Dare to be Different: Practical Management Insights

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There has been tremendous progress in science and technology advancements in the past few decades, particularly in the last thirty-five years. What was a fantasy at one time is now a reality. Due to humans' significant progress, distances have shrunk, communication over great distances has become easy and fast, collection of vast data and compressing them in tiny spaces and gadgets are now possible. Besides, artificial intelligence is aiding and replacing human effort in many areas. These have become the order of the day. These technological breakthroughs have made life comfortable and opened new opportunities and markets.

Intellectually, humankind has made significant progress. However, competition has also become sharper, and the pace of product and skills obsolescence has become much faster. The knowledge and skill required to succeed in this rapidly changing environment differ from prior periods. Education in more than one discipline may be required. It must be an amalgam of various fields of knowledge, mainly digital technology, its tools, and applications. Innovation and creative approaches are necessary for all areas. Today's businesses must operate, survive, and grow in this challenging environment.

Smartly harnessing a person's intelligence, strength, innovative thinking, and skills is essential for overall peace and progress. It is of paramount importance to acquire new knowledge and skills and their application to the changing environment. If due recognition of this aspect is considered and action is initiated for course correction, it will positively affect the individual and the organization to which they belong.

Coping with Trends

One of the most significant developments in the past couple of decades has been the growth of globalization. However, "anti globalization" sentiments are growing at the same time. The Brexit process saw the exit of the United Kingdom from the European Union.

The strained relationship between the United States and China and Russia's invasion of Ukraine has caused global supply chain disruptions of an unprecedented scale. The spectre of inflation has gripped the United States forcing the U.S. Federal Reserve Bank to take aggressive steps to control it.

On the other hand, several major economies, including China, face the threat of recession. The headwinds of inflation and recession make the global economic scenario highly uncertain and rapidly evolving. Companies must operate and succeed in this complex and extremely challenging global business environment.

About fifteen to twenty years ago, the term "BRIC" was used to refer to Brazil, Russia, India, and China. Since then, Brazil and Russia have faltered. Due to the severe sanctions imposed by Western nations on Russia following the Ukraine invasion, its economy will likely face unprecedented economic pain for the foreseeable future.

Even though the high oil prices have provided a short-term boost to the Russian economy, its long-term outlook is dismal. Russia finds itself increasingly isolated in the community of nations. China is also facing many challenges. The group that holds the highest potential for sustained economic growth is ICASA (India, China, Africa, and Southeast Asia).

However, each of these countries faces challenges. If these markets overcome their internal problems, they hold the potential for rapid and continued progress and expansion.
Within ICASA, Africa has the highest potential. But it also has the most significant challenges. China's success on the global stage has shown that economic power creates geopolitical power.

However, China faces a demographic disadvantage. The impact of its aging population and its disastrous one-child policy, which has severely skewed the sex ratio, are now being felt. Even though the one-child policy has now been abandoned, it will take at least a generation for the sex ratio to get rebalanced.

In addition, the COVID pandemic has had a severe deleterious impact on the Chinese economy. Therefore, its status as the flagship of the global economy is a moot point in the near future. One of the bright spots on the global stage is India. It has a large pool of skilled English-speaking workforce and enjoys the "demographic dividend." More than 50 percent of its population of 1.3 billion is under twenty-five. This fact will likely result in significant and sustained domestic demand for the foreseeable future. Its prowess in information technology and start-up culture, which has firmly established itself, portends a bright economic future for the country.

This trend is facilitated by a business-friendly government that has launched many innovative programs to encourage entrepreneurship and economic growth. The government of India has also removed many colonial/socialist era laws and regulations that had shackled private-sector businesses and stymied economic growth. Given these favorable trends, India will likely replace China as the engine of global economic growth, at least for the near future.

However, India does face some unique challenges, such as communal strife and tensions on its borders with China and Pakistan. If it can overcome these daunting challenges, it can take its rightful place as an important player in the global arena. One of the critical challenges of the future will be reducing resource consumption. Companies must adapt to operating in a resource-constrained environment. Advances in analytics, automation, and innovations in materials science, workspace designs, digital technology, Internet connectivity, and renewable energy sources enable resource consumption reduction. Technology is also having a significant impact on resource production, as well as reducing resource intensity. As technology progresses, revealing efficiency and opportunities across industries, companies should exert more influence on their cost structure. Given these developments, companies should be alert to resource-related business opportunities. For instance, composite materials, 3-D printing, and similar technologies have already transformed industries such as automobiles, aviation, electronics, and medicine. Therefore, companies should quickly seize opportunities that emerge or risk being pushed aside by their more agile competitors.

The pace of Industry disruption due to technological changes is accelerating. This disruption is causing the vital foundations of industry structure to change. Although this is widely viewed as an opposing force, it may also contain opportunities.

Technology is spurring competition that impinges on revenue and profit growth. But it is also creating new opportunities to improve corporate performance. Aligning a company's digital game plan with its corporate strategy has become a strategic imperative and a critical factor in differentiating between winners and losers.

