you to analyze, to see patterns, to acquire a personal philosophy...not to make a living, but maybe to live. This least utilitarian of educations prepares you to make sense of the world (around you) and maybe to make meaning...

INSIGHT FROM FORTUNE'S CEO OF THE FIRST DECADE OF THE NEW MILLENIUM

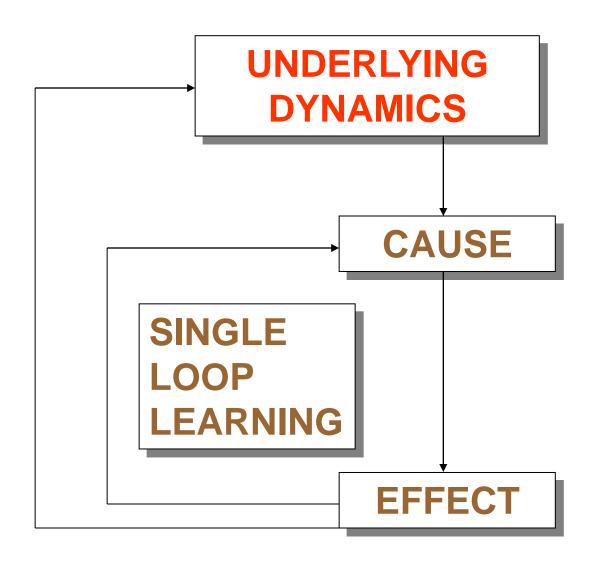
"It's in Apple's DNA that technology alone is not enough. It's technology married with the liberal arts; married with the humanities that yields us the results that makes our heart sing" (Steve Jobs)

TRANSFORM PEOPLE...

HOW DO WE GO ABOUT REFLECTING BEYOND THE **OBVIOUS AND** MASTERING THE SOFT SKILLS?

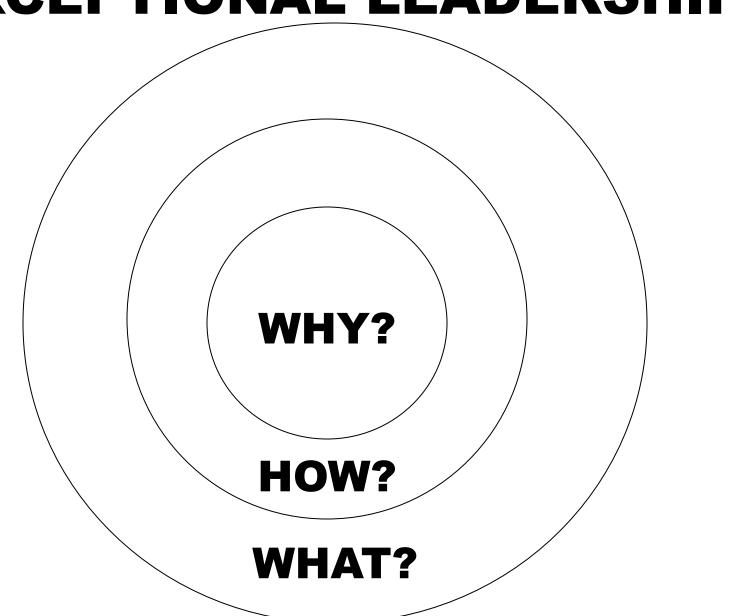
THE NEED TO UNDERSTAND BEFORE WE CAN PREDICT & INFLUENCE BEHAVIOUR

DOUBLE LOOP LEARNING





Simon Sinek's Framework of EXCEPTIONAL LEADERSHIP



Marketing MP3 Technology WHAT

** Creative Technologies advertised their product as a "5GB mp3 player..."

WHY

** Apple's message: "1,000 songs in your pocket..."

WHAT ARE THE CONSEQUENCES OF SINGLE LOOP LEARNING?

The "Cargo Cult" Fallacy

In the (Pacific) South Seas...(d)uring...(WWII, the islanders) saw airplanes (arrive) with lots of good materials, and they want the same thing to happen now. So they've arranged to make things like runways, to put fires along the sides of the runways, to make a wooden hut for a man to sit in, with two wooden pieces on his head, to (wooden) headphones and bars of bamboo sticking out like antennas -- he's the controller -- and they wait for the airplanes to land.

They're doing everything right. The form is perfect. It looks exactly the way it looked before. But it doesn't work. No airplanes land...because (even though) they follow all the apparent precepts and forms... they're missing something essential...

Source: Richard Feynman, "Cargo Cult Science", (Adapted from a Caltech commencement address given in 1974; HTML'ed from the book "Surely You're Joking, Mr. Feynman!") http://www.cdf.pd.infn.it/~loreti/science.html

The "Cargo Cult" Fallacy

The native...cultists thought that the foreigners had some special connection to the gods, who were the only beings powerful enough to produce such riches. Those who fall prey to the cargo cult (mindset) do so because of the same thought process displayed by primitive peoples on remote islands - they saw other(s)...doing it, so they assumed it was (e)ffective and good.

Source: Ken Korzak www.starcopywriter.com

THE SELF-DELUSION OF SINGLE-LOOP THINKERS

BEETLE BAILEY



The Underlying Dynamics

** WHY DO ORGANIZATIONS EXIST AND PROSPER?

** WHY DO PEOPLE WORK IN ORGANIZATIONS?

The Underlying Dynamics

WHY ORGANIZATIONS?

- ** *COLLECTIVE* GOAL
- ** SPECIALISTS
- ** WORKING TOGETHER

INTERDEPENDENCE

WHY PEOPLE WORK?

- ** SALARY, SECURITY
- ** FRIENDSHIP, IDENTITY
- ** CAREER, STATUS

ENERGY/ENTHUSIASM

Are we channeling people's ENERGY/ENTHUSIASM constructively towards handling organizational INTERDEPENDENCE, or is it being dissipated in all sorts of dysfunctional pursuits?

WHAT OF THE FUTURE?

** One could reasonably expect the Chairman of AT&T to know what his corporation will be ten years from now.

He doesn't!

** One could within reason expect him to predict how technology will transform his business a decade hence.

He can't!

** He should know who his major competitors will be. **Stumped again!**

But here is what he does know: something startling, intriguing and profound is afoot.

(F. Cairncross, The Death of Distance, HBS Press, 1997)

WHAT IS THE **GREATEST STRENGTH** OF ADMINISTRATORS, AS WELL AS THEIR **BIGGEST WEAKNESS?**

THINKING RATIONALLY!

TRAINED INCAPACITY

- •Trained incapacity refers to that state of affairs in which one's abilities function as blind spots. **"User unfriendly" designs**
- •Training a person to do a job in one way, simultaneously trains them not to do the job any other way. Financial Analysts
- •Training a person for one set of conditions becomes dysfunctional when these conditions change. **Bureaucrats**

TRAINED INCAPACITY

Ultimate Project Management Team for delivering *Project "Birth"* :

- 1. Project Manager is a person who thinks 9 women can deliver a baby in 1 month...
- 2. On site Coordinator is one who thinks a single woman can deliver 9 babies in one month...
- 3. Resource Optimization Team thinks they don't need a man or woman; they'll produce a child from scratch...
- 4. Documentation Team they don't care whether the child is delivered, they'll just document 9 months...
- 5. Quality Auditor is the person who is never

You've got to be kidding...?

