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Contemporary Issues

Accelerate SMEs Advancement Program

New Approaches & Strategies to enhance SMEs Global Competitiveness

6th March, 2021

IICA, Manesar, India

Session Agenda

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- How to create effective organization structure for BMO (Industry Association)
- Creating systems and procedures for BMO (Industry Association)
- Professional & life skills to build robust businesses
  - *Negotiation & Creative decision making*
  - *Drive & communication skills*
- How BMOs can promote Innovation & Entrepreneurship in the industrial clusters they represent

Overall Construct of Session

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Let us talk about all these issues from two perspectives - traditional approach as well as emerging ‘new realities’ after the pandemic.

Organisation Structure

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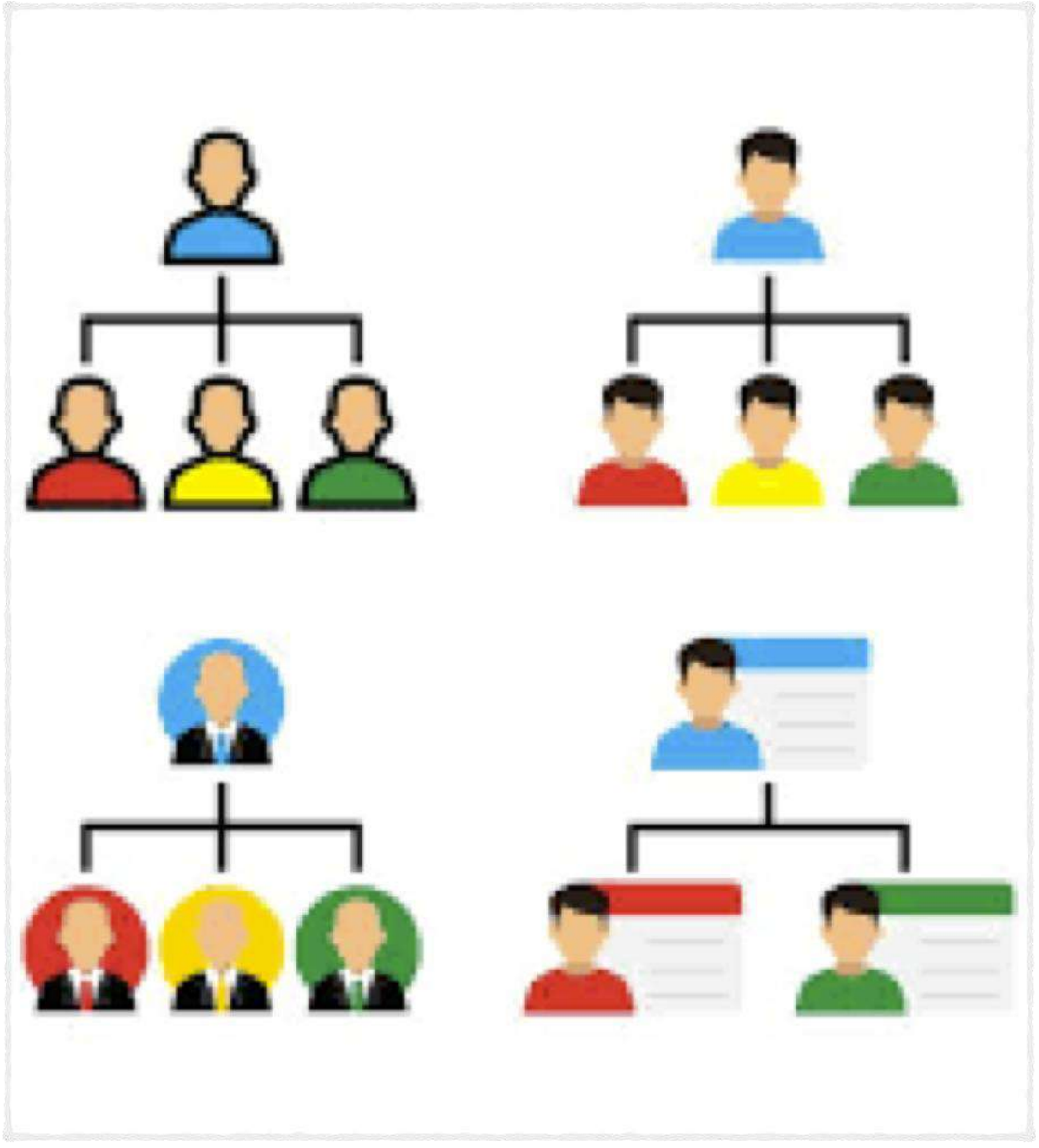
- Meaning and purpose of Org Structure

- Different types of Org Structure

- New-reality challenges and concerns

- Emerging thoughts and opportunities



Org Structure Fundamentals

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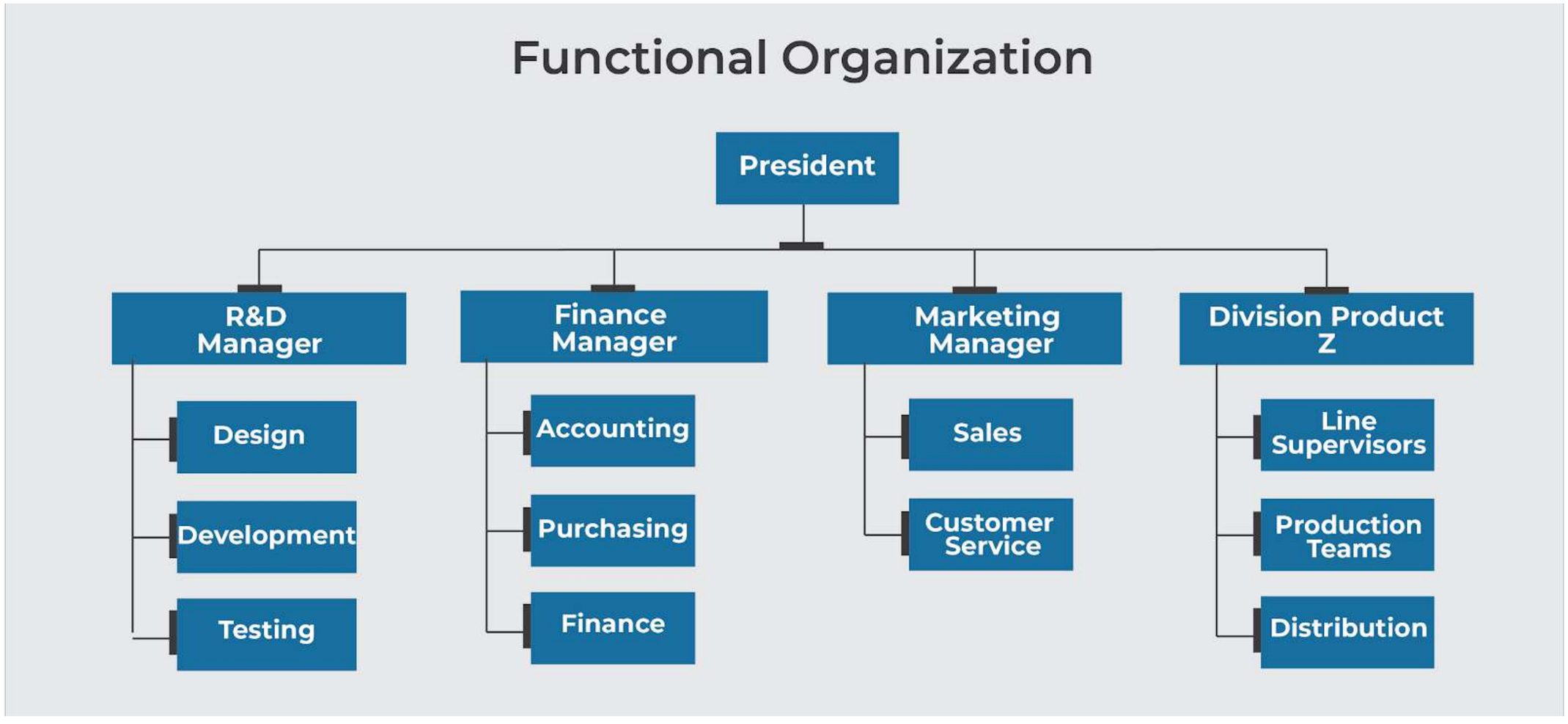
- Primarily a command and control focus
- Communication structure



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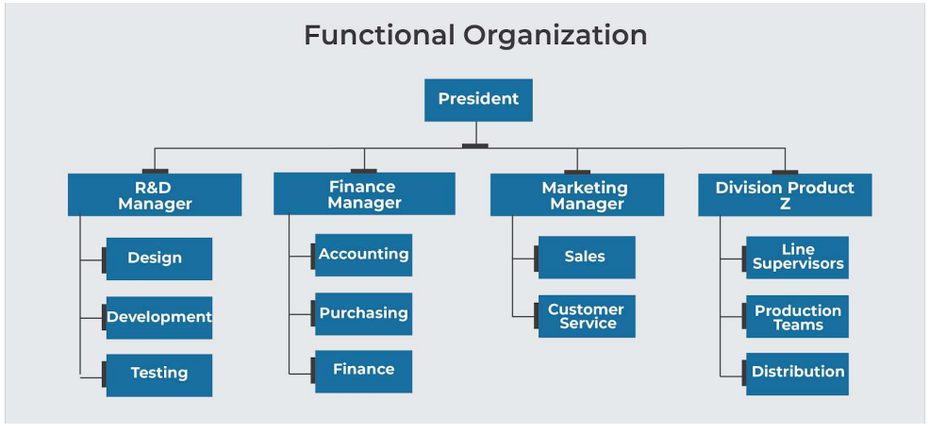
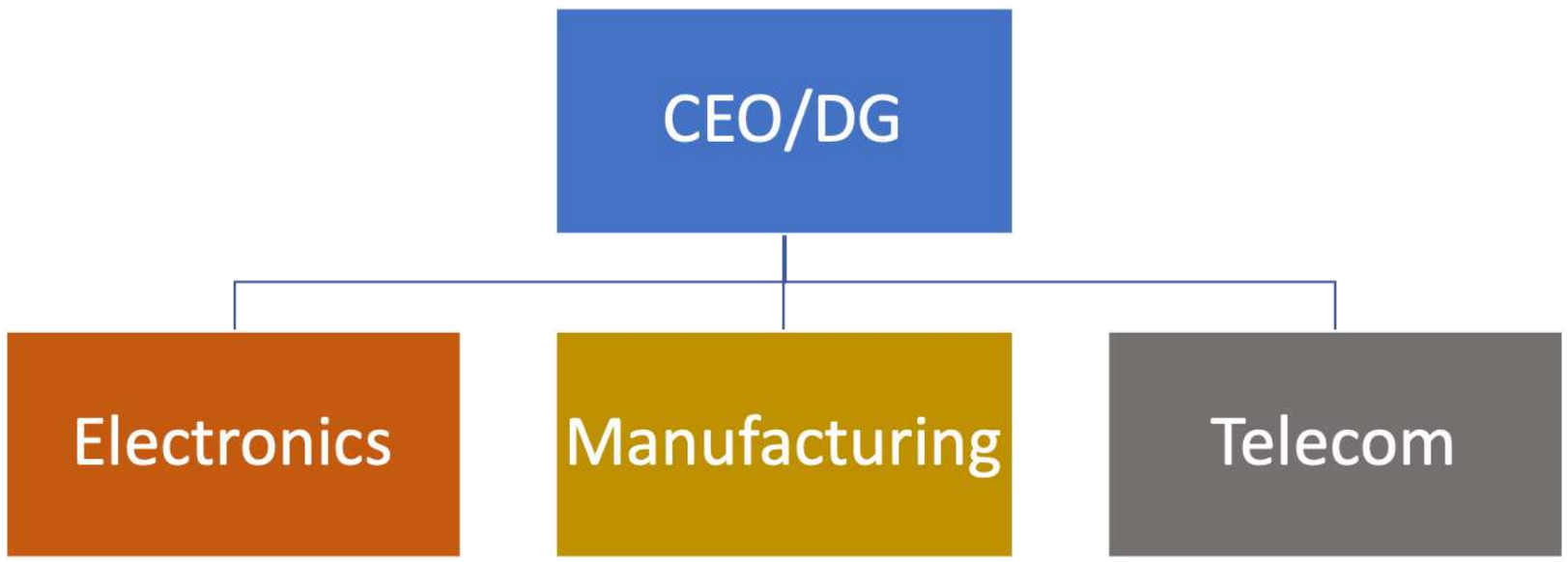


