

Strategy is not implemented in board rooms but on the streets of India



While working with industry leaders in automobiles, pharma and consumer companies in India and being closely involved with growing their business in the consumer segment, we have seen some unique challenges and issues spread across sectors and corporate cultures.

One of the biggest challenges faced by companies operating in India is execution of strategies. No, we are not saying that these companies, many of which are leaders in their industry, are not good in execution – but the factors which affect business sometimes go much beyond what management can control or even perceive.

The biggest influencer on execution of strategies is the **strategy itself**. Often when a strategic direction is planned at an all India level there is very little room kept for changes or manoeuvrability. As the strategy is made at a higher level in board rooms and Head offices the ground realities are different from state to state based on culture, politics, competition, and even people's ability to execute. Some parts of the strategy have to be designed to adapt to these local changes for execution. In case

such changes are not allowed or if there is a delay in adapting this may become the biggest barrier to execution.

The other most important influencer is the **government and its policies**. As India is a growing and evolving economy the government is making a lot of changes to its policies which will change the way of doing business. This is required to get India to be more compliant as well as follow global best practices to be competitive. We have had changes in monetary policies as well as taxation structure which may have thrown some of the largest operations out of gear. The rules of doing business changed with demonetisation and GST. If, at such a time, an organisation is slow in responding or not ready in using this as an opportunity to correct some of their internal issues, they may cease to remain competitive. Many consumer companies did not achieve their targeted numbers due to some of these changes and may not close the year on a good note. Many industries like housing and building material were affected by RERA a new housing act. Or, take for instance metro cities like New Delhi curbing use of diesel vehicles or boosting cng vehicle.

Our people who execute these strategies and here we mean, not just the managers, but also the doers – the salesmen, the service team, the call centre. They are facing the customer and can make the difference. Often the last mile of execution is the most critical and very few organisations are ready in time to effect these changes. A classical example was when Jio made an entry, its competitors suddenly became aware how important is it to retain customers or offer a better network. Getting your army ready for any change is not an easy task as people need to be convinced why each of them needs to change. How well we convince our people to execute as well as control and monitor change is the difference between success and failure.

The **business partners** i.e the dealers, retailers, suppliers, contract manufacturers, service providers etc. are as important as our own employees. They are an extension of the company and integrate into the organisation with their products or services. Most manufacturing business have become aggregators and buy a lot of their input or subcontract many services. These partners are organisations within organisations. The culture and priorities of all these partners may differ from the company they deal with. The challenge is to convince your partners of your strategy and take them on board so they partner you in execution. Each of these partners may have compelling

reasons for their resistance to this change. The ability of an organisation to understand their partners, get them to see the benefits of co-executing a strategy is how the partners can make a difference is critical to success.

The **influencers** are the people who can move your business. In this case we will restrict to the tangible influencer like a doctor, architect, building contractor or the electrician etc. They all influence usage of certain products or brands as they prescribe or may be the customer but not the user (consumer). If they are not clear on what the company is trying to do how will they influence the buyer or user of products or services. Making them a partner in the execution process will ensure the message goes to the user.

Technology is an enabler as well as a barrier. Some large organisations have SAP while some have conventional software or similar operational and analytical software which helps organisations work flow and finances. Well, its certain that you can't run your organisation without technology. The technology you use decides the speed and ease of information which later goes on to be an input for strategy or feedback on its execution. Many consumer companies do not receive real time information or sometimes are unable to track the same as they may not have set up the system to monitor supply chain, or the sale which happens to & from the retailer. Access to technology has become easier due to cloud services and apps. but the same has not been adopted across. The lack or delayed information flow affects feedback and ability of an organisation to change quickly.

And above all its **obsolescence of business** which has today become a much larger issue than technology. An Uber or Ola can change the way automobiles are sold or the structure of the market. Clean fuel like solar or roof top solar panels can force many coal plants or electric generation companies to reduce their capital investment to an aggregator model. CFL to LED business is another major change which may have put pressure on companies who had made capital investments in CFL. As technology changes, new leaders emerge from those who have read the market right. These changes are happening around you but do we notice them.

Finally, it's the consumer who is evolving, if companies don't listen to and adapt, then they will be driven to failure. After years of trying to sell Cola brands to Indian

villagers they now discover that fruit juice, milk shake and lemon water works better. Understanding a trend in time will help companies adapt quicker. Reading a consumer trend which help you focus on the right product for the market will help reduce failure of execution.

There is more change happening in India today than what may have happened in the western world in the past few decades. It's a challenge for a CEO to understand all these factors without a systemic process created to monitor these changes in time and help him proactively respond for a better tomorrow.

About the Author:

Vineet Trakroo Vineet, CEO of Evolution Strategy Advisors LLP, is a consumer marketing strategist, a diagnostician and a restructuring specialist who has evolved a number of brands and businesses in India. Vineet has a vast experience across consumer goods industries namely: personal care, OTC, packaged branded commodities, kitchen & home appliances, fans, pumps, building materials, electrical industry, automobiles and pharmaceuticals.

Since 2013 Vineet runs a consulting organisation, Evolution Strategy Advisors LLP in Gurgaon & Mumbai www.evolutionstrategyadvisors.com which specializes in scaling up consumer companies through strategy, marketing, sales and diagnostics. He has consulted and run diagnostics on large brands and helped them grow by upto two times sales. Some of his clients are: Pepsi, Tata Motors, Goodyear, Pfizer, Cipla, Lupin, Glenmark, etc. Vineet has restructured & transformed the business for some of India's leading corporate: Murugappa Group, Garware's, VI John, Hero group and many more, improving their profits and sales and delivering >20% growth in a year. He is also a Director, on board of ecommerce ventures and advises startups.