Monopoly board game players can now pay for properties with debit cards.

Game makers, Parker, have phased out the standard multi-coloured cash in a new version. Parker said replacing of cash with plastic showed the game was moving with the times.

Mona Lisa 'happy', computer finds

A computer used to decipher the ENIGMATIC SMILE of Leonardo da Vinci's Mona Lisa, has concluded that the subject was 83% happy, 9% disgusted, 6% fearful and 2% angry, according to New Scientist magazine.

Da Vinci novel breaks code for success

A group of statisticians has laboured for months to crack the secret of producing best selling novels - only to find that under their formula "The Da Vinci Code" should have been a flop. Their model gives only middling marks to the Harry Potter titles and rules out almost everything by Charles Dickens except for his lesser-known Christmas story "The Battle of Life."

PRODUCTIVITY DRIVE

Memo To All Staff:

Due to the projected increase in workload in the coming months and falling productivity, the management has decided that it can no longer afford for you to take time out of your busy schedule and go to the restroom.

Instead, to increase employee efficiency the company has gone to considerable expense to remodeling your cubicle to accommodate your restroom needs. See attached cubicle layout.

THANK YOU,

THE DRAFTING DEPARTMENT



KNEE JERK REACTIONS

IMPROVISING

INTUTION

BRAIN DEAD INDIVIDUAL

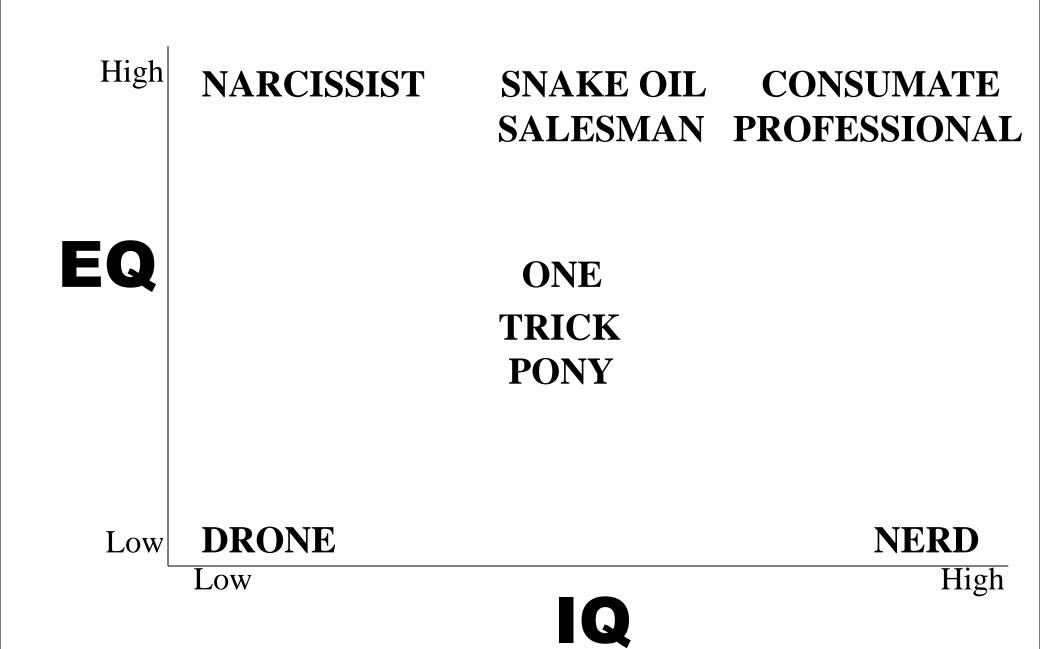
PARALYSIS BY ANALYSIS

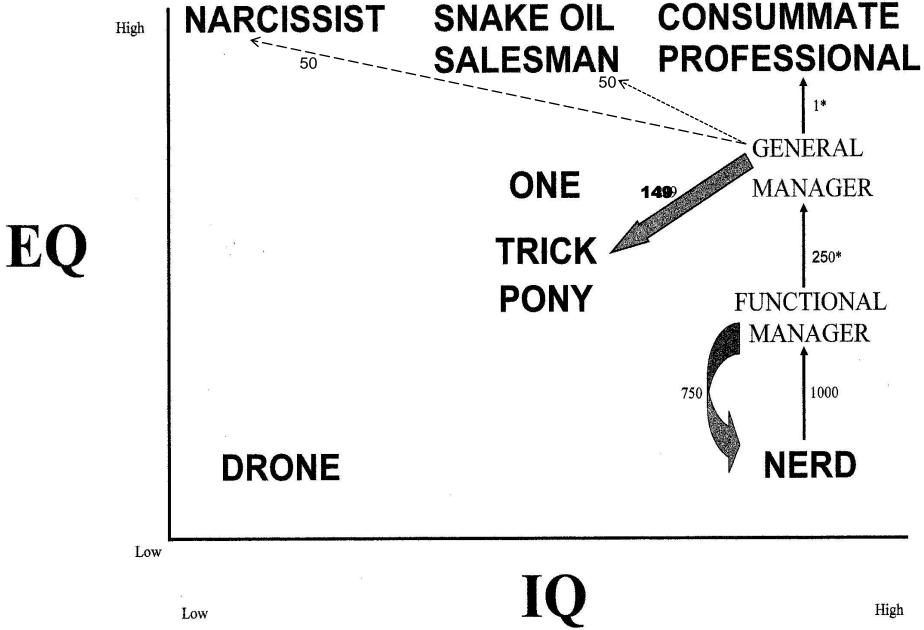
THINKING RATIONALLY



ANOTHER FALLACY! EMOTIONAL INTELLIGENCE

LOOKING BEYOND EQ





^{*} Numbers indicate probable survival rates at various career stages, starting with 1000 individuals

Two voices are there: One is of the deep; It learns... And one is of...(a) half-witted sheep That bleats...

(Source: J.K. Stephen's parodying Wordsworth.)

This job is yours if you tell us which two days of the week start with a "T"?



That 's easy! Today and tomorrow ...



Find x. 4 cm



Northampton General Hospital Livis

Family planning advice
Use rear entrance

Why low IQ-Hi EQ types are dangerous The empty head is not in fact empty. It is heavily scripted, logged with routines that maké it almost impossible to intervene with good sense. When these routines are challenged, a subset of sophistical games is accessed; snidery proffered as caustic wit, glib casuistries as logical argument, pomposity thinly veiled as high-minded abstraction, and - in the last resort - bald, declarative statements intended to demonstrate intellectual self-confidence and emotional maturity, where in fact they usually signify insecurity...

Why low IQ-Hi EQ types are dangerous These soul-less, oh-so-sophisticated... geniuses...believe in nothing. They have no passion about anything. And they thus assume that everyone else suffers from the same emptiness of character and ossified cynicism that plagues them. Not only do they believe in nothing, they think that a belief in nothing is a mark of sophistication and wisdom. Those who believe in things too much -- who display... passion or who take their convictions and ideals seriously -- are either naive or, worse, are the crazy, irrational...radicals who disrupt the elevated, measured world of the high-level, dispassionate...sophisticates...