Product Based Structure



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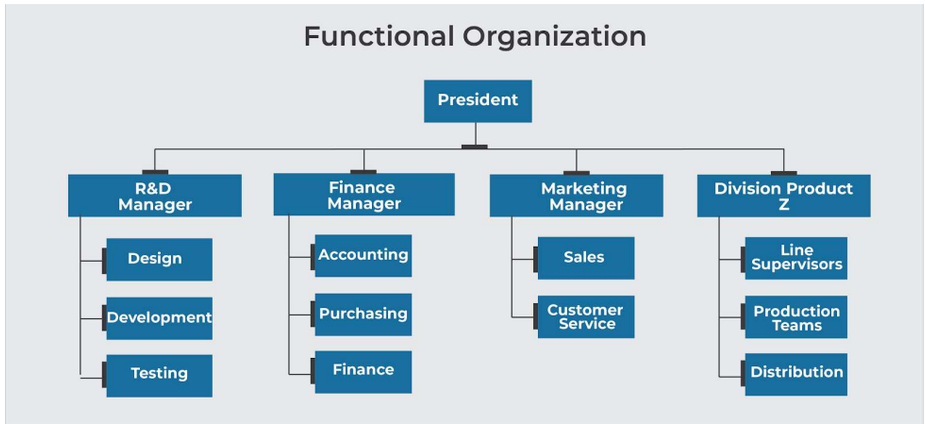

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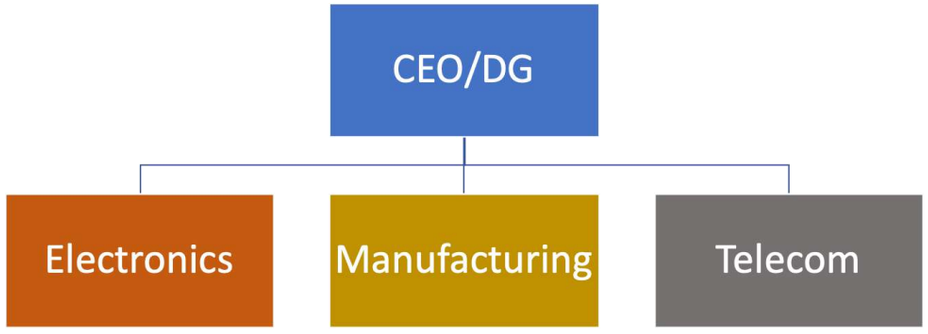
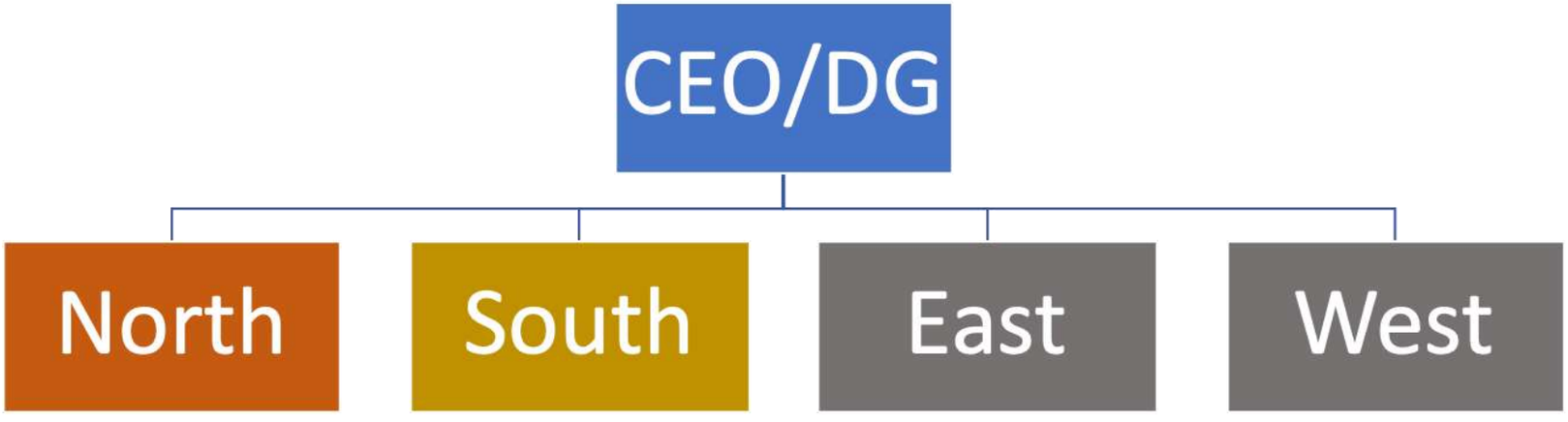


Geography Based Structure



Org Structure Fundamentals

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- **Matrix structure is more responsive and outcome oriented**
- **Difficult to manage and get buy-in**

Functional + Geographical

Product + Geographical

Functional + Product

Product + Geographical

New Realities - Challenges and Opportunities

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- Customer focused structure

- Control and Activity based to Outcome based structure

- Flat organisation improves quality of interface efficiency and responsiveness

- Gig-roles based structure

- Project based structure is recommended
  - *Create for a purpose and disband at completion*
  - *Competency takes over; Hierarchy takes a back seat*
  - *One individual part of more than one project and therefore resource is optimally utilised*

Systems and Processes

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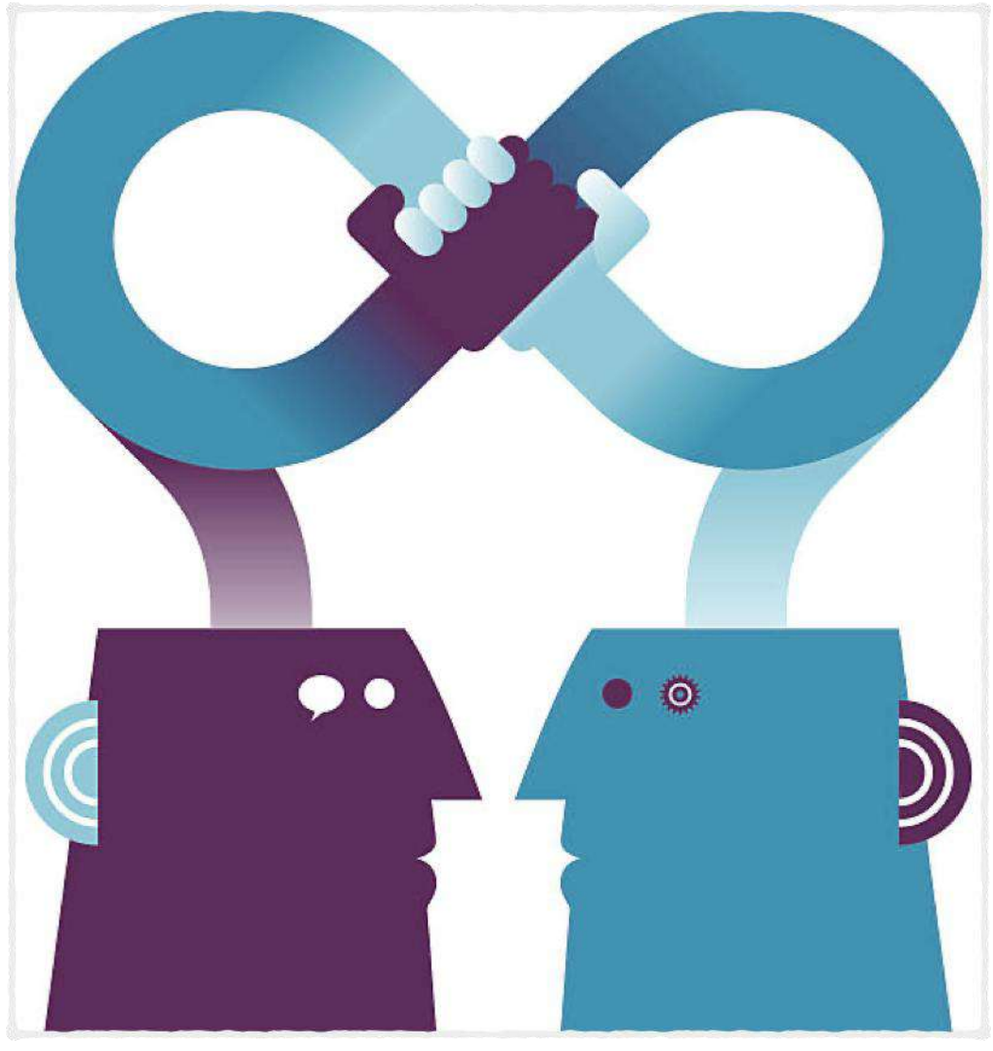
- Value of Past experience vs Future expectations
- Contemporary Issues
- Redefinitions
- Challenges - Technology, Culture, People



Past Exp vs Future Exp

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Advantages of hindsight

have become

a limitation

Past Exp vs Future Exp

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Repairing

old broken bridges are

not enough

Contemporary Issues

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- Many policies, systems and processes become redundant
- Copy-Paste will not work
- Not much experience
- Ability to look into and predict future
- Competency issues
- Letting go - people, power

Contemporary Issues

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- Letting go - people, power

Way Forward

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- Experimentation with emerging scenario - cultural challenge

- Copy-Paste will not work; Thinking afresh is the only way forward

- Paradigms of process design need change

- System and Processes will need flexibility - those based on rigidity will not work

- All new designs will demand Outcome Focus and Customer Focus

Professional Skills

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- Key skills
- Ways to develop skills
- Leadership construct
- Leadership Case

Soft Skills

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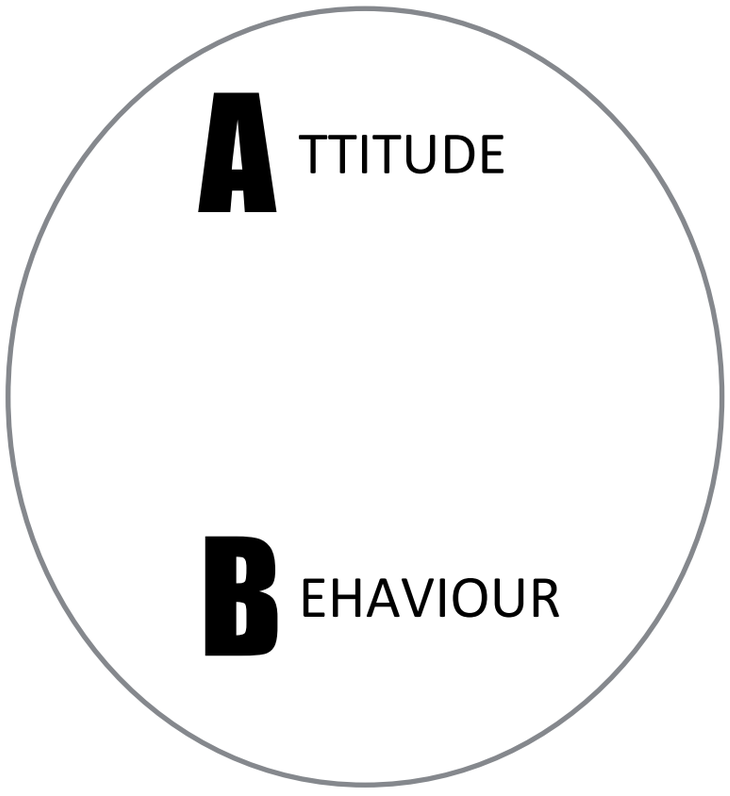
What is your understanding of ‘soft skills’?



