

KMA Annual National Management Convention - Report

“ The prerequisite of originality is not only the art of forgetting, at the proper moment, what we know, but also the ability to change some of our old habits”.

Technology has facilitated this to a large extent. Technology is leading to wholesale power shifts between sectors and within sectors, not only in IT and biotech, but also in energy, utilities, materials and many other industries. Fresh strategies need be identified for enabling and energizing the entities involved in growth which will certainly warrant exploring and identifying new opportunities, be it resource, market, methods or formula.

Through its Annual National Management Convention, KMA wanted to present and debate issues that are currently challenging the business and industry. In the State, in particular, and in the country at large. With this in mind was decided a topic of contemporary relevance to be deliberated in the convention - **“Enabling India Inc. – Exploring Opportunities”** as the main theme. The theme essentially focused on the impending need to enable and empower India Inc., currently plagued by multifarious challenges by exploring and identifying new opportunities and methodologies.

DAY 1

INAUGURAL SESSION

Mr. S Varadarajan, Chairman & Managing Director of Bharat Petroleum Corporation Ltd.

Mr S Varadarajan initiated his session sharing various statistics about the growth of Indian Economy in the coming years. “Indian Economy is expected to grow at 5.3% during 2013-14, with its expected GDP growth to reach US\$ 5 Trillion in 2020 as compared to the present US\$ 1.8 Trillion. India’s per capita income is expected to move upto \$4400 by 2020 from the present \$1500”, he said.

Expressing his concerns parallelly, he added “India’s overall rank in ease of doing business has dropped from 131 in 2013 to 134 in 2014. An entrepreneur in India has to deal with 35 procedures to get a construction permit while in South Asia it’s less than 16. As if that wasn’t enough, Indian economic growth rate has hit a decade low of 4.5% in 2012-13, with the fiscal deficit, rupee degradation and rising inflation adversely affecting the business sentiment in the country.”

The remaining of his session focused on the changing energy landscape in India and the role major role BPCL has played in the upstream story.

Dr. Preetha Reddy, President of All India Management Association & Managing Director of Apollo Group of Hospitals

Speaking next in succession, Dr Preetha Reddy's session focused on the comparison and macro view of the various "ages" of Business Environment the country has seen. The enumerated points were as –

1. Upto early 80's

- Family run business dominated – 95%
- Majority of core sector industries owned by public sector
- License Raj and bureaucratic oversight
- Troubled industrial relations
- Underdeveloped domestic market
- Inadequate project financing opportunities

2. The 90's – Winds of change

- Progressive liberalization and privatization reforms
- Impetus for rapid industrialization
- Govt incentives to SSI
- Export orientation with incentives
- Project financing norms eased
- Rapid technology induction and acquisition
- Reduced reserved list of businesses for PSU

3. India in the new millennia

- Small industry is no longer the norm. India Inc. has starts thinking global
- Evolving capital market- BSE Sensex above 20,000 presently as compared to 2900 in 1991

- Multinational outlook
- Service Sector emerges as the mainstay of economy

During the closing minutes of her session, Dr Preetha also covered few other topics, including Top overseas acquisitions by Indian Companies in recent years, PSEs in Independent India, PSU resurgence and Challenges faced by PSUs.

Mr. K S Jamestin Director (HR) Oil & Natural Gas Commission

Hailing from the HR field, Mr KS Jamestin shared his thoughts on why he considered managing HR in PSUs as a altogether different ball game. From constraints in hiring and separations to activism on service matter litigation to extraneous influences on service matters, he enumerated the various difficulties faced in handling human resources in an organization.

“More autonomy should be provided in manpower induction, manpower weeding and career progression in an organization. Performing organizations should be permitted to fix higher compensation levels and periodicity for pay revisions. Innovation and out-of-the box thinking should be encouraged as the need for more tolerance towards non-malafide mistakes from people with good track records”, he added.

DAY 2

TECHNICAL SESSION 1 - WALKING THE TALK: ADHERING TO VALUES AND GOVERNANCE

N R Panicker, Chairman, Chairman & CEO Accel Frontline Ltd.