The Hi-EQ rascal's mantra

ARRE YAR, LEARN TO BE PRAGMATIC AND FLEXIBLE!

In permanently failing organizations, the typical Administrator is a(n):

** Bluff Master

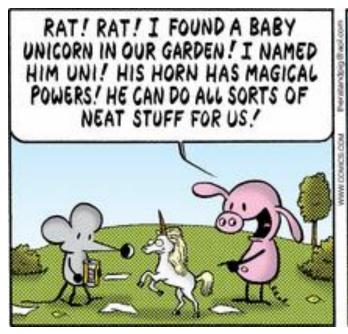
** Ignorant Bully

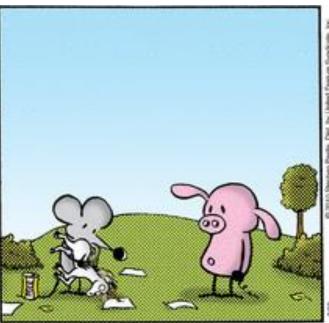
** Monkey



The Quotidian Manager!

[Why much abused and misused talent (Knowledge Workers and Scientists & Engineers?) rarely achieve their full potential]







In successful organizations, the Administrator is a:

** Gardener * * Farmer Forester

Reparaphrasing Tagore

- Where the mind is without fear and the head held high;
- Where knowledge is free;
- Where the organization has not been broken up into fragments by narrow departmental walls;
- Where words come out from the depth of truth;
- Where tireless striving stretches its arms towards perfection;
- Where the clear stream of reason has not lost its way into the dreary desert sand of routine administration;
- Where the mind is led forward into ever-widening thought and action –
- Into that heaven of freedom, let our organizations awake.

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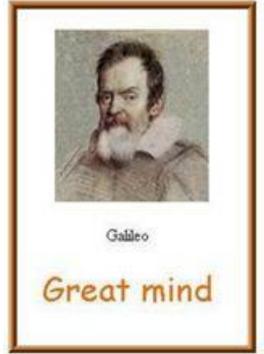
To ensure this, we need

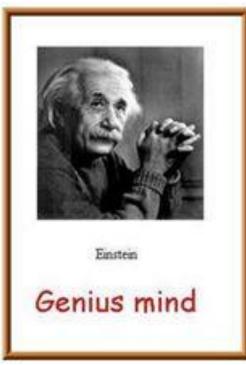
THE POWER OF VISION

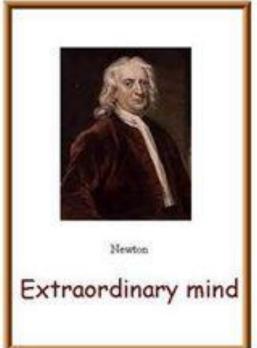
NOW SHOWING... THE VIDEO! (sorry, no popcorn available...)

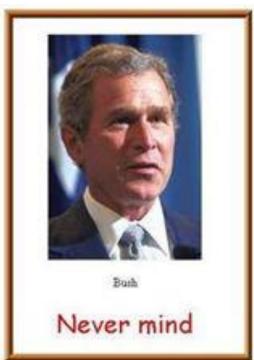
The Metamorphosis from Administrator to Leader

- Articulate a vision
- It must be comprehensive and detailed (neither inane nor too general)
- It must be positive and inspiring (something that is worth the effort)
- •Share it with others and get their enthusiastic support (they must internalize the vision)









Backwards engineering foreign policy

The President's Evolving Vision May 2003:



Source: www.wonkette.com

Backwards engineering foreign policy

The President's Evolving Vision October 2005:



Source: www.wonkette.com

Backwards engineering foreign policy

The President's Evolving Vision NOV 30, 2005

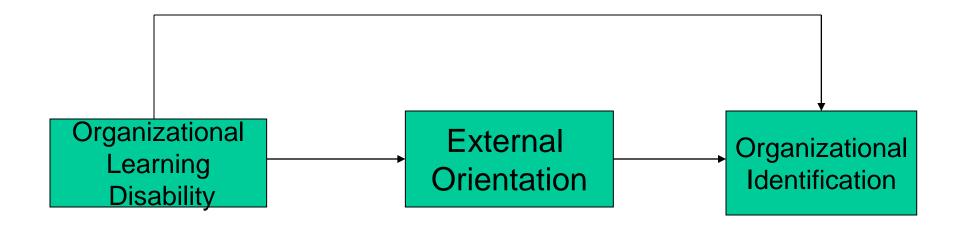


Source: www.wonkette.com

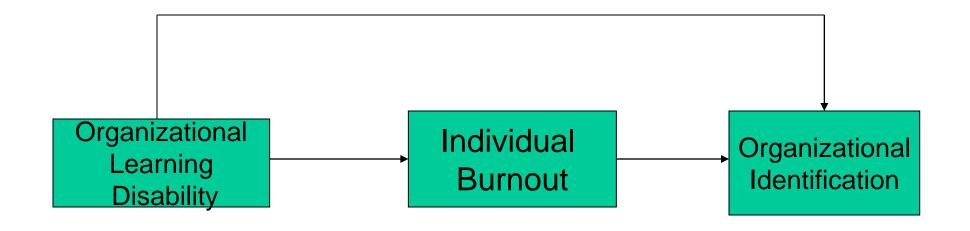


The Power of Vision

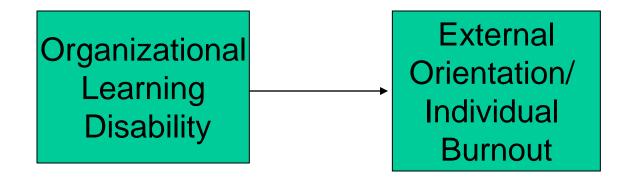
- Optimistic view of the future
- Support structure (Resources plus Guidance)
- Raison d'etre or Reason for being (something yet to achieve)
- Anchor of Professionalism (Moral compass plus Mental map)



Conceptual Framework I

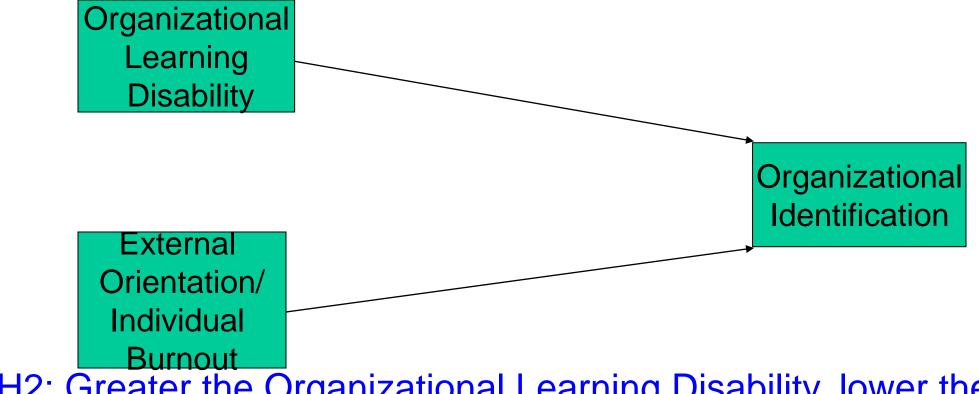


Conceptual Framework II



H1: Greater the Organizational Learning Disability, lower the External Orientation/higher Individual Burnout