- **The ‘play’ that happens between ‘A’ and ‘B’**
- **Difficult to codify**
- **Easier to see in others and recognise than to learn and practice oneself**
- **Higher impact than hard skills**

Key skills for Entrepreneurs

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- Initiative
- Networking
- Negotiation
- Self Awareness
- Creative Decision Making
- Team Work
- Leadership
- Customer Orientation
- Communication
- Flexibility

Developing Skills

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- Be open to feedback
- Communicate often
- Emphasize teamwork
- Have an open learning mindset
- Observe others
- Engage in networking

Leadership Construct

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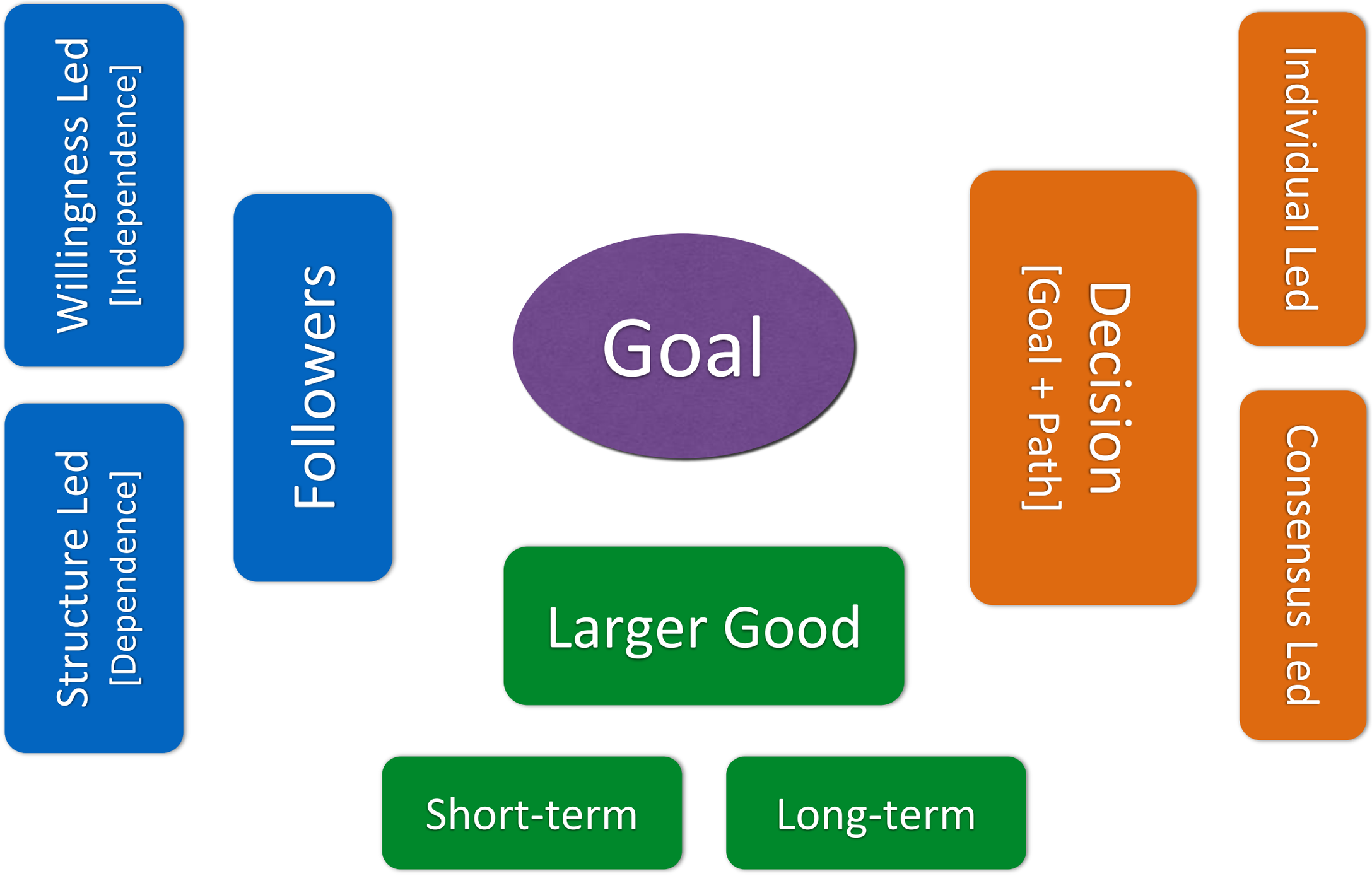

Leadership Construct

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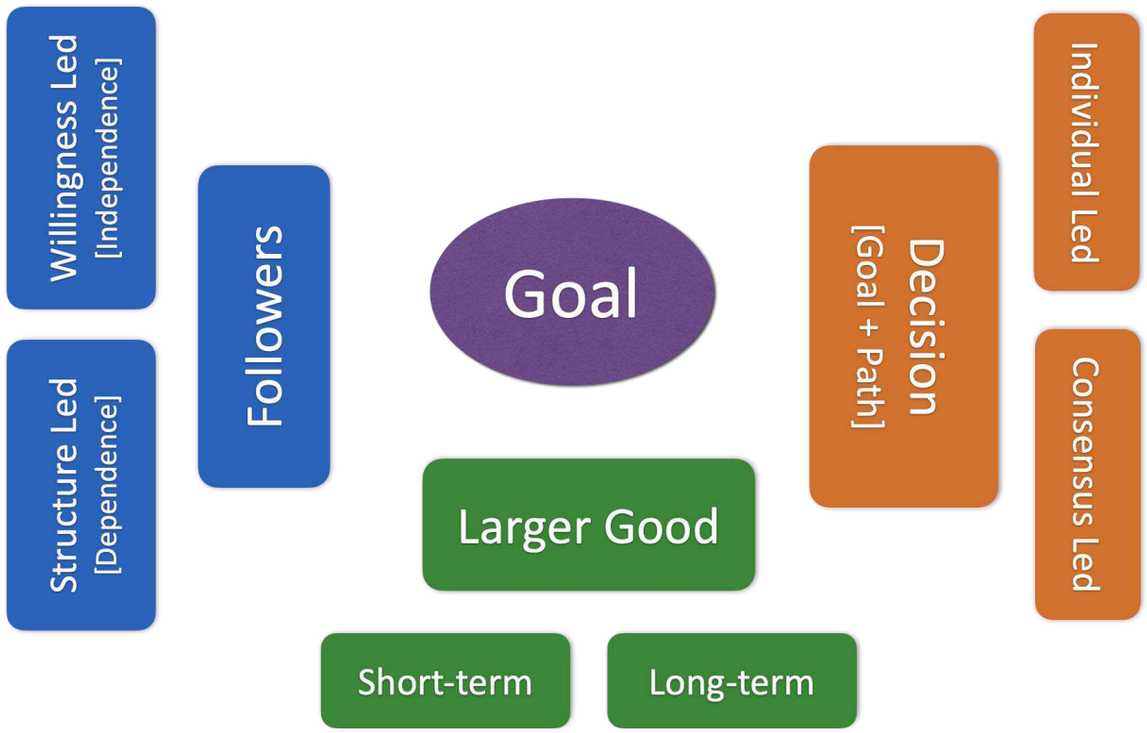

- **Primacy of GOAL**
  - ***No leadership if goal is not achieved***

- **All theories of leadership are about diff process/ method/ path to achieve this goal**

- **Focus on**
  - ***Decision making***
  - ***Followers maturity and handling***
  - ***Purpose, Vision, Growth***

Case Study Part 1: Leadership

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- Story of a large insurance company in public sector. There was a strong and militant trade union who had a strong hold over the staff. Inter-group rivalries in many branches affected customer service also.
- BM was considered to be straight forward and uncompromising on issues. DM was a veteran and a man of brilliant ideas and varied experience. He was very ‘friendly’ with the trade union functionaries. Morale of the BMs was very low as they were repeatedly let down at the instance of one or the other Union. A new software platform was being installed in all branches of the Zone.
- At this stage DM decided that softer options would not work and he had to enforce implementation. Accordingly, the new software platform was implemented in the ‘problem’ branch also without the ‘consent’ of the majority trade union. The union felt challenged and declared ‘non-cooperation’ against Divisional Management. Memos were issued individually to all the staff who boycotted the meeting for disobedience and dereliction of duty. Divisional union started propaganda against DM through posters and hand bills. DM decided to make best use of the opportunity to show the union their proper place.
- Individual Memos were issued to the President and General Secretary of the Divisional Union for instigating unlawful activities against the management proposing disciplinary action . Meanwhile their members from the branches where memos were issued became extremely restive.
- DM would be available for discussion if the ‘union wanted’ and on prior appointment. For tactical reasons, he stayed away from headquarters for 5 days, on official tour.

Case Study Part 2: Leadership

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- Appointment was granted the next day afternoon. At the appointed time the Zonal President, Vice President and a few other senior functionaries met the DM along with the Divisional Secretary and urged for reconciliation.
- DM agreed to their view that in the competitive external scenario management and union had to work together for the organizational cause. The request for withdrawal of the memos was turned down but it was agreed that no further action would be taken if such instances were not repeated.
- Attempts to get relief through courts including High Court did not succeed as records were systematically created at every stage. Concurrently the Branch Managers were fully empowered and full backing was assured for their legitimate legally and morally sustainable action. They were told to work with pleasure and leave all pressure to the DM.
- A semblance of peace having realized BMs were told to concentrate on key result areas, especially new business. training for skill development was arranged using the same budget. Agents training also was made a regular affair.
- By October 2003 there was tangible difference in new business performance and the Division rose to 5th rank on premium growth among 12 Divisions of the Zone When the financial year closed the Division achieved highest rank in new business premium growth in the Zone and 2nd highest All India.

