

PASSION TO WIN

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How Do Some Companies Develop Sustainable Competitive Edge?

How some companies achieve outstanding performance over long spans of time? How are they able to survive and grow in spite of radical changes in the business environment? How are they able to face tough competition from the domestic and multinational firms? Why do a few outstanding companies continue to survive and grow, while most others become victims of declining performance, fall by the wayside, become sick, are taken over, or wither away?

More specifically, how some of the distinguished companies have developed a sustainable competitive edge in the context of the changing Indian business environment? What can we learn from such companies to develop world class organizations in India?

If we examine the statistics of the performance of companies operating in India during the last decade, we will notice that a large number of companies had dwindling performance and slipped to lower ranks on various performance parameters, while during the same period a few companies not only sustained but also surpassed many others to achieve much higher rank within this list.

There is no doubt that there have been significant national level policy changes, and changes in the domestic and global markets. The technological and business environment, the domestic and global regulatory framework, and many other factors external to the companies have also radically changed during this period. These external factors may have influenced changes in the performance and rating of the companies. However, the key questions are: What were the factors, values, conceptual paradigms, organizational characteristics, and managerial practices within the control of leadership and management of these companies that made the difference? Why some companies continued to grow and excel, or started from the scratch and achieved extra-ordinary levels of performance? How these few firms became highly admired companies?

These are some of the questions that are probably of great interest to the business and industry leaders, professional managers, management knowledge seekers, and many others who are deeply concerned with the development of dynamic, competitive and responsible corporate sector in India.

These questions have become all the more important and critical in the emerging liberalized and global business environment. The increasingly tough competition is threatening the survival of Indian business organizations across the entire range of industries. A large number of companies are struggling hard to survive in this challenging environment. They are seriously apprehensive of more intense competition when the imperatives of the WTO will become fully operative, and the Chinese challenge will become more daunting.

These are the questions that have inspired the present study.

There is no dearth of literature and studies on this subject. There are a number of well-known researches and writings that have attempted to answer these questions. These questions are as eternal and complex as the search for survival, good health and longevity of human life. Each study throws some new light and adds to the existing state of knowledge. Sometimes the new studies question, challenge and change the existing paradigms. We feel that the study falls in this category of studies.

We did not attempt an earthshaking study with large sample, sophisticated research design, complex statistical analysis and rigorous testing of hypotheses. Instead with the limited resources and time we had at our disposal, we opted for a simple, manageable, and down to earth approach that would provide meaningful insights into the complex questions in the contemporary and changing Indian context. We chose a simple Delphi type methodology and Ethnographic type approach of depth interviews with the key managers of 19 companies as listed in Appendix A. It was supplemented by some field observations, study of published material, case studies, and relevant literature. A rigorous analysis of available data on various parameters was done to examine the comparative level and sustainability of performance of these companies.

Our objective was to present to the business leaders, professional managers and management knowledge seekers some helpful propositions and insights based on an empirical study that may stimulate their thinking. We did not choose a ‘methodology bound’, narrow research approach for academic purpose. Our hope is that these insights and propositions may help in managing and developing more competitive and sustainable organizations in the increasingly difficult and turbulent times. We also expect that some findings of this study may inspire more rigorous research works to test the propositions and further advance knowledge in this area.

We identified several factors, characteristics, and practices that stood out as significant common threads in the fabric of the outstanding organizations. From among these organizations, several had demonstrated sustained high performance and competitive edge over a reasonably long span of time of ten to fifteen years, in spite of significant changes and intense competition in their business environment. We have based our propositions on the patterns observed and insights shared by highly successful and experienced leaders and managers of these organizations.

We were able to identify about twenty distinct factors, characteristics and practices among the outstanding organizations. A closer and deeper analysis of these elements led to identification of five major clusters. The categories to describe these clusters were chosen through simple terminology that is familiar and easily understood by the practising managers. However, the contents of each cluster and their nuances came out to be very different from the commonly understood meanings of these categories, as explained later.