Model 1 – The Impact of OLD on EO/BO

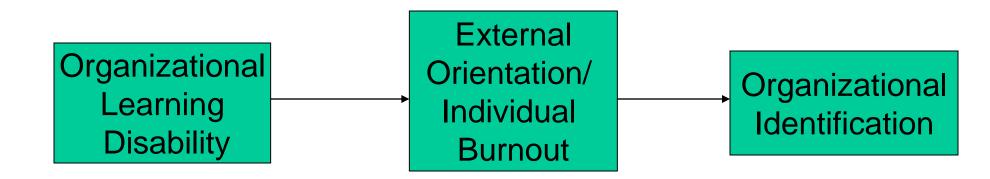


H2: Greater the Organizational Learning Disability, lower the Organizational Identification

H3: Greater the External Orientation, greater the Organizational Identification

H3A: Greater the Individual Burnout, lower the Organizational Identification

Model 2 – The Antecedents of Organizational Identification



Model 3 – LISREL Analyses

Organizational Learning Disabilities

- Environmental Blindness: Inability to assess environmental opportunities and threats accurately.
- Simplemindeness: Deficiencies in analysis and solution generation
- *Homogeneity*: Lack of variety in skills, information, ideas and values
- Tight Coupling: Excessive coordination among different organizational units
- *Paralysis*: Inability to implement new actions or procedures
- Superstitious Learning: Inability to interpret accurately the meaning of experience.
- Diffusion Deficiency: Inability to share ideas with all relevant parts of the organization.

EXTERNAL ORIENTATION - I

- External Intelligence Generation: Generation of information regarding customer's current as well as future needs and preferences, and analysis of how these may be affected by factors like Government regulation, technology, competitors and other environmental forces.
- External Intelligence Dissemination: Dissemination of the information acquired, across all units in the organization for a concerted action to respond to an external/public/customer need.
- Response Design: Designing and offering products/services, to cater to the needs of customers based on intelligence generated and disseminated.
- Response Implementation: Action taken to fulfill the needs of customers based on the intelligence generated and disseminated.

EXTERNAL ORIENTATION - II

- Global Service Climate (GSC) provides a summary measure of the organization's climate for service;
- Customer Orientation(CO) measures the degree to which an organization emphasizes, in multiple ways, meeting customer needs and expectations for service quality;
- Managerial Practices (MP) reflects those actions taken by an employee's immediate manager that support and reward the delivery of quality service;
- Customer Feedback(CF) scale assesses the solicitation and use of feedback from customers regarding service quality.

Individual Burnout

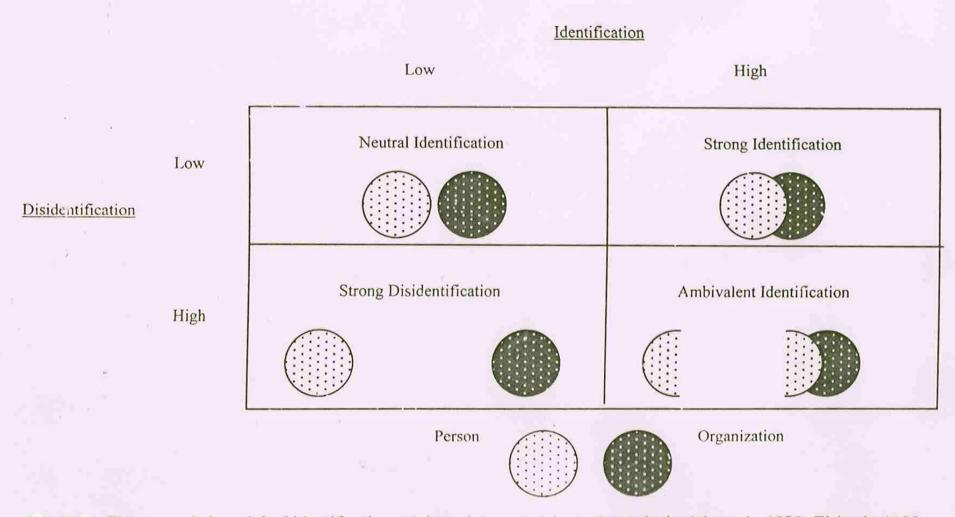
- Emotional Exhaustion is the feelings of being emotionally overextended and exhausted by one's work. Common symptom is dread at the prospect of returning to work for another day.
- Depersonalization is an impersonal response toward recipients of one's service, and treating them as objects. Visible symptoms are over reliance on rulebook, derogatory language, strict compartmentalization, etc.
- Personal Accomplishment measures feelings of competence and successful achievement in one's work. This is an antithesis of Burnout and has an opposite effect of the first two indicators.

Organizational Identification

Earlier Approach

STRONG DISID STRONG ID

Complex link between Individual and Organization



The expanded model of identification. (Adapted from Ashforth, 2001; Dukerich et al., 1998; Elsbach, 1999.)

Organizational Identification

- Disidentification occurs when an individual defines himself or herself as not saving the same attributes or principles that he or she believes define the organization. It is an active (psychological) separation from the organization, not just a coincidental or benign mismatch of attributes.
- Ambivalent Identification: Given the complexity and equivocality of modern organizations and the loosely coupled values, goals and beliefs of typical individual, one can simultaneously identify and disidentify with the organization.
- Neutral identification: One's self perception may be based on the explicit absence of both identification and disdentification with an organization.
- *Positive Identification*: Perceived oneness with the organization.

ORGANIZATIONAL METAPHORS

THE COMPETITIVE AUTOBAHN

NOMAN'S LAND

BUREAUCRATIC SLUM

PERMANENTLY FAILING ORGANIZATION

THE COMPETITIVE AUTOBAHN

(<1% of people here)

BUREAUCRATIC SLUM

(99% of people here)

JUST MUDDLING THROUGH

THE COMPETITIVE AUTOBAHN

(10% of people here)

NOMAN'S LAND

(20% of people here)

BUREAUCRATIC SLUM

(70% of people here)

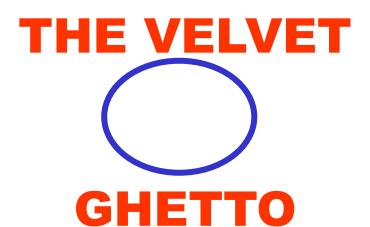
THE WORLD CLASS ORGANIZATION

THE COMPETITIVE AUTOBAHN

(66% OF POPLE HERE)

NOMAN'S LAND

(33% OF POPLE HERE)



(1% OF POPLE HERE)

DO YOU WANT TO BE AN ACTIVE PARTICIPANT OR A PASSIVE OBSERVER?

The Active Participant...

It is not the critic who counts; not the person who points out how the strong stumbled or where the doer of deeds could have done them better. The credit belongs to those who are actually in the arena, whose face is marred by dust and sweat and blood; who strive valiantly; who err and come short again and again; who know great enthusiasms, the great devotions; who spend themselves in a worthy cause; who at the best, know in the end the triumph of high achievement, and who, at the worst, if they fail, at least fail while DARING GREATLY!