Discuss

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- What positive leadership actions do you see that you may want to repeat?
  - *why do you consider them positive?*

- What actions you will want to avoid because they may be challenging?
  - *why?*

Drive and Initiative

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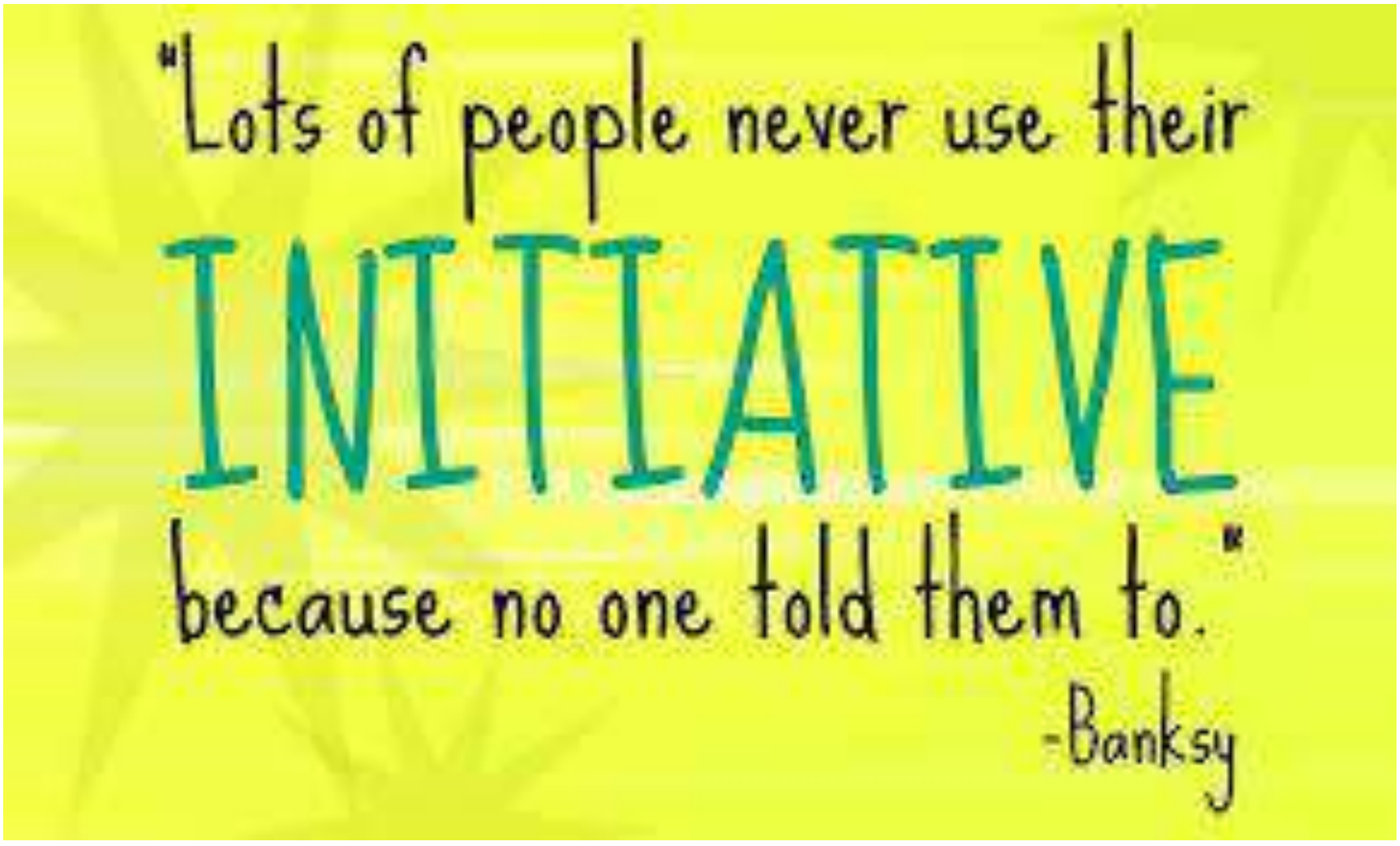

Drive and Initiative

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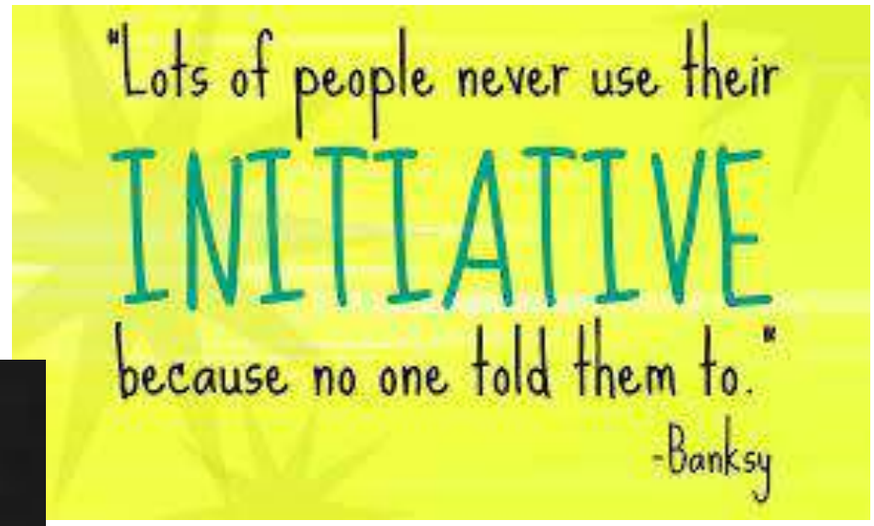

Drive and Initiative

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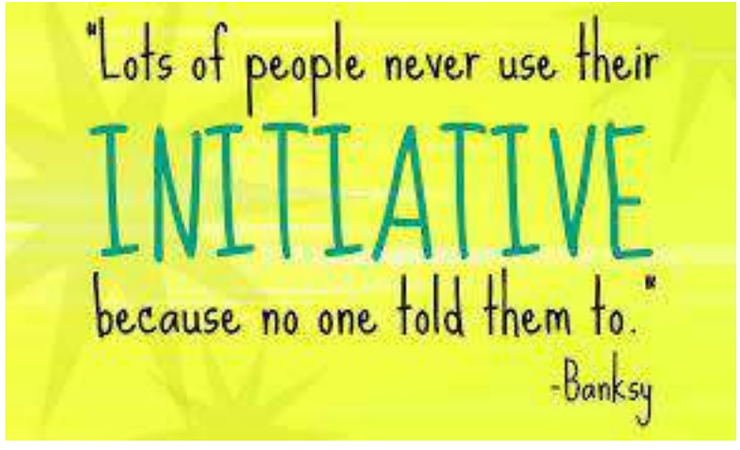
- Initiative is about taking the first step - Drive is sustained self-motivation
- Initiative demonstrates a sense of self-drive, self-awareness, insight and personal motivation
- Initiative is an expression of self-motivation (Drive)
- Taking initiative strengthens your personal brand
- Could give you the first-mover advantage
- Drive + Initiative = both are easily visible by presence as well as absence



Drive and Initiative

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- **Individual objectives - mostly different**
- **Anchors for interest - differ from people to people**
- **WIITFM**
- **Organizational culture and values**
  - ***Dump it on one who makes a suggestion***

Improving Initiative and Drive

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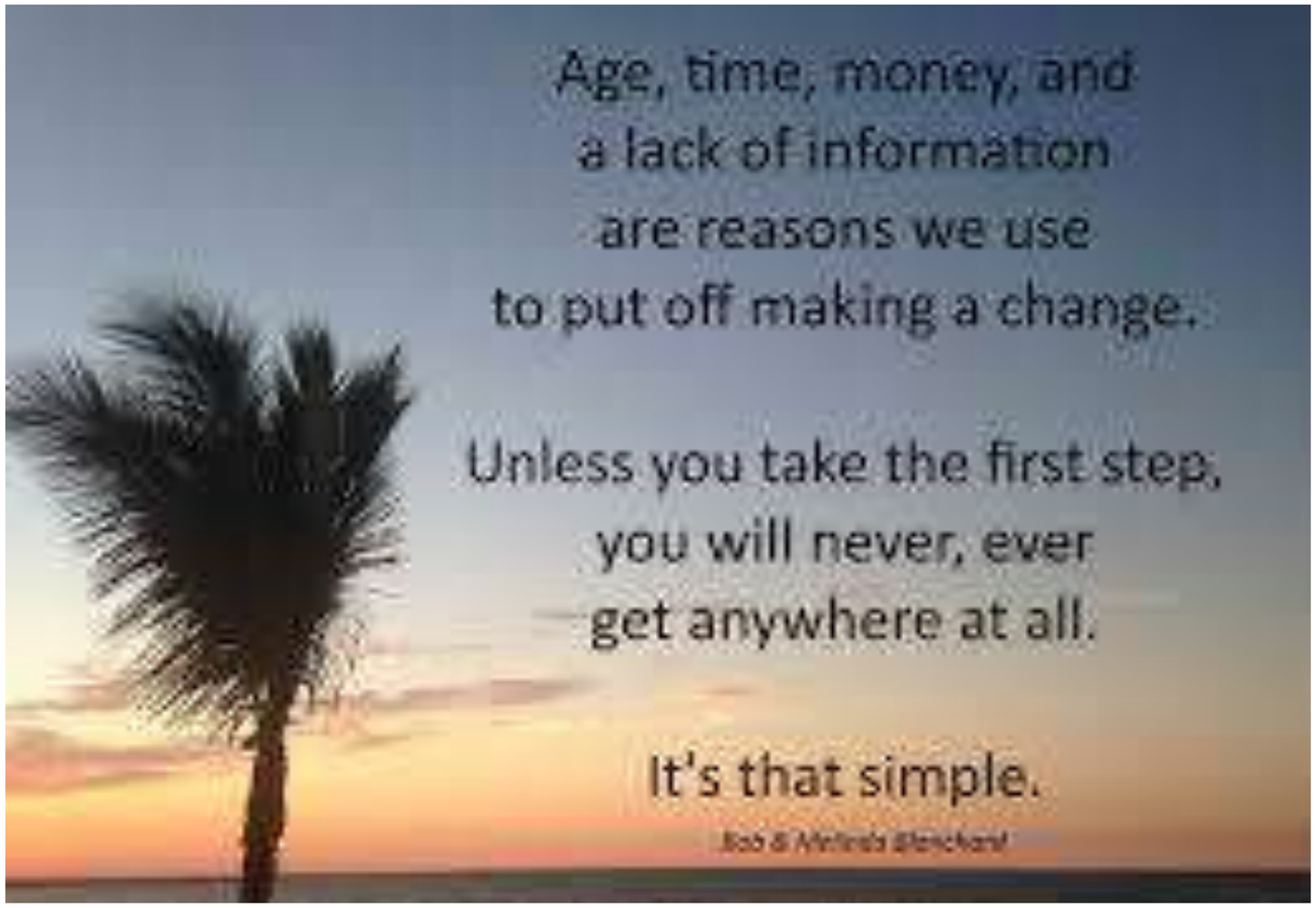

