


MEDIA COVERAGE

Media:	FirstPost
Date	December 16, 2015
Link	http://tech.firstpost.com/news-analysis/why-businesses-need-to-transform-stay-relevant-to-succeed-291490.html

Why businesses need to transform:
Stay relevant to succeed



Rajeev Sawhney, President - Strategic Business at Mphasis

16 Dec 2015, 11:57
By Rajeev Sawhney

With the morphing digital landscape, transformation is a core requirement for any business today. It's an essential process, something that must be done by organisations looking to stay relevant. Transforming successfully, however, as I've come to realise over the last 30 years, is an art form.

Not everybody who undertakes a transformation journey achieves success. I'm reminded of the 'New Coke' disaster from the '80s in the U.S. when the beverage maker tried to counter mounting competition from Pepsi with a flavour change. After much public hue and cry, Coke was forced to revert to its classic flavour within three months!

While every example of successful transformation varies based on the organisation, I've come to realise that there are a few key ingredients that are common between all of them: **Timing** – Companies that transformed successfully had leaders who sensed changing tides ahead of time and took action to restructure the company, its goals and most importantly, its people. Nokia, Blockbuster, Britannica and Kodak are all examples of companies that got their timing wrong. On the other hand, GE, IBM and Apple are all examples of organisations who seized the day and acted with purpose on a shared goal.

Playing to core competence – "Play to your core competence," is what Jeff Immelt, CEO of GE, had to say in his interview with McKinsey. In their article in **HBR** 'The Core Competence of the Corporation', C. K Prahalad and Garvin Hamel mention that "A company's competitiveness derives from its core competencies and core products. Core competencies need to meet 3 requirements: they provide potential access to a wide variety of markets, make a contribution to the customer benefits of the product, and are difficult for competitors to imitate."

Building a shared vision – John Kotter, an ex-Harvard professor, a well-known thought leader in the fields of business, leadership, and change, suggests that the most dependable way to ensure success is to create a leadership team that completely believes in the transformation story. Only then will the rest of the organisation be equally enthused about the process of change and stick by the vision through both good and bad times.

In his book on IBM's turnaround (Who Says Elephants Can't Dance), Louis Gerstner, ex-CEO of IBM, also mentions that the toughest and most important change was 'changing the culture', changing it from a collection of self-oriented powerful fiefdoms to an integrated set of people aligned to the company's new goals of software rather than hardware leadership. Gerstner mentions how he brought about this through constant communication with employees on what's going on, aligning rewards to goals, and creating conditions conducive to transformation.

The leadership team at Mphasis meets very frequently in person and utilises digital platforms to discuss, debate, decide and execute strategy and tactics with respect to 4. **Team building** This essential ingredient is not just the responsibility of an HR function but equally the line managers and leaders in the company play a vital role in invigorating teams. Petty politics get out of the way and fun becomes the glue to team work.

5. **Reward recognition** My earliest success as a team leader in the area of reward and recognition was several years ago, when one team member won a big deal and within minutes was rewarded and recognised. The guy had tears in his eyes and this incident remained indelibly engraved in his mind, to date. I realised this worked every time, all the time. In today's time and age, with the size and complexity of organisations, this may be challenging but clever people will find innovative ways to celebrate success.

To be frank, embarking on a transformation journey can be an intimidating activity. In my experience, the things I've talked about – getting the timing right, focusing on core competencies, creating a company-wide shared vision and nurturing enthusiastic employees capable of executing company plans well; all of these bring the rhythm that makes the journey and the outcomes worthwhile.

Have you been a part of your company's transformation journey?

The author is President- Strategic Business, Mphasis.

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Timing – Companies that transformed successfully had leaders who sensed changing tides ahead of time and took action to restructure the company, its goals and most importantly, its people. Nokia, Blockbuster, Britannica and Kodak are all examples of companies that got their timing wrong. On the other hand, GE, IBM and Applear are all examples of organisations who seized the day and acted with purpose on a shared goal.

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The leadership team at Mphasis meets very frequently in person and utilises digital platforms to discuss, debate, decide and execute strategy and tactics with respect to communicating the key direction of the company and to align the whole company's messaging and actions to its overall goals. The KPIs and the rewards structure are assigned based on these goals and the frequent reviews ensure the alignment of individuals to the shared vision. We are seeing a dramatic shift from a fuzzy identity to one of clarity in our focus on financial services, GRC, Digital and Infrastructure services. I believe that personal transformation of the leadership team and making that visible to the organisation has inspired confidence in the entire organisation.

The secret sauce to execution excellence

One of the biggest learning of my life when it comes to successful transformation has been the need for the leadership to fire up the passion and create excitement within the troops, celebrate their success, and encourage them to learn from failures. Enthusiastic, energised, empowered employees can deliver extraordinary results. The roadmap to inculcate such drive in employees includes the following:

1. Clear sense of purpose: Employees of successful companies know what the company stands for, its achievements, and where it's headed, with explicit clarity.
2. 'Over'-communication: Soak every employee through over communicating the purpose. Many successful companies almost run this as though it was a presidential election.
3. Training: A good old saying from Sun Tzu is 'Train hard, you fight easy'. Intense training to upscale capability of the employees is absolutely essential to the success of the company. As a by-product, this enhances the deep commitment and passion of employees.
4. Team building: This essential ingredient is not just the responsibility of an HR function but equally the line manager's and leaders in the company play a vital role in invigorating teams. Petty politics get out of the way and fun becomes the glue to team work.
5. Reward recognition: My earliest success as a team leader in the area of reward and recognition was several years ago, when one team member won a big deal and within minutes was rewarded and recognised. The guy had tears in his eyes and this incident remained indelibly engraved in his mind, to date. I realised this worked every time, all the time. In today's time and age, with the size and complexity of organisations, this may be challenging but clever people will find innovative ways to celebrate success.

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