So that their place shall never be with those timid souls who know neither victory or defeat.

(Theodore Roosevelt)

ONLY ACTIVE **PARTICIPANTS ENSURE THAT** THEIDEA OF INDIA WILL NOT DIE...

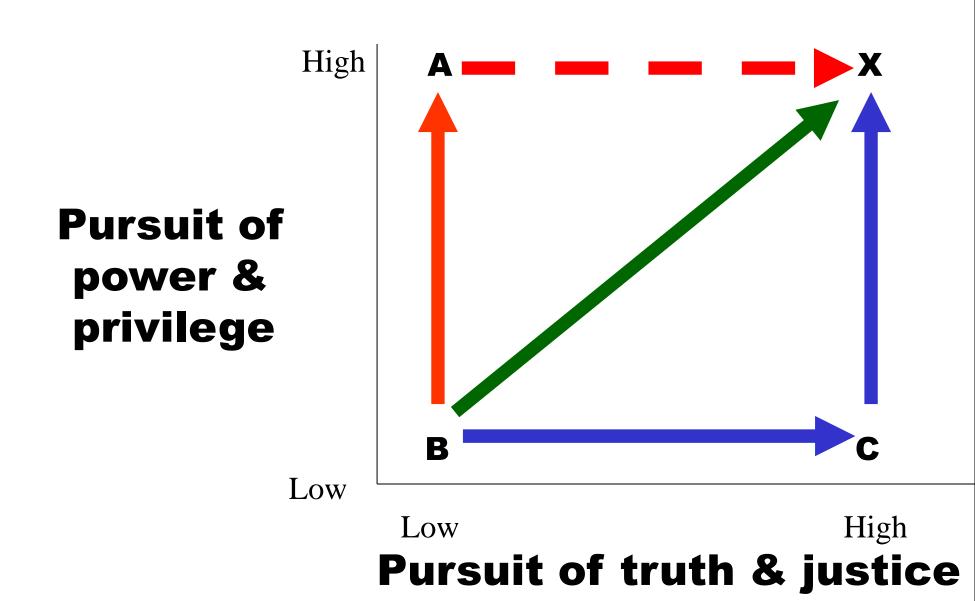
The Recipie for Success - I Don't aim for success - the more you aim at it and make it a target, the more you are going to miss it. For success...cannot be pursued; it must ensue, and it only does so as an unintended side-effect of one's dedication to a cause greater than oneself...You have to let it (success) happen by not caring about it...success will follow you precisely because you had forgotten to think about it. (Victor E Frankel, 1983)

The Recipe for Success - II

"There are two sets of principles. They are the principles of power and privilege and the principles of truth and justice. If you pursue truth and justice it will always mean a diminution of power and privilege. If you pursue power and privilege it will always be at the expense of truth and justice."

(Julien Benda)

YOUR SUCCESS "MANTRA"



WHY ORGANIZATIONS?

WHY PEOPLE WORK?

** COLLECTIVE GOAL

** SALARY, SECURITY

** SPECIALISTS

** FRIENDSHIP, IDENTITY

** WORKING TOGETHER

** CAREER, STATUS

INTERDEPENDENCE

ENERGY/ENTHUSIASM

Are we channeling people's ENERGY/ENTHUSIASM constructively towards handling organizational INTERDEPENDENCE, or is it being dissipated in all sorts of dysfunctional pursuits?

VERY INTERESTING SOWHAT?

VISION: AN INDIAN EXAMPLE

LESSONS FROMA SUCCESSFUL FORESTER!



"Dream dreams, because dreams lead to thought and thought leads to action."

Abdul Kalam

THE WISDOM OF Dr. V!

THE GENIUS OF Dr. V

RECONCILING PARADOXES

WHAT: AECS's Mission Eradicate needless/ preventable blindness

HOW of AECS: Adapt McDonald's model of standardization, reliability and efficiency, to deliver affordable, world-class eye care!

WHY of AECS: If you help others, it is yourself you are helping!

If you heal others, it is yourself you are healing!

THE GENIUS OF Dr. V

THE WISDOM TO VISUALIZE

THE NON-PROFIT **BUSINESS MODEL** IS NOT AN OXYMORON BUT SOCIALLY RESPONSIBLE!

Dr. V's Business Model

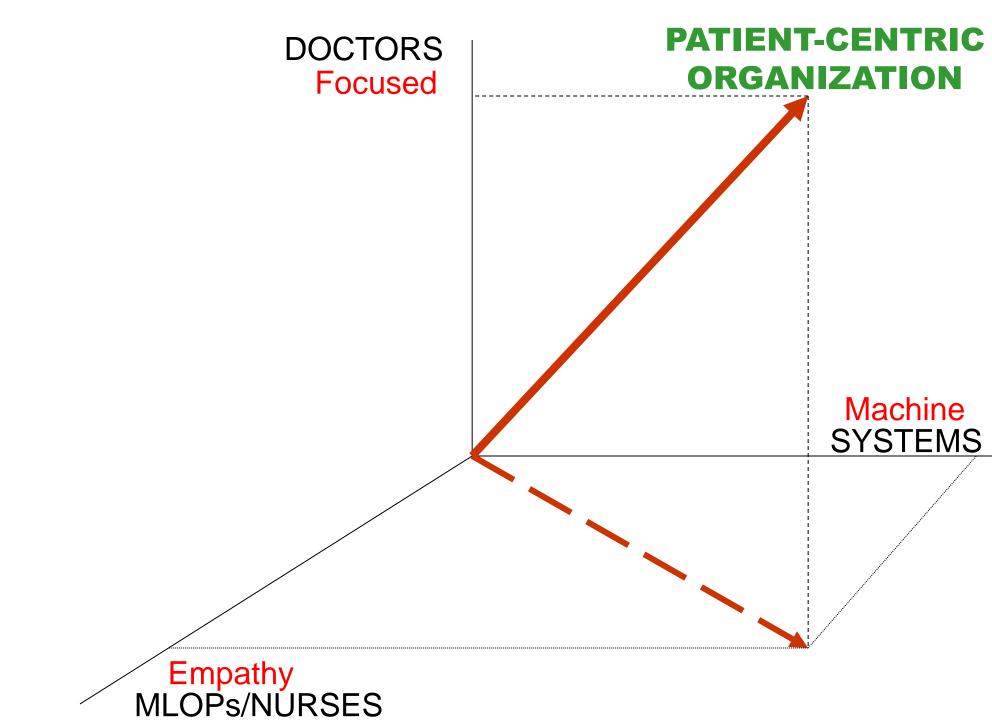


THE GENIUS OF Dr. V

THE WISDOM TO ORGANIZE

PROCESS ORIENTATION: Efficient but lacks EMPATHY

THE PERSONAL TOUCH: Responsive but CHAOTIC



THE GENIUS OF Dr. V

THE WISDOM TO ENERGIZE

JUDICIOUS USE OF MANAGEMENT CONTROL MECHANISMS TO MOTIVATE PEOPLE!