Improving Initiative and Drive

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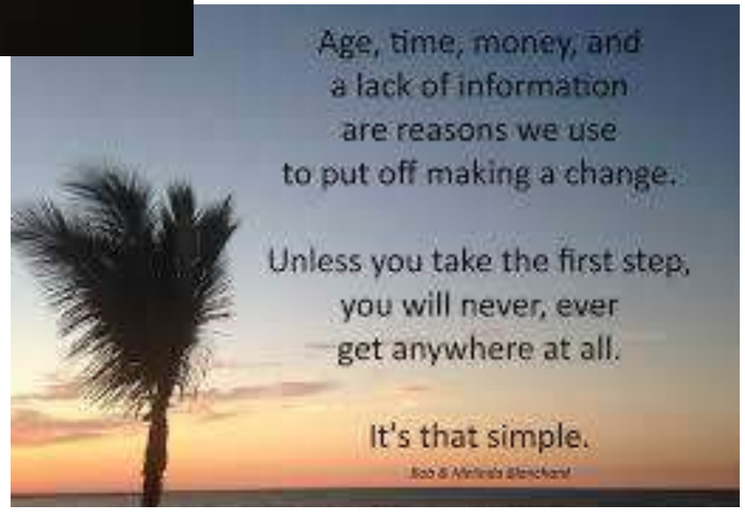

Improving Initiative and Drive

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Business Communication - Objectives

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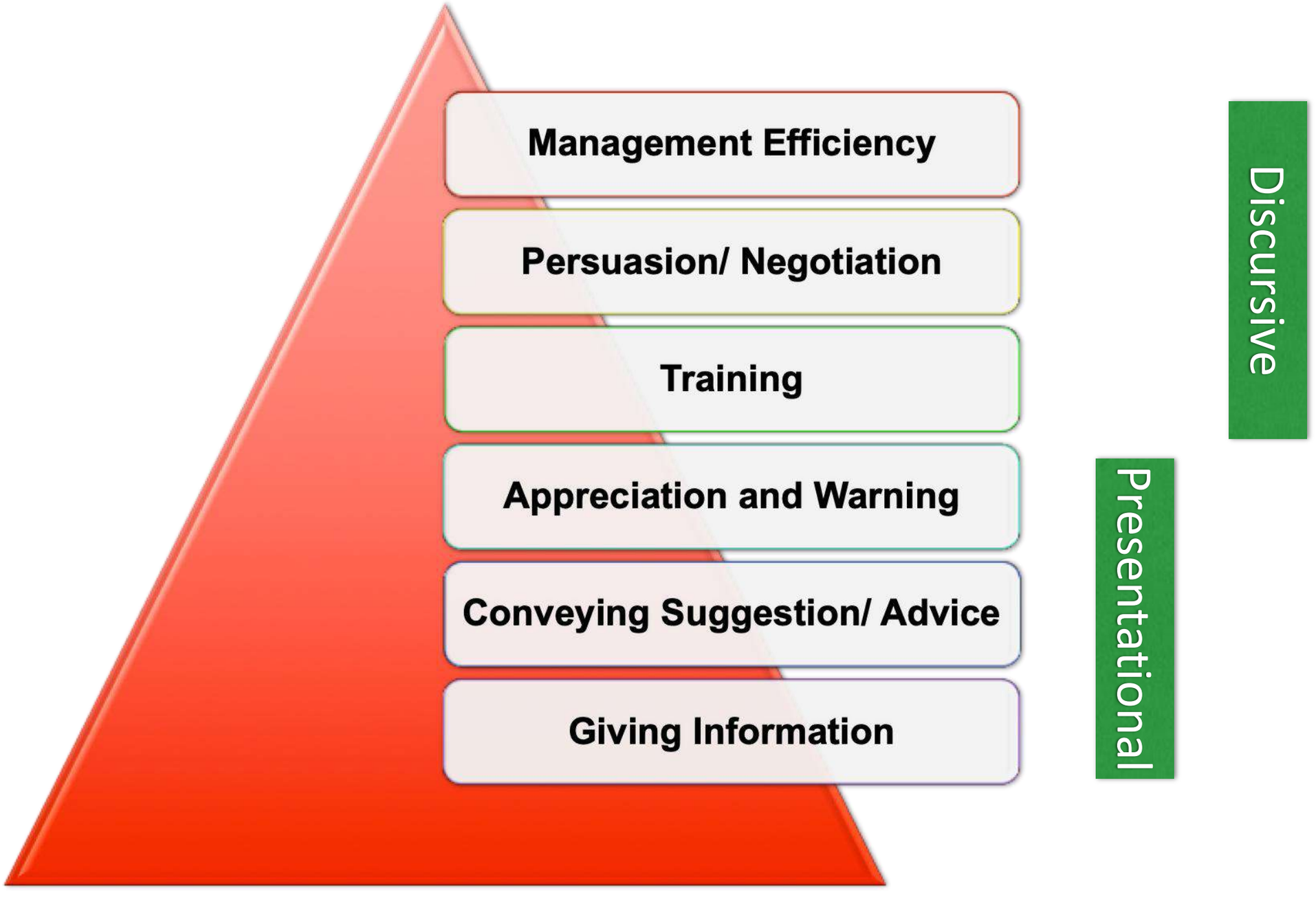
What are some key objectives in your experience?



Communication Skills

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How to communicate effectively?

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- **Eliminate Assumptions**
- **To be heard, listen first!**
- **Ask questions**
- **Pay attention to non-verbal messages**
- **Be respectful**

What is Negotiation?

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"back-and-forth communication designed to reach an agreement when you and the other side have some interests that are shared and others that are opposed."

"interpersonal decision-making process" that is "necessary whenever we cannot achieve our objectives single-handedly."

"When two or more parties need to reach a joint decision but have different preferences, they negotiate."

7 key elements of Negotiation

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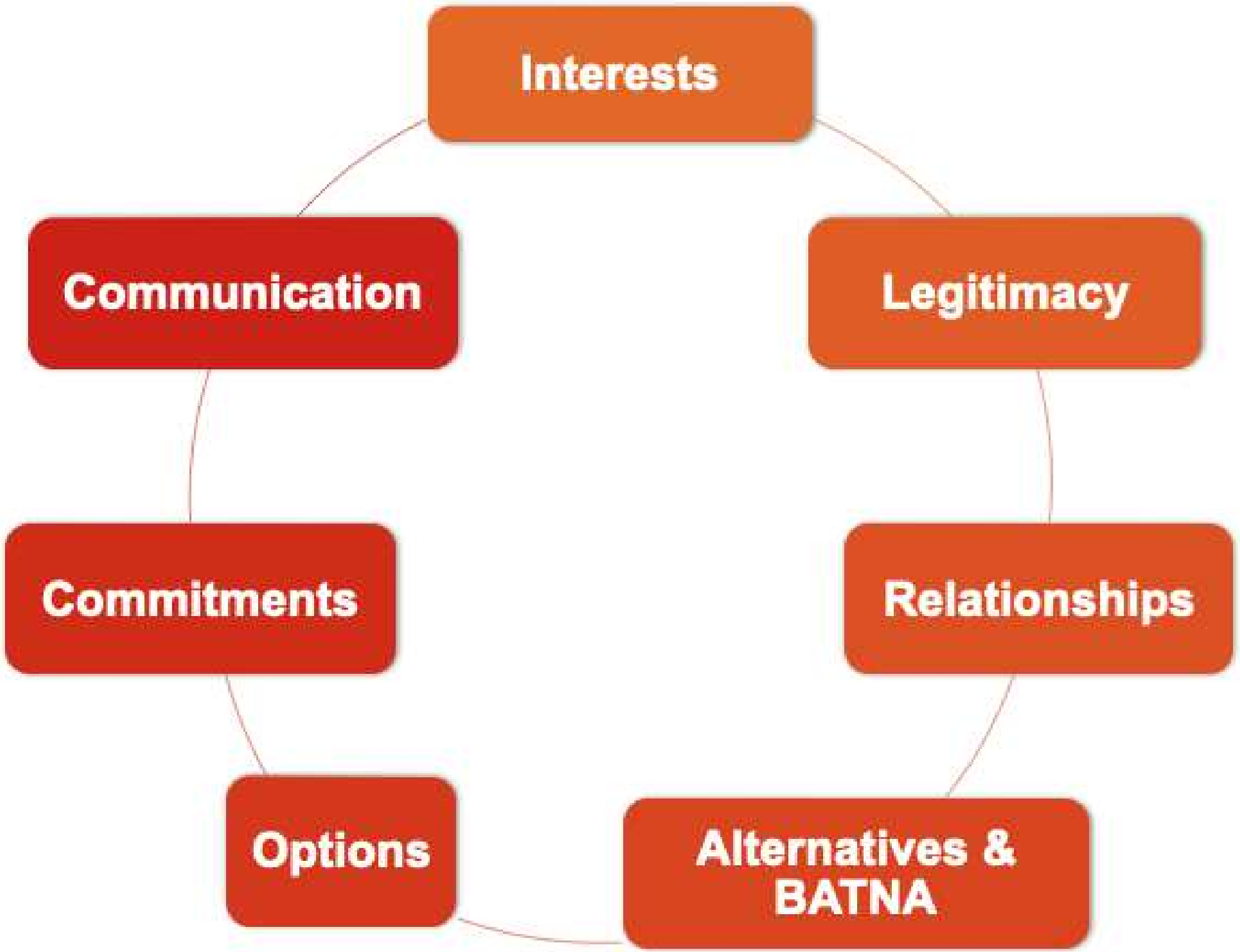

Skills of a Good Negotiator

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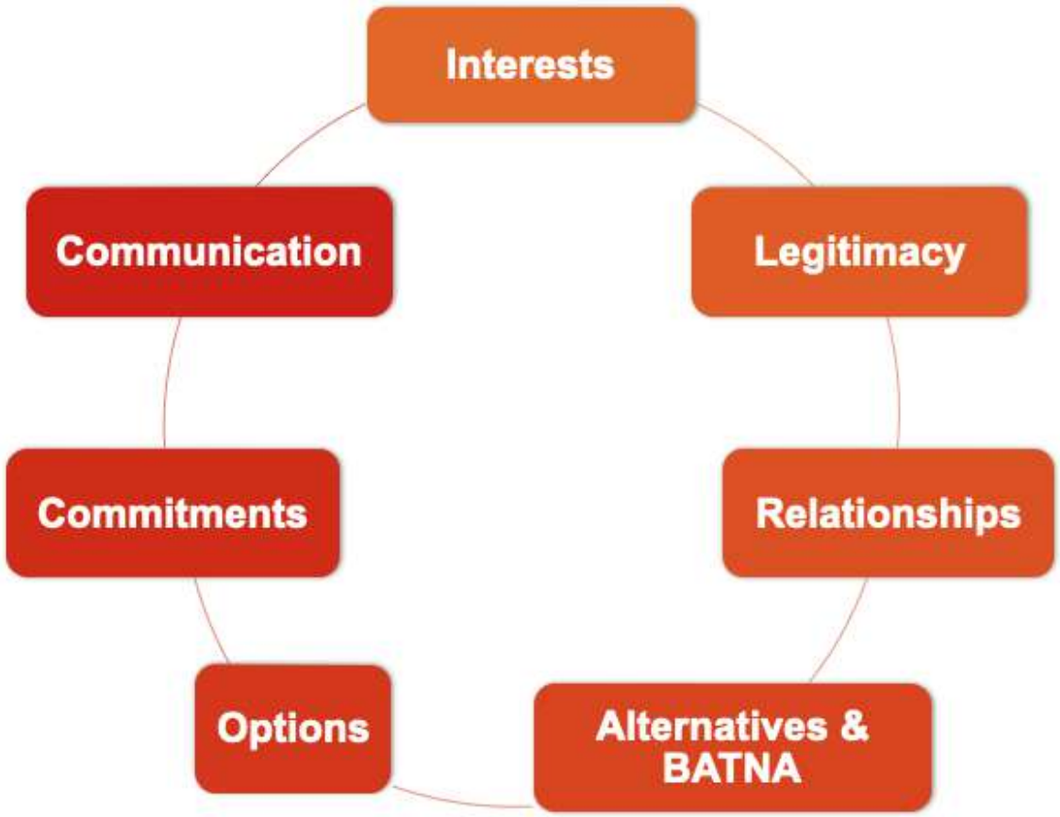