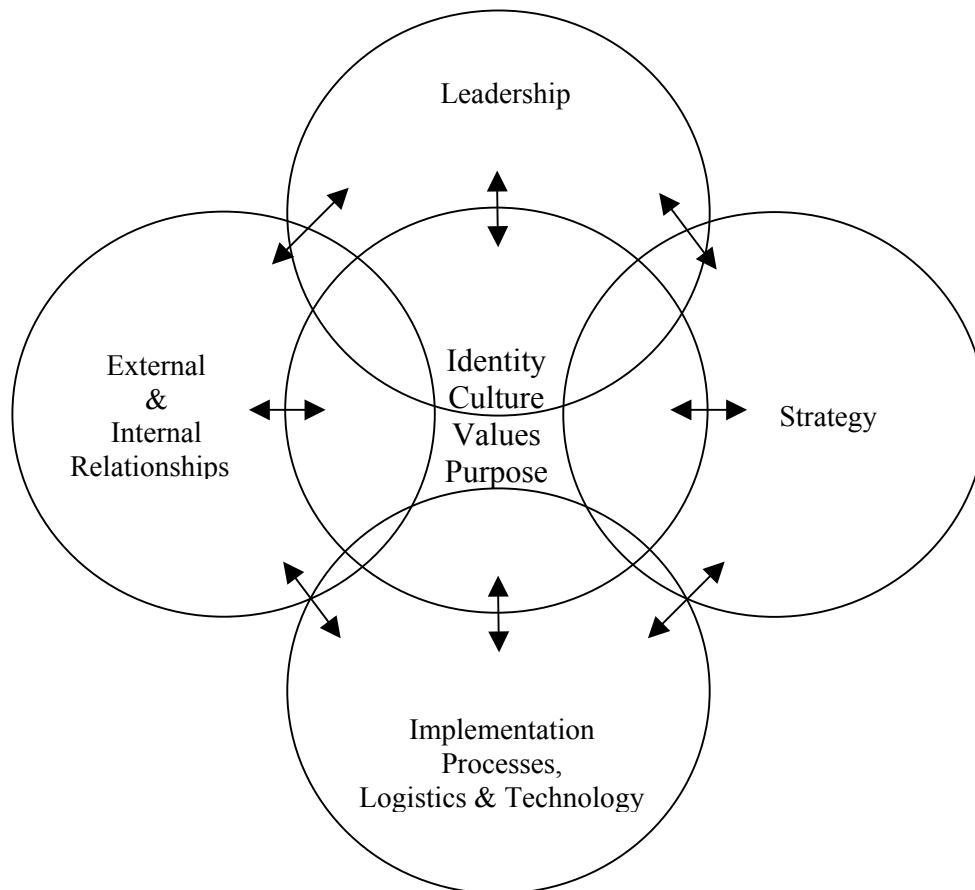
The five main clusters are:

1. LEADERSHIP : The Driving and Energizing Force
2. STRATEGY : Conceptualizing the Business
3. IMPLEMENTATION PROCESSES, LOGISTICS, AND TECHNOLOGY : Getting Results
4. EXTERNAL AND INTERNAL RELATIONSHIPS : Mobilizing Resources and Goodwill
5. IDENTITY, CULTURE, VALUES AND PURPOSE : The Sustaining Core

When we tried to put the different factors, characteristics and practices under these clusters, we noted that they were highly interactive and overlapping and, therefore, it was not possible to treat them as discrete independent categories that could be placed in separate boxes. They appeared more like interdependent parts of a highly dynamic organic system, like five mutually interacting and overlapping circles as shown in the figure I.

It was the Interactive, Dynamic Configuration of all these key elements that gave the companies a Sustainable Competitive Edge, and not merely one or two factors like Strategy or Core Competence.

The Five Distinguishing Elements of Organization



(Figure I)

This dynamic organic system, however, could not be visualized as a closed system. Instead we could see it as an open system that was interacting with and interdependent upon the external business environment. The five major clusters that constitute the key

elements of the system and their sub-categories consisting of the factors, characteristics and practices are described in the following pages.

Many of these characteristics have been identified by the earlier studies also. However, our contribution is that through the insights of highly experienced and successful managers and our own observations, we have been able to identify some unique contextual characteristics, and the relevance, significance and inter-relationship of the various characteristics and practices in developing a Sustainable Competitive Edge in the Indian Context.

LEADERSHIP

1. PASSION FOR SUCCESS, CLEAR AMBITIOUS GOALS AND WINNING PARADIGM

a) Passion and Commitment for Ambitious Goals and Urge for Supremacy.

This was reflected in clearly spelt out highly ambitious goals to be among the best and leading organizations in the industry.

The passion and commitment of the leadership, energy and excitement to achieve such ambitious goals, and the deep urge for supremacy were felt across the organization. These were the driving forces that distinguished these companies.

b) Clear Purpose, Mission and Vision

Their organizational purpose and goals were usually articulated in the form of simple, tangible and easily understood mission and vision statements.