Corporate leaders with vision, sagacity, and foresight who can build an agile organization and keep up with the pace of change will have exceptional opportunities. Even before the onset of the COVID-19 pandemic, the global business environment was very challenging. In such a situation, it is erroneous for a CEO to believe that a company's or industry's status quo will remain. The fundamental assumptions underlying the status quo must be identified and challenged. Besides, a concerted effort must be made to explore the possibility of turning an organization's limitations into strengths. When a company faces a challenge, it should carefully examine the experience of other companies facing similar problems and successfully resolve them.

If a company wants to disrupt an existing industry, it must, at the outset, identify the assumptions implicit in current strategies. Elon Musk cofounded PayPal. PayPal was a game-changer in the payments industry. In 2002, eBay acquired PayPal. This transaction resulted in a USD 175 million windfall for Musk. He has since parlayed this money into a diversified group of companies, including electric car company Tesla, space exploration company SpaceX, brain implant start-up Neuralink, tunnel construction company the Boring Company, a solar energy firm Solar City, and the messaging platform Twitter, now renamed X. These companies have attempted to disrupt their respective industries and have been quite successful.

Another example is that of Netflix, which transformed the video rental business by challenging the underlying assumptions. Blockbuster, which had a commanding market share in this industry once, did not challenge that business's assumptions. Consequently, it went out of business.

After identifying the assumptions, a company that wants to disrupt the industry must try to invalidate one or more of them. This strategy will enable the company to formulate a radically different business model that differentiates it from its competitors. Uber disrupted the cab industry with a fundamentally different ride-sharing model.

Companies can also succeed by combining products or services, or trends traditionally viewed separately. Many years ago, the founder of Sony, Mr. Akio Morita, noticed that young people were becoming increasingly mobile and loved music. Combining these two trends, he created one of the most successful electronic products ever—the Sony Walkman.

CEOs who wish to disrupt the industries they operate in should form groups with diverse expertise and experience. These groups should be mandated to explore new combinations of products and services.

Furthermore, forming alliances with providers of complementary products must be examined as they are likely mutually beneficial. The COVID-19 pandemic forced companies to operate in a resource-constrained environment. However, working in such a situation can also trigger creative strategies. Therefore, the CEO should actively encourage employees at all levels of the organization to develop innovative approaches.

Constraints can also be self-imposed and used as a tool to spur innovation. India's successful Mars Mission is an excellent example of frugal engineering caused by being forced to operate in a resource-constrained environment. Despite its meagre budget, India's Mars Mission was a success on the very first attempt, a feat that no other country has been able to achieve to date. Another successful mission by the Indian Space Research Organization (ISRO) was the soft landing, for the very first time, of a spacecraft near the south pole of the Moon in August 2023. The total budget for this mission was less than the budget for many Hollywood movies!

Instead of lamenting about the lack of funds, India's space scientists were able to successfully complete the missions through innovative strategies and resource optimization. Their success in this regard can provide valuable insights for companies.

Dare to be Different

An aggressive attitudinal change and innovation in all aspects of managerial approach and action are required to be daringly different. Finding ways to do things better, break the monotony, and enhance curiosity while at work, with the enormous amount of knowledge, wisdom, and tools available now, will enable employees to gain new experiences. It is essential that learning must be integrated into all aspects of the business organization. Employees must feel comfortable making suggestions, taking risks, experimenting with new ideas, and giving and receiving free and frank feedback.

Teamwork and a collaborative approach must be encouraged to produce better results. The pooling of cross-disciplinary expertise, wisdom, and skills is required. It must be developed for effective teamwork if people still need them. The chief executive must ultimately handle all feedback information—customer complaints, employees' grievances or aspirations, suggestions, and safety.

An important issue in this context is how an organization can elevate itself to the next level. The areas that need particular focus for improving performance, value creation, and meeting the challenges of the competition are:

- Enhancing customer experience
- Digitization
- Mergers and Acquisitions and Corporate Restructuring
- Emotionally connecting with people

- Making an action plan and implementing it
- Pursuing a well-thought-out, carefully calibrated inorganic growth strategy. Organic growth is usually too slow in today's hyper-competitive business environment. Hence, an acquisition-driven growth strategy becomes the preferred growth option and an essential tool for value creation.
- Reallocating and deploying resources to those business units that are performing well and reduce allocation to underperforming divisions.
- Judiciously investing in capital expenditure. Companies should seize the opportunity to buy mission-critical equipment at bargain prices during a business downturn. By doing this, they will be well-positioned to scale up operations when business picks up.
- Improving productivity. This task can be accomplished by restructuring business units, rationalizing locations, investing in automation, right-sizing the workforce, and terminating unprofitable business units. A company's goal should be to aspire to be at the top of its industry regarding productivity.
- Focusing on product differentiation. Customers are bewildered by a dizzying array of choices regarding products in today's business world. Therefore, differentiating its products from competitors becomes a strategic imperative for any company that dares to be different.

Like a game of cards, CEOs must play with the hand they are dealt with. However, the strategic choices made by a CEO early in their tenure will overcome the disadvantages of being granted a weak hand. Specifically, the CEO should leverage the benefits of artificial intelligence, digitization, cloud computing, and other emerging technologies to obtain a competitive advantage. In developing countries, there is tremendous pressure on land, resulting in high rental costs.

Therefore, companies should explore creative ways of letting their employees work remotely. In addition, the CEO should ensure that the organizational units in the company do not operate in silos. There should be a seamless exchange of information between organizational units. This strategy will foster innovation and create value.