- Understand and recognise bargaining chips of both parties
- Ability to prioritise and focus negotiation around value
- Skilled at communication - verbal as well as listening to cues and clues
- Relationship dynamics
- BATNA - Best Alternative to a Negotiated Agreement - Fall back
- Create a structured deal
- Mindset of integrative negotiation

Creative Decision Making

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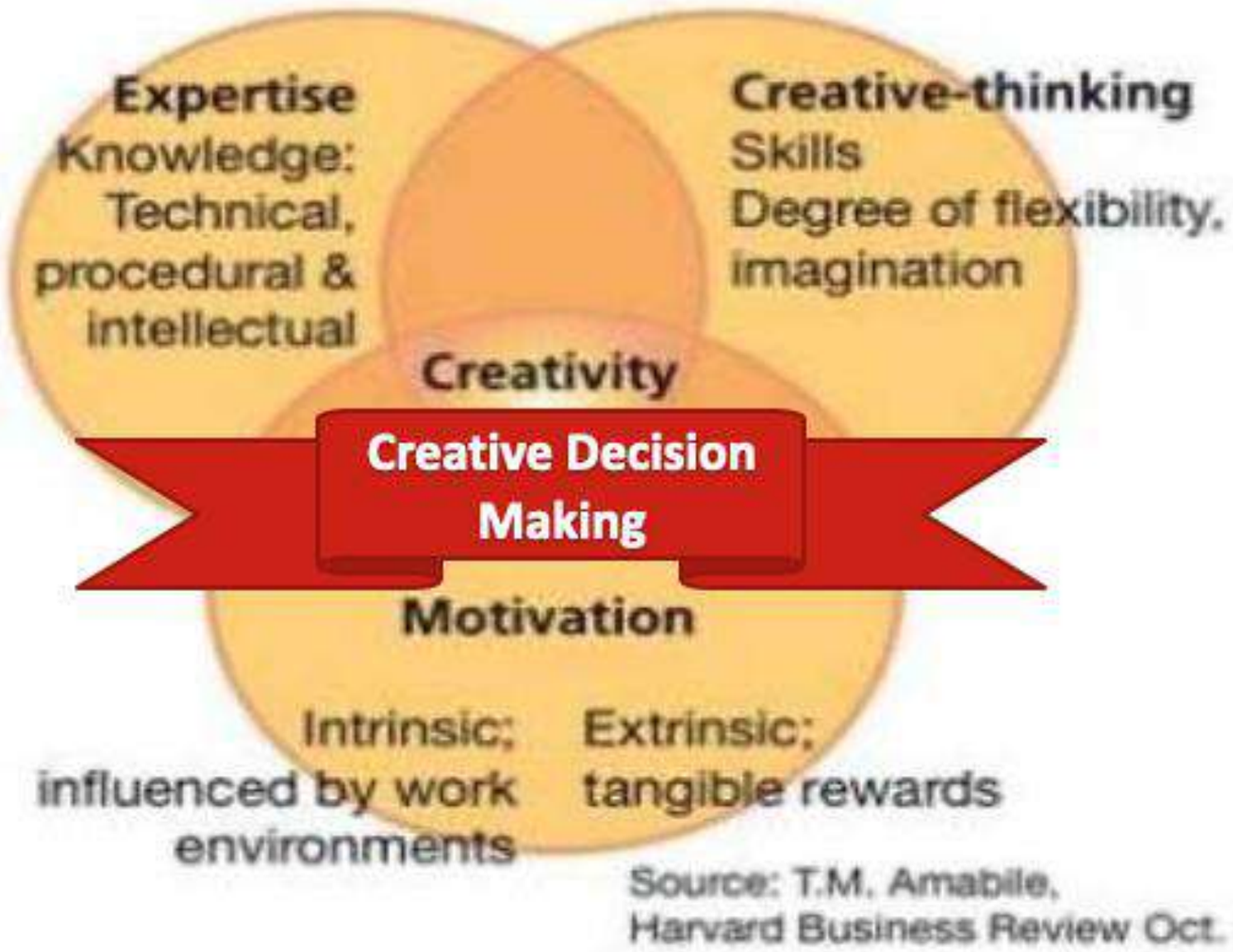

Source: T.M. Amabile,
Harvard Business Review Oct. 98

Creative Decision Making

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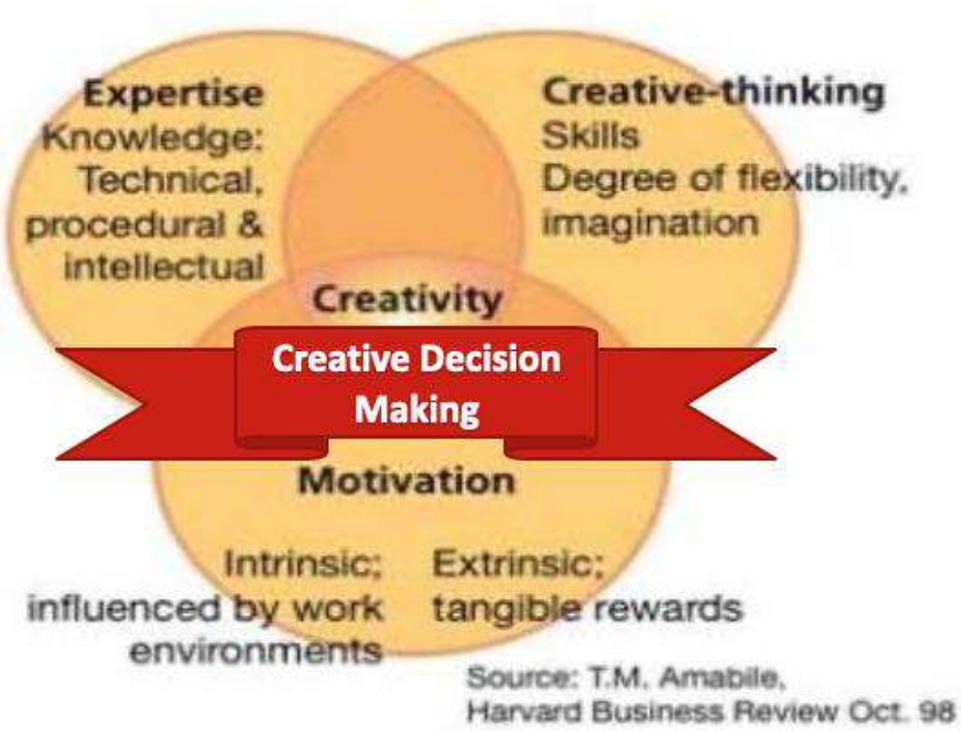

- **Expertise**
  - *Do you have it in org?*
  - *How to find, nurture and retain?*
- **Motivation**
  - *What will keep them going?*
  - *What will keep me going?*
  - *How to manage those who are supposed to manage and motivate others?*
- **Creative Thinking**
  - *Flexibility vs Rigidity*
  - *Challenges of Flexibility*
  - *Nurturing and Sustaining a culture of creativity*

Process of Creative Decision Making

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Prepare: Set the stage

In this phase, the process, stakeholders, and requirements are reviewed to be able to successfully start the project. Everything is set to go!

Understand: Understand the Problem

In this phase, the problem will be thoroughly researched and searched after. Hereafter, the problem will be defined resulting into a problem statement.

Purpose: Determine goals

Based on the problem statement, criteria, objectives and a vision for the future are set. These form the requirements for the desired solution.

Create: Generate solutions

Now that the strategic preferences are clear, solutions can be generated. In this phase, solutions will be ideated, chosen, developed and tested.

Activate: Implement solutions

The project will be evaluated to its objectives and implemented with the focus on proper continuation. The result might also be that a new sprint in the model has to take place.

Innovation & Enterpreneurship

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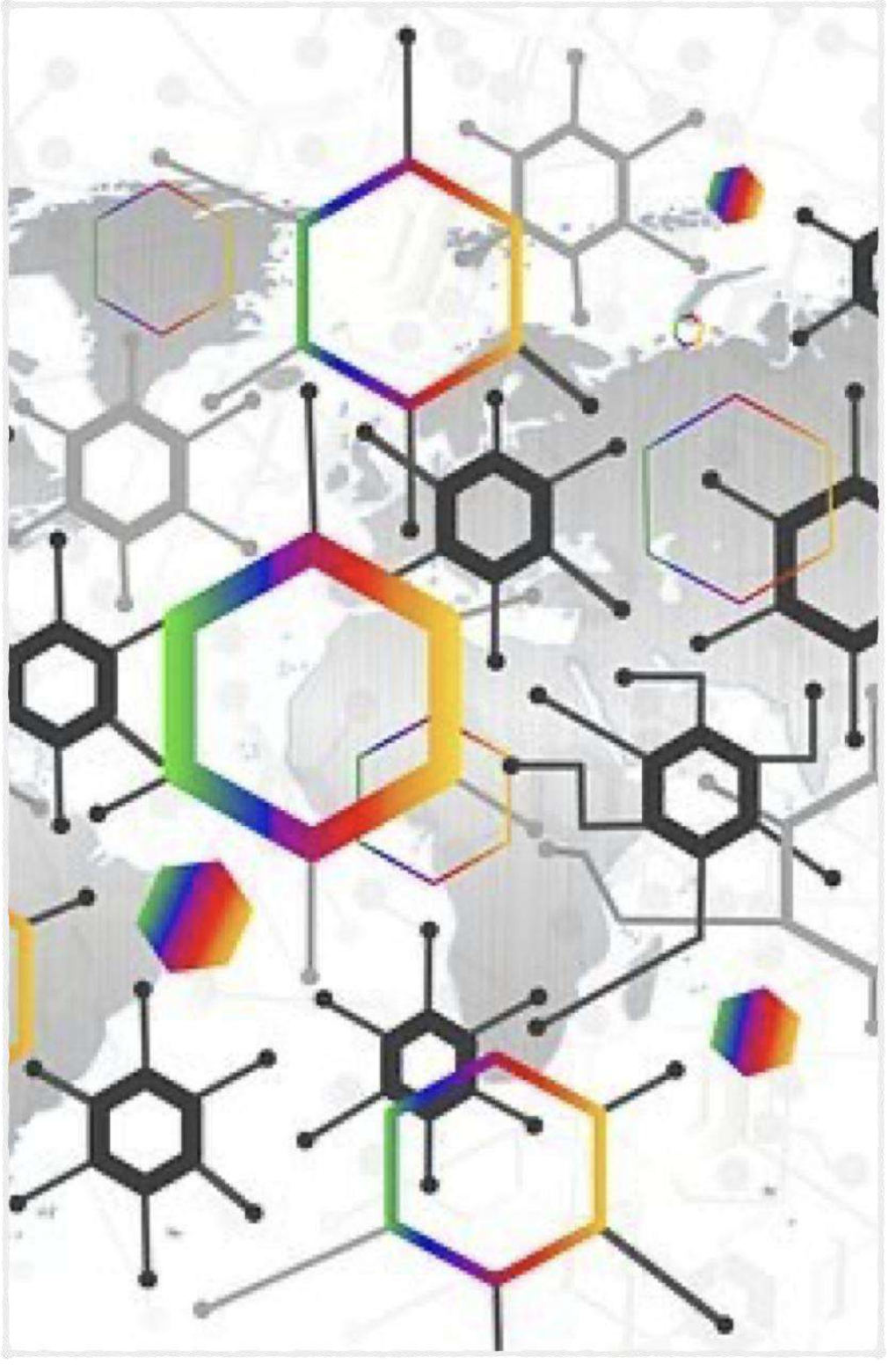
- Understanding Innovation
- Process of Innovation
- What can organizations do to improve innovation quotient
- Enterpreneurship
- Process and challenges for an organization