HOW TO MOTIVATE PEOPLE?

MARKET MECHANISM— The Commercial contract

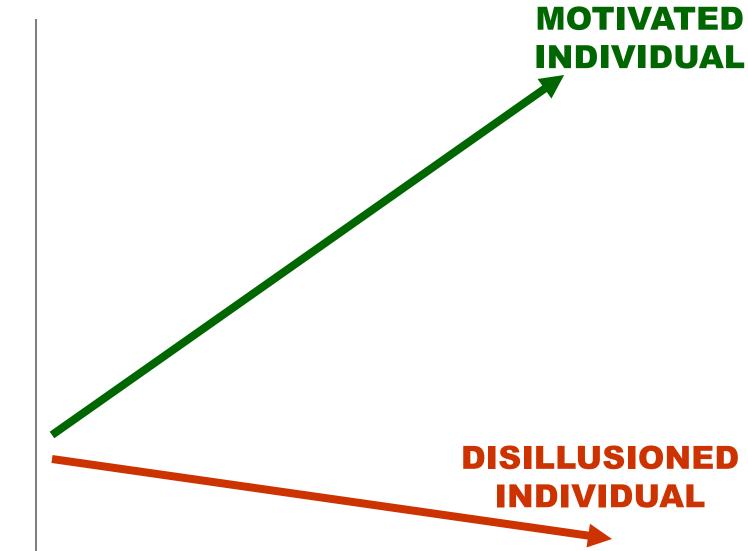
BUREAUCRACY – The Employment contract

CLAN CONTROL—
The Psychological Contract

Ultimately, it is the Psychological Contract

that energizes people to go ABOVE AND BEYOND THE CALL OF DUTY FOR THE SAKE OF THE ORGANIZATION AND ITS MISSION?

THIS IS THE **ESSENTIAL** INGREDIENT OF ARAVIND's PATIENT CENTRIC APPROACH!

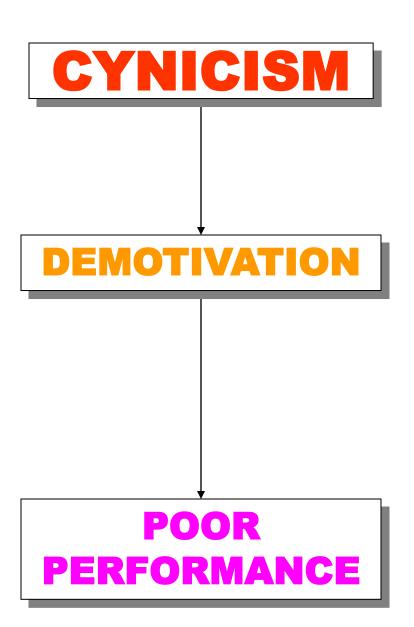


PERFORMANCE

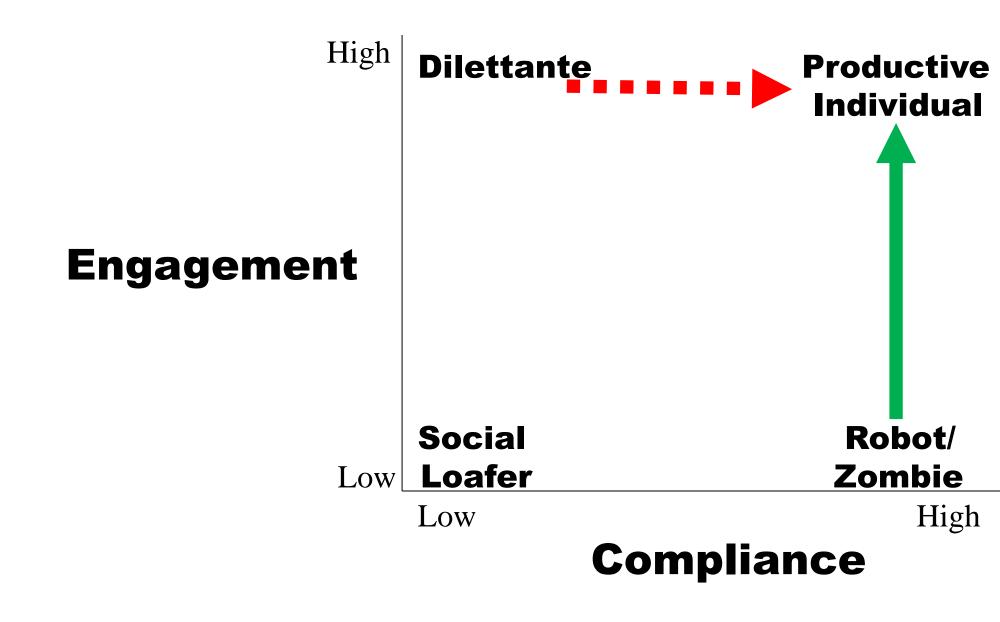
ABILITY



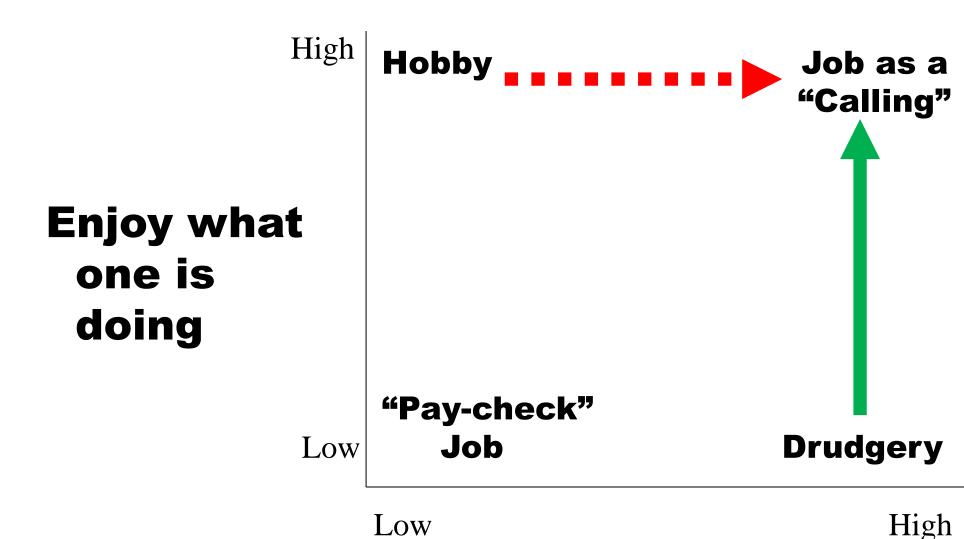
UNDERLYING DYNAMICS OF POOR PERFORMANCE



How to MOTIVATE Individuals



The ENGAGED Individual



Feel one is doing something worthwhile

MOTIVATING TEACHERS/FACULTY

EXAMPREP – A Chore?

TEACHING A Job?

EDUCATING – A Calling!