There was earnest desire, wide awareness and commitment across the organization to achieve them. People even at the lowest levels could easily describe, and identify themselves with their organization's mission and vision.

c) Winning Paradigm

Their passion for success and ambitious goals were unlike and distinctly different from the 'marginal growth and survival paradigm' of most other organizations.

They were driven by the ‘winning paradigm’, i.e. the will and determination to win in tough competition, and succeed against all odds.

They sought and chose to operate in a challenging business environment, rather than work in an easy and protected environment that would breed mediocrity.

2. LONG-TERM INSTITUTION BUILDING ORIENTED, VISIONARY LEADERSHIP

a) Long Term Institution Building Orientation.

The leadership in these companies was strongly oriented to long-term institution building of the organization rather than use the company merely as an instrumentality for seeking opportunistic, short-term gains.

They painstakingly developed and nurtured a distinguished and strong institutional identity and brand equity that was a source of cohesiveness and pride to all its stakeholders.

b) Visionary, Transformational, and Sustained Leadership

They had distinctive transformational and visionary leadership across the organization, that kept organizational survival and development goals above their individual goals.

They made special efforts to carefully induct, nurture and develop leadership for the future to ensure continuity and growth of the organization.

The top management saw their term like only one part of the relay race, in which they were keen about the success of the company and their successor to win the race.

There was deep concern for sustained leadership through thoughtful succession planning.

3. HOLISTIC, DYNAMIC AND PEOPLE CENTRIC APPROACH

a) Holistic, Dynamic Approach

The leadership approach in these organizations was described as holistic in dealing with multifaceted management problems.

They were dynamic, in the sense that they were highly energetic, willing and able to change to meet the new challenges and requirements.

They did not externalize their problems and did not blame external circumstances for their problems or failure. Instead, they worked on ways to find imaginative solutions.

b) Thorough Knowledge of Business and Technology.

The top management in some of these companies highly emphasized leading by knowing the subject thoroughly.

They believed and practised the dictum that it is essential for the top management to have a thorough understanding of business, and intimate knowledge of relevant technology to lead from the front.

c) People-Centric and Team based leadership.

One common thread clearly visible in all outstanding organizations was people-centric and team oriented leadership. More than on any other resource, they bet on the talented people.

A very high priority was given to search, attract, retain, develop and leverage the talent and leadership across the organization.

These organizations genuinely treated the talented people, their empowerment (i.e trusting them and giving them freedom to act), their development, enthusiasm, commitment, and teamwork as the most critical factors for sustaining competitive edge.

The style of leadership generally was more personal, open, persuasive, and role-modelling, rather than impersonal, rigid, command and control, or bureaucratic. There was, at the same time, no compromise on performance and results.

4. SIMPLICITY AND CHARACTER

a) Simplicity

The top leadership in several of these organizations maintained conspicuous simplicity, and in some cases almost austerity in their life style and dealings with people.

They demonstrated their philosophy and values in their personal and work related behavior, and walked their talk. They generally demonstrated open-ness, accessibility and contact with organization members and stakeholders.

They spent money where it was most productive, rather than for their personal aggrandisement.

b) Equanimity and Character

Although the top management leadership maintained a low profile, they demonstrated a high level of equanimity and strong character, values and wisdom.

These qualities gave them an edge that enabled them to withstand enormous pressures and take farsighted, tough decisions in most difficult situations, and for changing and steering the organization through turbulent times.

Their courage, imagination, thoughts, values, actions, and conduct inspired respect in the organization and society.

STRATEGY

1. SENSING BUSINESS OPPORTUNITIES, INNOVATIVE BUSINESS PROPOSITIONS

a) Sensing and Tapping Business Opportunities

They seemed to possess very strong capability to sense new business opportunities and see potential for business where others saw barriers and constraints.

They had the knack for converting latent needs of people into tangible demand by imaginative, innovative business propositions.

They often converted threats and challenges into opportunities for change and growth.

b) Ear to the Ground.

They had the 'ear to the ground', were in close touch with consumers, customers and markets, and keenly observed changes and shifts in customer satisfaction, preferences and markets.

In some companies the entire management was mandated to seek periodic information and feedback from consumers, customers, and employees.

c) Innovativeness

They initiated, valued, supported, and institutionalized innovativeness in products, processes, and all other aspects of management.

Strong emphasis on Research and Development was considered as the key to survival and competitiveness in some industries.

2. INTERNATIONALIZATION

a) Internationalization for developing Competitiveness

Most of the outstanding companies chose Internationalization of all their operations as the means for developing competencies, like superior managerial processes and practices, better quality and technology, and high caliber talent for developing a sustainable competitive edge.