Impact of Innovation/ IP

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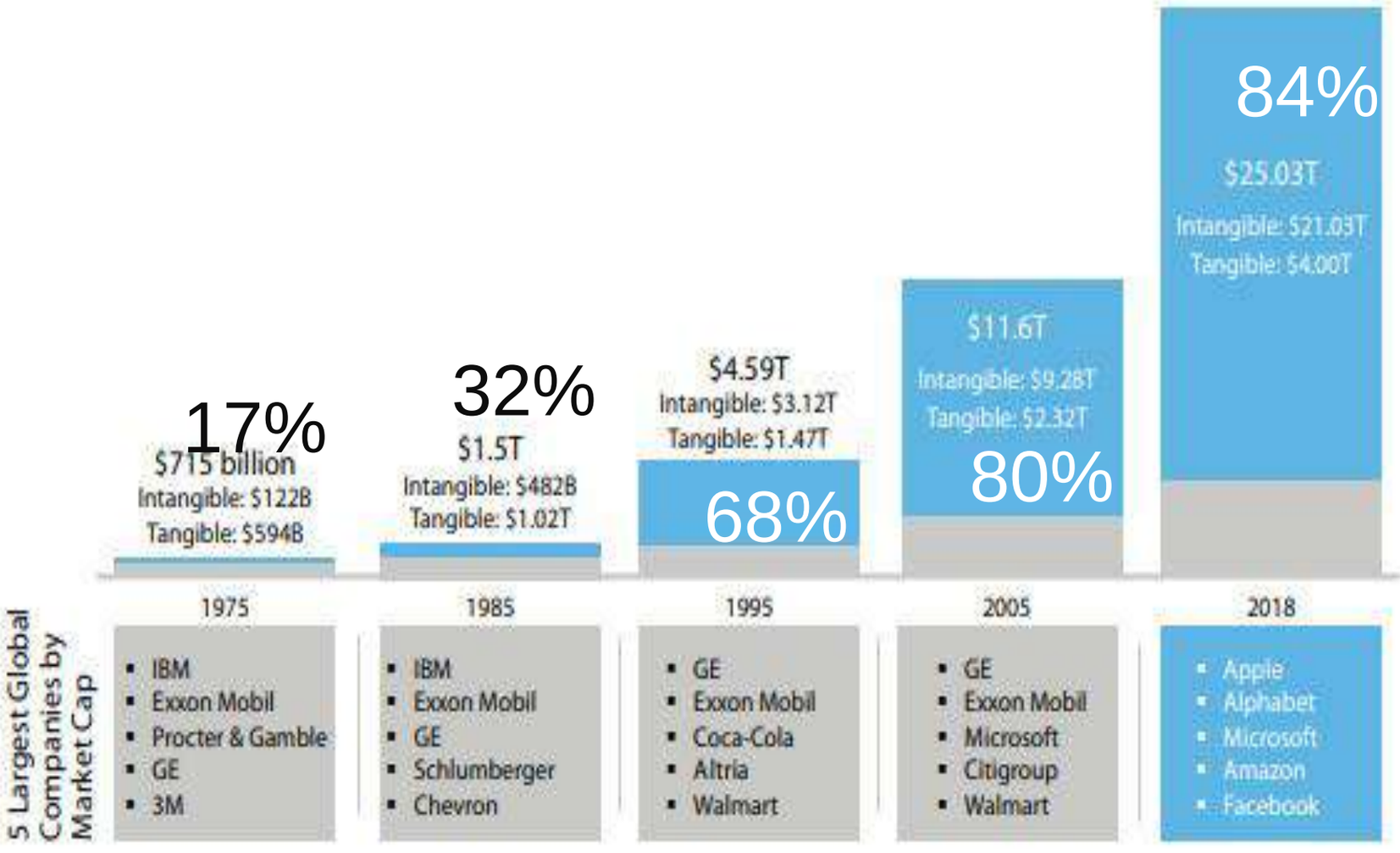
Tangible Assets vs. Intangible Assets for S&P 500 Companies, 1975 – 2018

Tangible Assets
- Easy to value
- Thick & efficient secondary markets
- Insurable

Intangible Assets
- Difficult to value
- Thin & inefficient secondary markets
- Difficult to Insure



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Innovation

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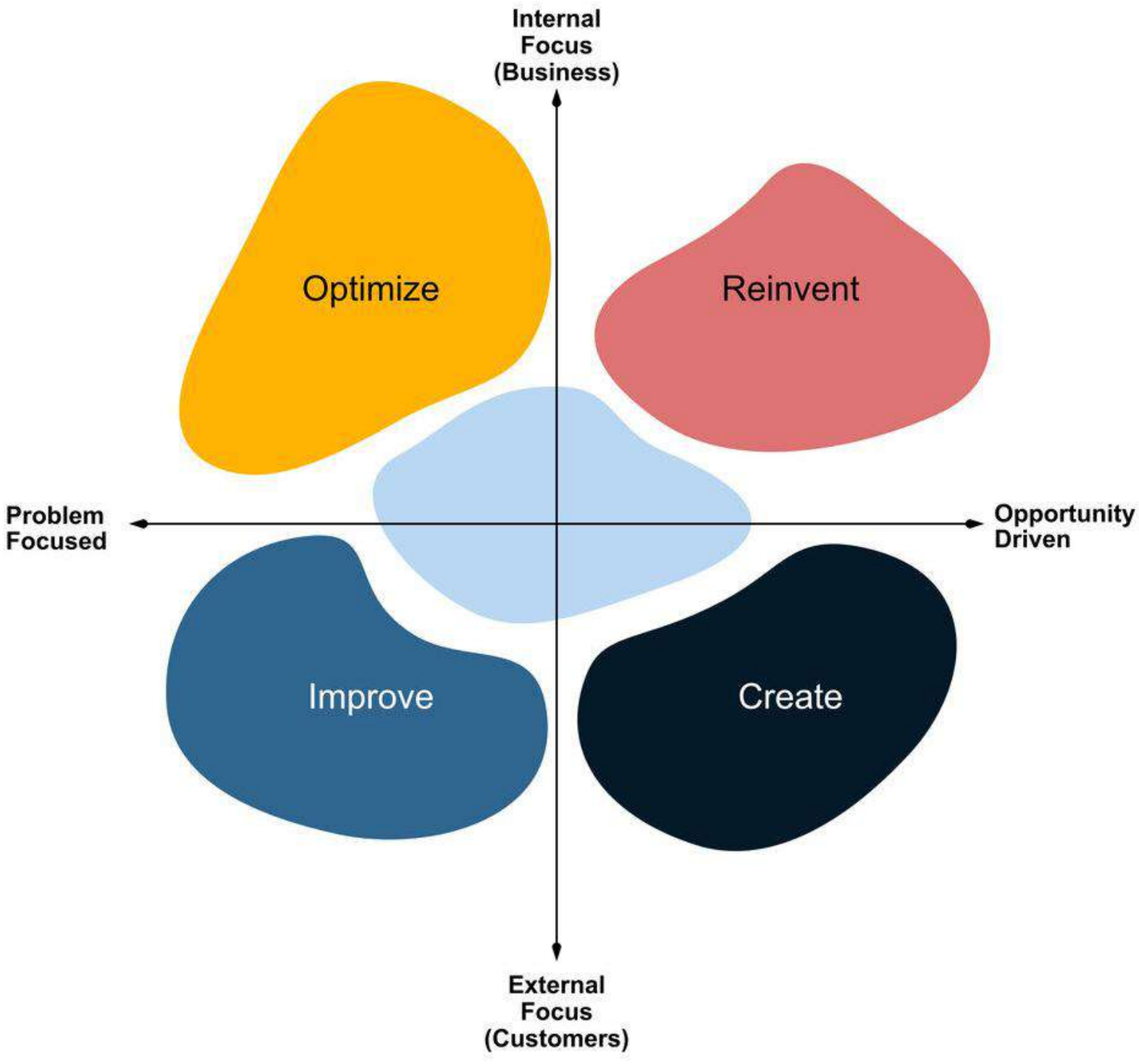
Innovation is not an event;