HERTZBERG'S THEORY OF MOTIVATION

TRADITIONAL
ONE DIMENSIONAL MODEL

HI DISSATISFACTION

HI SATISFACTION

HERTZBERG'S TWO FACTOR MODEL

HYGIENE FACTORS

HI DISSATISFACTION

CONTEXT OF THE JOB

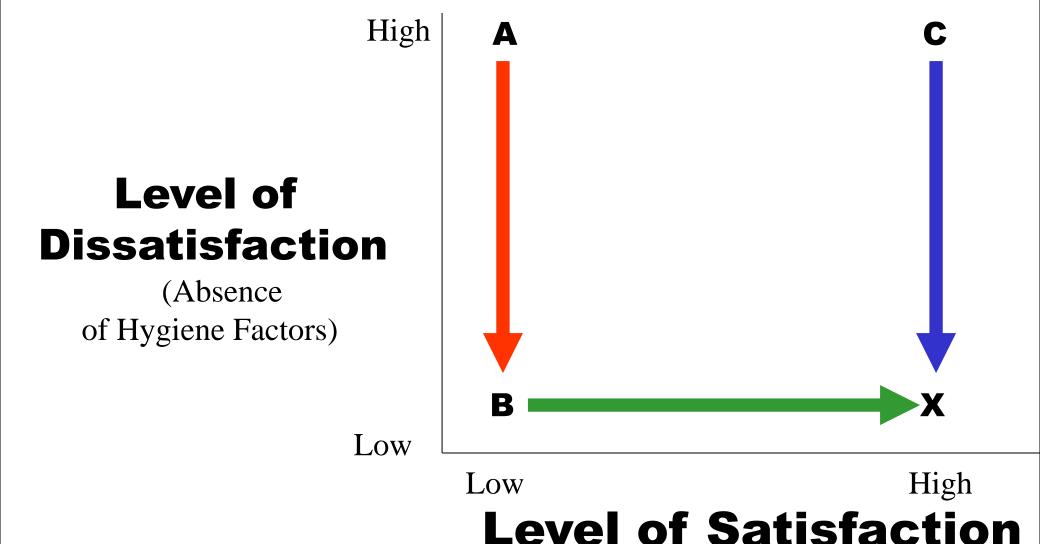
LO DISSATISFACTION

MOTIVATORS

HI SATISFACTION

CONTENT OF THE JOB LO SATISFACTION

YOUR "PEOPLE MANAGEMENT" AGENDA



(Presence of Motivators)

COUNTER CYNICISM - IMBIBE WISDOM TO:

- ·VISUALIZE
- ORGANIZE
- ENERGIZE

RETHINK THE **ORGANIZATION'S** THEORY OF BUSINESS

IF YOU ARE NOT **COMFORTABLE WITH** "THEORY OF BUSINESS" FEEL FREE TO CALL IT "GUIDING PHILOSOPHY"

WHY DO ORGANIZATIONS NEED A THEORY OF BUSINESS?

WHAT OF THE FUTURE?

** One could reasonably expect the Chairman of AT&T to know what his corporation will be ten years from now.

He doesn't!

** One could within reason expect him to predict how technology will transform his business a decade hence.

He can't!

** He should know who his major competitors will be. **Stumped again!**

But here is what he does know: something startling, intriguing and profound is afoot.

THEORY OF BUSINESS

(Peter Drucker, Harvard Business Review, September-October, 1994)

TOB is based on assumptions about:

- the environment of the organization, viz., society and its structure, the market, the customer and technology;
- its specific mission as defined by management;
- the core competencies needed to accomplish the organization's mission.

THEORY OF BUSINESS

(Peter Drucker, Harvard Business Review, September-October, 1994)

The three assumptions must:

- Fit reality
- Fit one another

Further, the TOB must be:

- Known & understood throughout the organization
- Tested constantly and changed, if necessary

EVOLUTION OF MANAGEMENT INITIATIVES

BUILDING BLOCKS FROM INTROSPECTION TO EXECUTION, SINCE THE DEVIL IS IN THE DETAILS

ACTION PLANS

COMPANY STRATEGY

MANAGEMENT VISION

THEORY OF BUSINESS

EXAMPLES OF TOB

- Disney MAKE PEOPLE HAPPY
- 3M CELEBRATE* INTRA-PRENEURSHIP
- Apple BE INSANELY GREAT AT WHATEVER WE DO

* IDENTIFY, ENCOURAGE AND REWARD

EXAMPLES OF TOB Penguin Publishing: **DECENT BOOKS AT** AFFORDABLE PRICES, **SOLD THROUGH** UNCONVENTIONAL **OUTLETS LIKE TOBBACONISTS AND CHAIN STORES**

EXAMPLES OF TOB - 1

PRICE = COST + MARGIN

MARGIN = PRICE - COST

EXAMPLES OF TOB - 2 Why should an independent company rethink its TOB after it has been MERGED WITH a larger company?

Evolution of Activities

** POLICY FORMULATION

(Top Management sets Goals and Objectives)

** POLICY IMPLEMENTATION

- ** OPERATIONAL PLAN FORMULATION (Senior Management identifies Means to Ends)
- ** OPERATIONAL PLAN IMPLEMENTATION (Middle Management finalizes Action Plans)

EXAMPLES OF TOB – 2T

TOPMANAGEMENT
(BEFORE MERGER)

MAXIMIZE THROUGHPUT

SYNERGY OF OBJECTIVES WITH PARENT

EXAMPLES OF TOB – 2S

SENIOR MANAGEMENT
(BEFORE MERGER)

MAXIMIZE THROUGHPUT

USING OPTIMAL PRODUCT MIX
ENSURE COMPANY
BECOMES COMPLETELY
PARENT CENTRIC

EXAMPLES OF TOB – 2M

MIDDLE MANAGEMENT

(BEFORE MERGER)

MAXIMIZE THROUGHPUT

AFTER MERGER

INTEGRATE ACTIVITIES WITH PARENT AND BECOME

THE BEST ENTITY

WITHIN THE MERGED SETUP

REASONS BEHIND THE GLOBAL FINANCIAL MELTDOWN

EARLIER TOB OF LENDERS

ENSURE BORROWERS ARE ABLE TO REPAY LOANS

CURRENT TOB OF LENDERS

CONSUMER LOANS ARE PERPETUAL EARNING ASSETS THROUGH FEES AND ASSORTED CHARGES

CHANGING ToB OF NGOs

EARLIER ToB OF NGOs

IDENTIFY AND ADDRESS A CRYING SOCIAL ISSUE

CURRENT ToB OF NGOs

MONOPOLIZE A CHIC OR TRENDY SOCIAL ISSUE, THEREBY ENSURING **FOREIGN JAUNTS TO EUROPE AND NORTH AMERICA**

Changing ToB Of Microcredit Financial Institutions

EARLIER ToB

POVERTY SHOULD BE ERADICATED, NOT SEEN AS A MONEY-MAKING OPPORTUNITY.

CURRENT ToB

GROW RICH BY PREYING ON THE POOR

What should be the THEORY OF BUSINESS of Indian IT Companies?