Addressing the gathering for the first technical session, Mr N R Panicker’s session was on “Walking the talk - Adhering to Values and Governance: A theme for building sustainable value for stakeholders ”.

“To make mission and vision of an organization practical, we need to build a value system in the company. Values plus governance comprise the actual shareholder value”, he said. In his opinion, India is going through major business turmoil, especially with the IT industry average attrition rate of 25%. The enterprise has to focus so much on adhering to the Govt policies that it takes up most of the productive time of the company.

“Satisfying the Govt. is a myth. There is no long term stability in their procedures. Only when this “sick” atmosphere for businesses is removed, can the Indian Industry reach its full potential. Business ethics is another issue we face. The rising entrepreneurs should take business ethics seriously. Entrepreneurship in India is mostly need based, not innovation based. Only when it becomes innovation based can it add any value”, he added.

Harish Devaraj, Leadership Coach

The second person in for the Technical Session, Mr Harish Devarajan started off with a quote by Sir Adrian Cadbury – “Corporate Governance is concerned with holding the balance between economic and social goals and between individual and communal goals”.

“All the news nowadays is in some way or the other connected to lack of governance and ethics. Individual reflection decided the “right thing”. For people, it is easier to follow the law than their conscience; and every law has a genesis in ethical rights.

We live in a world that celebrates success. But in some cases we oversee the ‘shortcut technology’. Success eclipses shortcuts, sadly. This ethical failing is not a pattern but rather resides in the inner conviction of the individual”, he said.

Mr. R K Amar Babu, Managing Director Lenovo India Ltd

“Challenge for businessmen comes in the grey areas where it is difficult to say what’s right and what’s not. Governance is not just about being legally right. It’s also about being ethically right. It is about sticking to the ethics and goals of the brand”, said Mr R K Amar Babu, during his spotlight period.

He backed his opinions with a real life example with Lenovo, where the screensavers in their systems depicted the wrong map of India at the Kashmir border. Though this was actually a mistake with the IBM Software and Lenovo was “legally right”, on an ethical basis, they retracted all the remaining systems in the market and released it only after the issue was corrected.

Listing the workplace governance mechanisms, Mr Amar Babu centered his talk on four major points – Internal System Audit, Employee grievance council, Whistle-blowers policy and Prevention of sexual harassment.

TECHNICAL SESSION 2 – DELIVERING QUALITY AND ECONOMIC VALUE TO CUSTOMERS

Mr. V. K. Mathews Executive Chairman, IBS Group of Companies

Economic value, its deliverance, digital enterprise, delivering quality and information flow were the major points Mr V K Mathews covered in his half an hour long session, with ample emphasis on the digital aspect of business.

“Economic value is the quantifiable business benefits measured in monetary terms. Business benefits accrue in various dimensions like enhanced revenue and market share, reduced cost of operation through improved efficiency and productivity and differentiated customer experience leading to enhanced pricing. In the present day increasingly digital world, establishing leadership is important in delivering economic value. Capability comes from digital and physical assets and enterprise value will tilt towards digital assets. It is no longer business strategy but rather digital business strategy”, he said.

Mr. R Ramakrishnan, Vice Chairman, Joint MD & Group CEO Polycab Wires Pvt. Ltd

Mr Ramakrishnan started off his session with good news for the businessmen at the meet – The consumer market is booming! He accentuated his point with a few statistics he shared –

- In 2012 Indian auto manufacturers produced 20.4 Million vehicles
- Annual car sales to jump from 3.2 million in 2013 to 9 million by 2020
- Over 900 million mobile phone subscribers as on September 2013
- In 2013, 117 Million Indians used domestic air transport

He also spoke about the key government initiatives to enhance the India’s economic value, including overcoming the government deficit, replacing all indirect atxes with National VAT/GST and reducing the rate to 15% of retail price and supporting the SSI Sector with policy measures, availability of credit and appropriate infrastructure.