It is a an experience and an outcome of a journey



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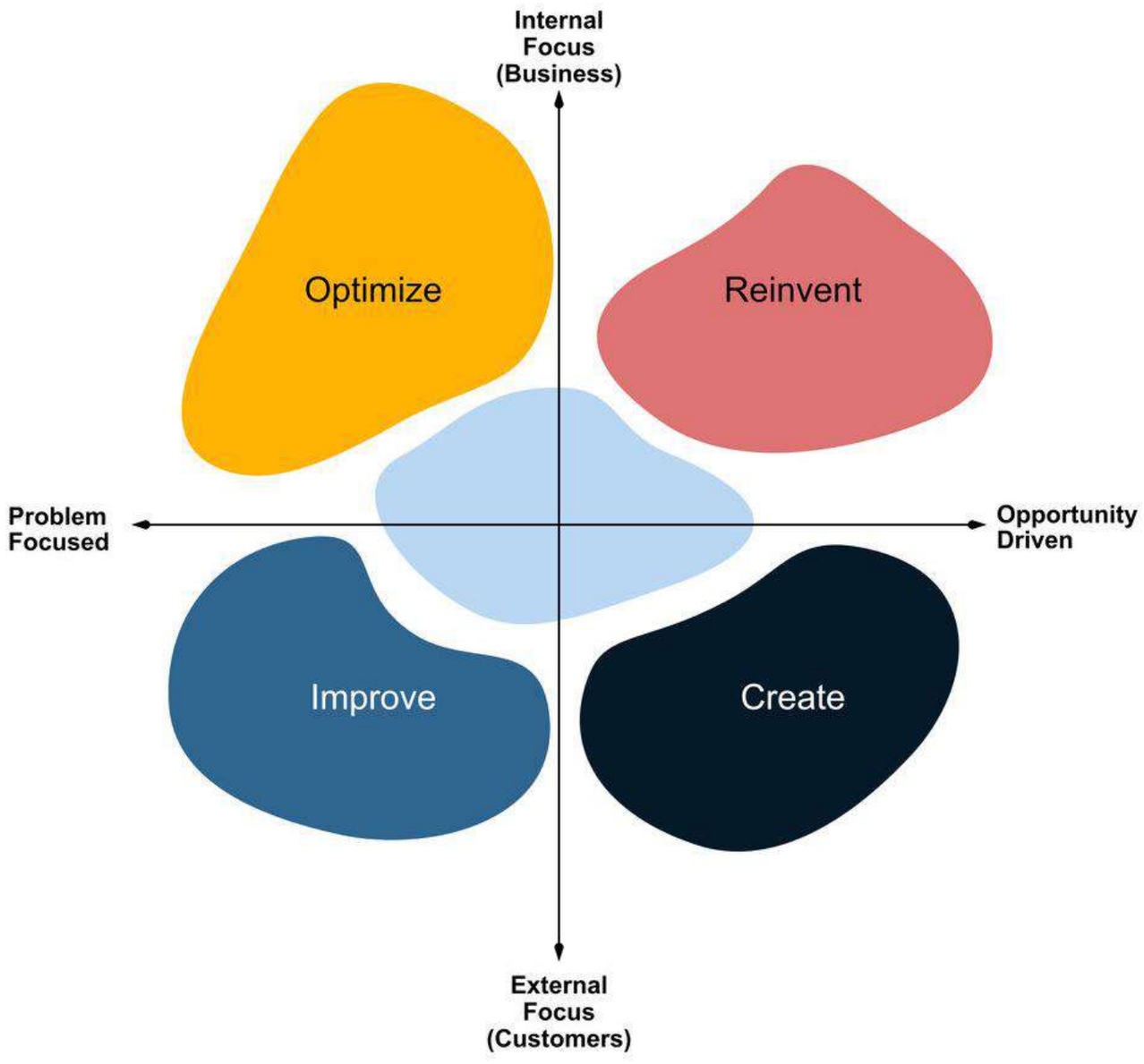

Present - Forward

or

Future - Back

Innovation

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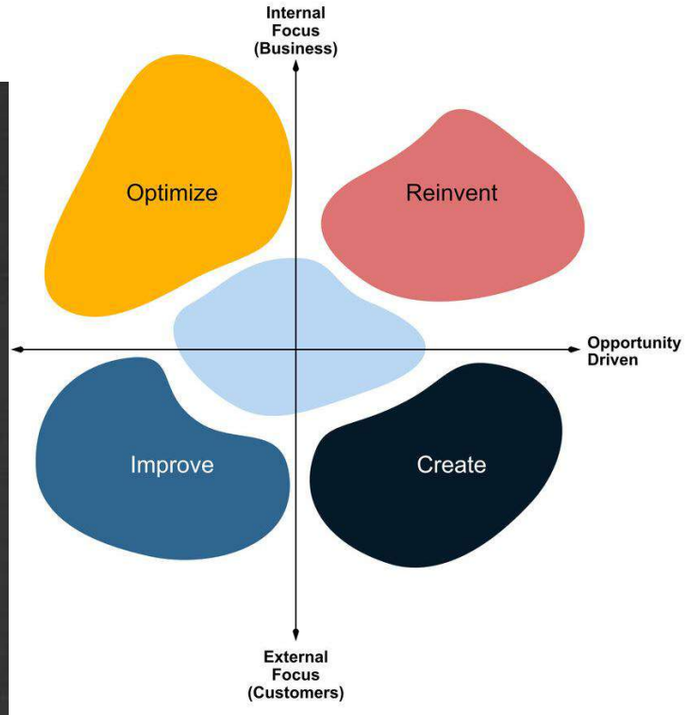

Present - Forward

or

Future - Back

Innovation

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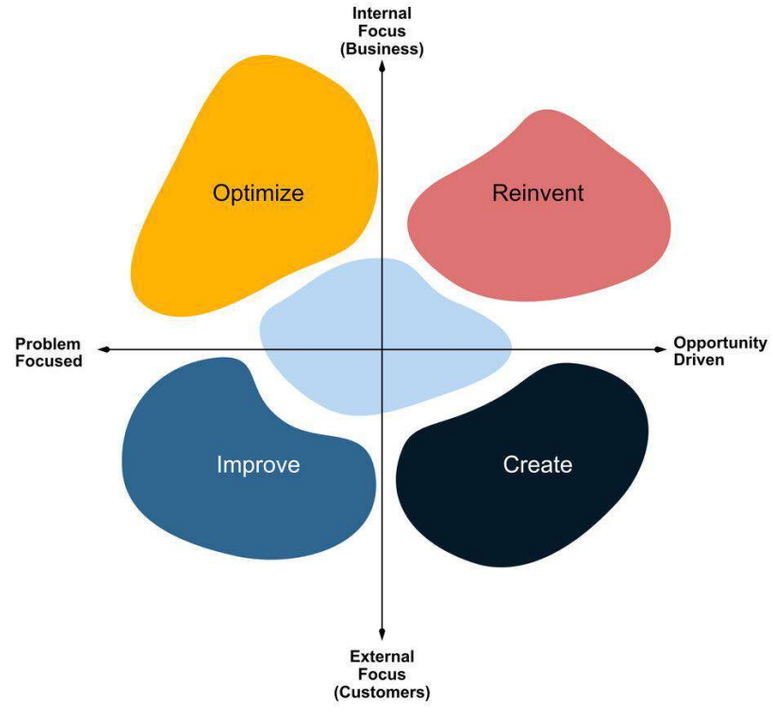
Innovation is not an event;

It is a an experience and an outcome of a journey

- **What are some of the things you do to facilitate this journey?**
- **The journey is about a process that you create in your organization**
  - *Quality of people*
  - *Culture of nurture*
  - *Process of idea exchange*
  - *Comfort with idea dissonance*
  - *Collaboration*
- **Value and awareness about IP**
- **Innovation and IP both give sustainable competitive advantage**



ENTREPRENEURSHIP
VISION
IDEAS
RESEARCH
INSPIRATION
BRAINSTORM
WHAT
WHERE
WHEN
WHY
HOW
FINAL STEP
STRATEGY
GOALS

Entrepreneurship

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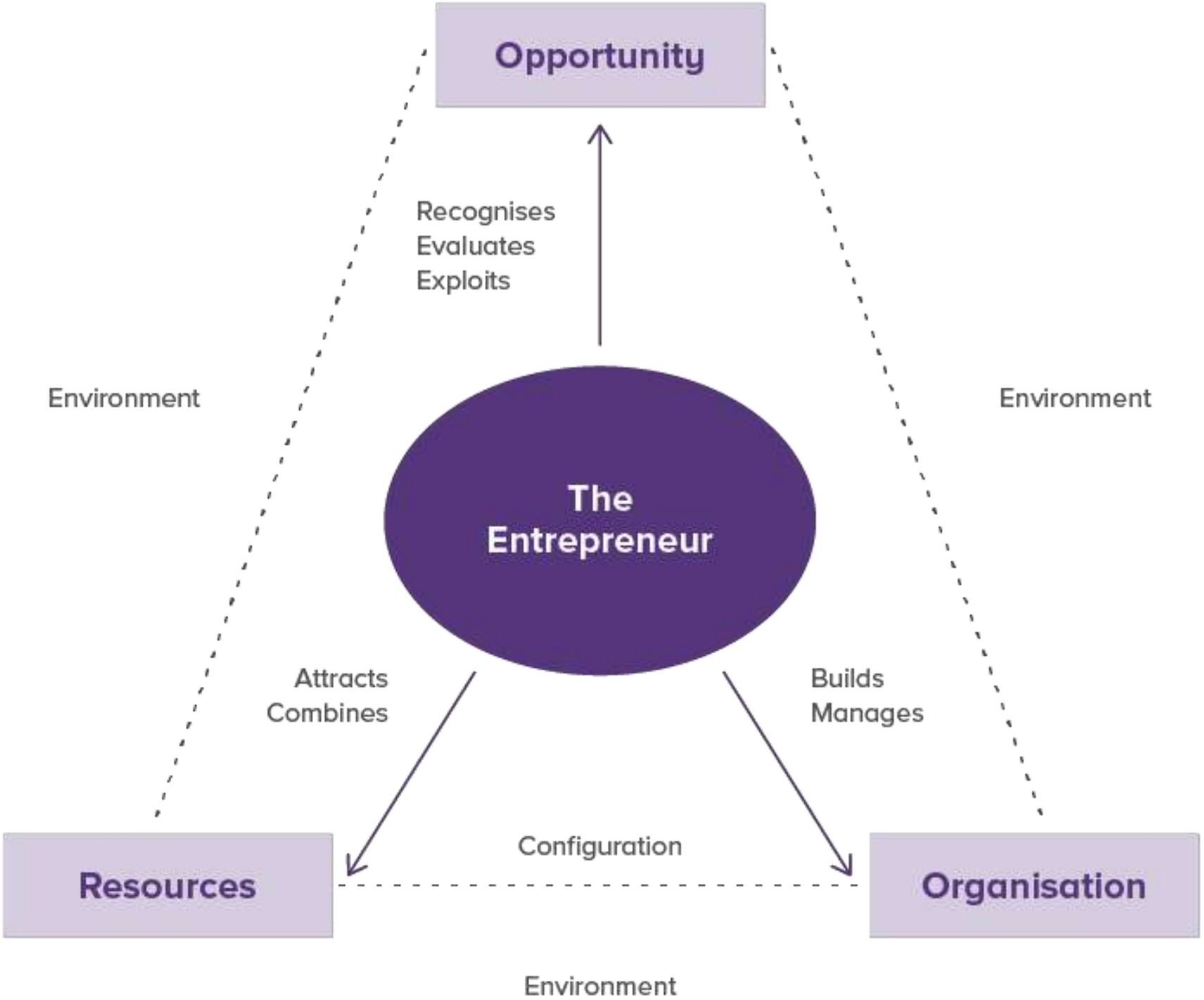

Challenges and Opportunities

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- **Attracting good talent**
  - *Identification parameters*
- **Make them collaborate**
- **Clarity of Vision and Goals across the organization so that everyone is on same page**
  - *Quality of Communication*
- **Quality of Network - build and maintain**
- **Risk taking?**
- **Perseverance and Resilience**
  - *Not Rigidity*
- **Open and Growth oriented Mindset**
- **Strong system orientation**

Thank You

Imp of Soft Skills

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- You want to work ‘with’ your customers and clients
- Customers see ‘YOU’, not only your product
- You have to be ‘communicative’
- The ability to start new businesses requires constant learning of these skills to develop the project that each one builds
- These skills allow you to create ‘right context’
- You need to know and ‘visibly present’ what makes you different
- Entrepreneurship is about learning and being ahead of the game