THEORY OF BUSINESS FOR SPECIALIST HI-TECH COMPANIES

CONVERT A TECHNOLOGICAL
HOBBY HORSE INTO A
REASONABLY VIABLE
COMMERCIAL PROPOSITION IN A
NICHE MARKET

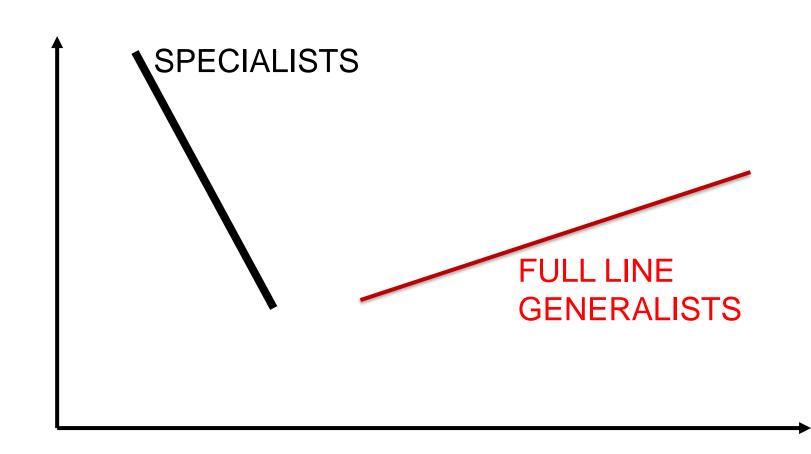
THEORY OF BUSINESS FOR OPPORTUNIST HI-TECH COMPANIES

ESTABLISH THE COMPANY AS A REASONABLY VIABLE COMMERCIAL PROPOSITION BEFORE SELLING TO (OR MERGING WITH) A FULL SERVICE PROVIDER

RULE OF THREE

Our focus is on FULL LINE GENERALISTS

Return on Assets



Market Share

TOB of Full Service Indian IT Companies

LEVERAGE TIME SHIFT ADVANTAGE, AND UTILIZE QUALIFIED, LOW COST, **ENGLISH SPEAKING WORK** FORCE, FOR ONSITE OR **OFFSHORE ASSIGNMENTS**

CURRENT OBSESSION of Indian IT Companies

HOW DO WE MOVE UP THE VALUE CHAIN?

CURRENT OBSESSION of Indian IT Companies

- ** Become a "one-stop shop" or full services provider
- ** Eschew price based competition
- ** Differentiate oneself using the
- "value offered" proposition

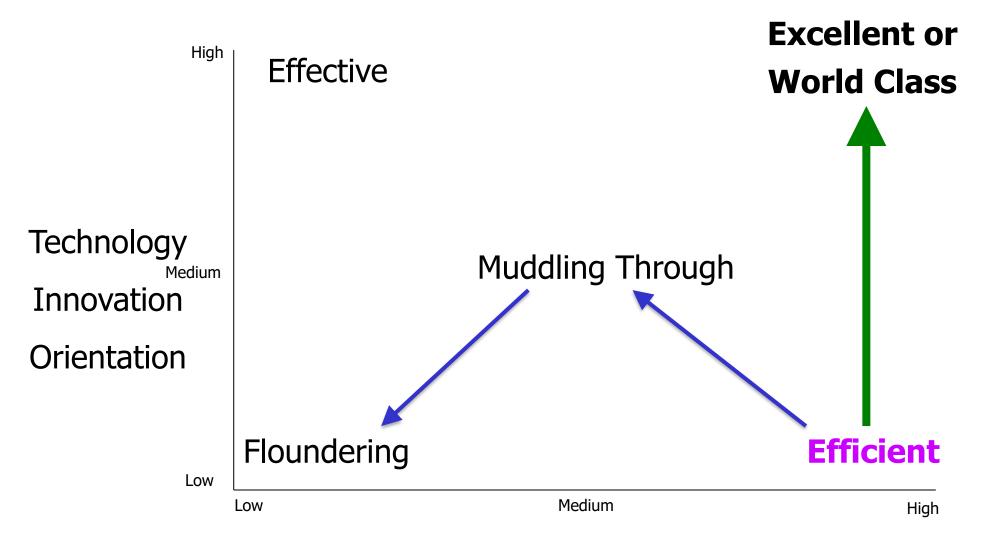
HOWEVER THIS MAY BE EASIER SAID THAN DONE.

One has to learn to walk before one can run or jump!

THEORY OF BUSINESS of Indian IT Companies

Phase 1:

THROUGH
STRATEGIC ALLIANCES,
MASTER INTRICACIES OF
CUTTING-EDGE TECHNOLOGY/
INNOVATION MANAGEMENT



Performance Orientation

THE PATH AHEAD

THEORY OF BUSINESS of Indian IT Companies

Phase 2:

FOSTER INTRAPRENEURSHIP TO MOVE UP THE PRODUCTS & SERVICES VALUE CHAIN

THEORY OF BUSINESS of Indian IT Companies

Phase 3 (by 2015?):
EMPHASIZE A PHILOSOPHY OF PROVIDING
COMPREHENSIVE SOLUTIONS
NOT JUST FOCUSSING ON
PRODUCTS & SERVICES

This will be the coup 'de grace that ensures a decisive competitive edge!

Why is a TOB IMPORTANT? UNLESS THERE IS A COHERENT, WIDELY SHARED AND UNDERSTOOD TOB, INDIVIDUALS WILL NOT BE ABLE TO IDENTIFY WITH THE PURPOSE OF THE ORGANIZATION!

GROUP EXERCISE

From TOB to ACTION PLANS

- Form groups of 5-6
- Phase I
- What should be TOB for:
- ** PARENT ENTITY of ISRO
- ** An Division (or any SUBUNIT of the organization)

GROUP EXERCISE

From TOB to ACTION PLANS

Phase II

- Generate Action Plans for a particular Unit
- Develop Goals for
- ** Unit Heads
- ** Their direct reports

THE INNOVATOR'S DILEMMA

Drucker: "The first signs of change usually show up first among one's noncustomers."

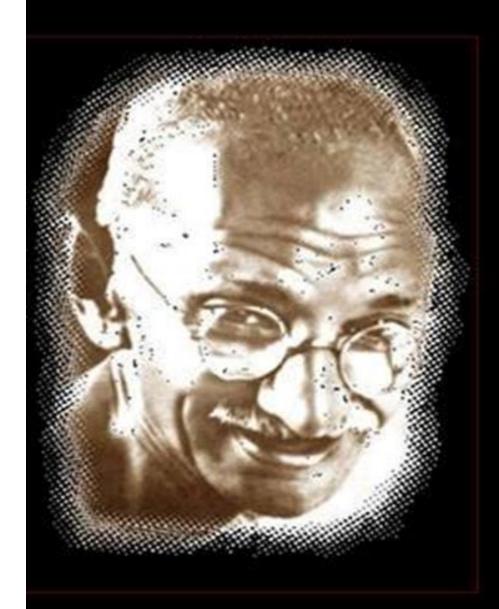
Christensen: "Understand the natural laws that apply to disruptive (change) and use them to create new markets and products."

BFORE CONVERTING A THEORY OF BUSINESS INTO ACTION PLANS, MANAGEMENT MUST HAVE THE

POWER OF VISION

Come up, O lions, shake off the delusion that you are sheep...

(Swami Vivekananda)



You must not lose faith in humanity. Humanity is an ocean; if a few drops of the ocean are dirty, the ocean does not become dirty.

THANK YOU