Sharing his thoughts on the price-value model for customers, he enumerated another couple of factors to be kept in mind –

- From a strategic perspective, price and value are the only parameters that really matter to customer
- To apply the model, start by choosing a reference product, usually the biggest market share in the industry

- Plot the product according to its price and value to its average buyer against the reference product piece

“The key step in developing a value proposition is to work out which benefits potential customer wants and how much they will pay for them. Knowing exactly what customers value enables you to divide potential buyers into segments who desire more or less the same product benefits and are willing to pay more or less the same amount for them”, he added.

Mr. P S Nair, CEO – Corporate (Airport Sector) GMR Group

Mr PS Nair’s session was all about showcasing the successful development model of Delhi International Airport Authority. The model built on a 7 pillar body, consisted of – Tracking complaint to compliment ratio, customer response management, continuous improvement plans, Idea Factory, Kaizen Approach, Work Place management and building customer focus organization.

SPECIAL SESSION - CREATING A BALANCED BUSINESS MODEL FOR PEOPLE, PLANET AND PROFIT

Mr Prabhu Chawla, Editorial Director, The New Indian Express Group

Mr Prabhu Chawla delivered a power packed half hour of the wittiest and probably one of the best sessions of the convention. Encompassing his long experience in the journalism industry coupled with his strong viewpoints on various topics, the doyen really got the audience thinking with the points he put forth.

“Reforms in India are walking back now. Fundamentally everything’s wrong even after 20 years of reform. The economy is becoming bankrupt. Creating wealth for the rich and filth for the poor is not called social reform.

When talking about profit and planet each individual should himself feel responsible. Companies are creating supply which then creates demand. When the demands go down, they go for concession from Govt. Privatization of profits and socialization of loss has to change. It’s unfair to everyone.

The conversation has to change from creating market to creating value. Needs have become more symbol based than utility based. Just consider the example of the iPhone! Again, equitable distribution of growth isn’t happening. Profit and people are opposite sides in the

corporate world. This very culture of shifting responsibility is the reason India is falling back”, he opined.

VALEDICTORY FUNCTION

Mr. Sridhar Thiruvengadam, Chief Operating Officer Cognizant Technology Solutions

Mr Sridhar started off sharing his vision 2020 for Kochi – “kochi is one of the top ten growing market in India for setting up business. The talent pool from science and commerce is to be used to tap into the complete potential of the IT Industry”.

He was also of the opinion that cohesion of technology changes how business is being done now.

Mr. Krishnakumar Natarajan, Chairman – NASSCOM & CEO & Managing Director, Mindtree Ltd.

“Software and Product development and entrepreneurship will be the source of all change to come. Ability to innovate, encouraging entrepreneurship and inclusive growth are the three factors needed for better talent enhancement in the Indian market”, said Mr Krishnakumar Natarajan during his session in the valedictory address.

- “1. Kerala to have 100% unemployment
2. All local problems solved by social entrepreneurs
3. Inflow of revenue to Kerala more than the outflow

These are the 3 things I would like to hear about Kerala in the near future”, he mentioned on his positive views about the future prospects of Kerala.

Dr. V. A. Joseph, Chief Executive Officer, Managing Director, South Indian Bank.

Dr VA Joseph, kept his session very short and sweet, sharing with the audience a few teachings of his teachers and relating his corporate experience.

Mr. V. K. Mathews Executive Chairman, IBS Group of Companies

Bringing the convention to close on a high note, Mr VK Mathews ended the discussions for the day and for the event with just one important piece of advice for all the managers, businessmen and entrepreneurs who had gathered for the convention in large numbers – “Know and understand the context in which your customer survives to get to know better the strategy of your business.”

The two days of the KMA’s Annual Convention saw a flurry of action from various doyens of their fields, all under a common roof to ideate and discuss on building a better India Inc. An India, where opportunities are to be explored and challenges overcome. Needless to specifically add, the convention met its goals on exploring the opportunities, both from a national and global front, and contemplating about the various positive and negative factors that the managers and entrepreneurs of today and tomorrow should reflect upon, to build a better business and a better India.