Some companies aimed at getting a share of the large international markets, and leveraged the improved capabilities in the domestic markets.

3. DYNAMIC FOCUS AND ADAPTIVENESS

a) Sustained Dynamic Focus

The outstanding companies chose sharp and sustained focus on selected customer groups, consumer needs, product lines, brands, market segments and markets.

The focused approach was combined with keen awareness of changes in market and customer preferences, moves of competitors, new and untapped opportunities, technological breakthroughs, and changes in regulatory policies.

It was more like maintaining a 'dynamic focus' in the selected domains of business, rather than a static focus. It was like an auto-focus video camera adjusting to a moving target in changing conditions.

At the corporate level, business houses chose multiple foci and floated different companies to tap new business opportunities in the growing and changing business environment.

b) Active Information Search, Adaptive and Pro-active Strategies.

These companies engaged in active search for new information about markets and technologies from various internal and external sources. They were alert about the moves of the competitors.

They constantly engaged in review of business performance and emerging scenarios through meetings and workshops of managers across the organization. They also utilized external experts with an open-minded willingness and ability to make necessary changes, innovative responses, and developing new business models.

They demonstrated highly pro-active strategies as well as adaptiveness in dealing with the changing market requirements and tapping new business opportunities. Both organic (Internal Growth) and in-organic (Mergers and Acquisitions) approaches were chosen for growth and development.

c) Rapid Response

Quick and rapid response to changed business environment enabled them in maintaining their strategic superiority.

Speed in all aspects of business was seen by most companies as a competitive edge, though some chose to move up by consolidating and building on their competence slowly and steadily.

They put in extra-ordinary disciplined effort to meet demanding time deadlines for initiating and implementing new strategies, projects, product launches, quality and service improvement initiatives.

d) Basis of Competition and Building on Strengths.

Identifying the basis of their competitiveness, and leveraging resources accordingly were constantly pursued to remain ahead of the competition.

Identifying their inherent strengths (core competence) and leveraging them for initiating new businesses, entering new markets, or introducing new products and services were common practices in most of these companies.

4. VALUE TO CUSTOMER, HIGH QUALITY, AND BUILDING BRAND/S

a) Genuine Value to the Customer.

The management in these companies shared deep concern to provide genuine value to the customer.

They constantly explored and implemented superior methods to produce and deliver high quality products and services to the customer.

They saw productivity and quality improvements, and lowering the cost of production and delivery primarily as means of being customer friendly.

b) Capturing value.

They developed novel and effective business and revenue models to capture the value created by their expertise, products and services.

c) Building Brands and Differentiation.

Building Brand Equity for their company and products, and maintaining it was a key concern in their strategy. Brand Equity also helped them in attracting high caliber talent in India and overseas.

Brand Equity was seen as one of the most important factors in sustaining competitive edge.

They differentiated their products and services by better understanding of the customer and consumer needs, competitive pricing, superior design, reliable products, delivery and service.

They moved up the value curve and level of technology when their products got commoditized.

5. CONSERVATIVE AND INNOVATIVE FINANCIAL POLICIES

a) Internal Resource Generation and Low Financial Leverage.

Surprisingly most of the companies with sustained high performance followed generally conservative financial policies that helped them to generate and accumulate resources internally.

Their enormous internal resources gave them flexibility for taking new initiatives, start new ventures, and have a long-term growth perspective, but also made some of them vulnerable to take-overs.

They generally maintained low financial leverage in debt-equity ratio.

b) Innovative Financial Policies.

Several companies demonstrated ingenuity and innovativeness in mobilizing and utilizing funds that kept their cost of capital, working capital and inventories low, fund flow well managed, and financial health in good shape.

IMPLEMENTATION PROCESSES, LOGISTICS AND TECHNOLOGY

1. OUTSTANDING IMPLEMENTATION SKILLS AND OPERATIONAL EFFICIENCY

a) Implementation Skills

They demonstrated outstanding skills in time and cost effective implementation of projects, as well as in all other initiatives.

b) Operational Efficiency, Productivity, Quality and Constant Improvement

They were often obsessed with high emphasis on operational efficiency, productivity, total quality assurance, reduced or zero inventories, constant improvement in design, materials, technology, and manufacturing processes.

c) Benchmarking with the Best

They benchmarked their productivity, quality, performance and implementation parameters with the best in the world.

3. INSTITUTIONALIZED PROCESSES AND SYSTEMS

a) Carefully developed Processes and Systems

They developed superior, streamlined and rigorously followed institutionalized processes, systems and standard operating procedures to meet the various requirements of manufacturing, service and management.

The processes and systems were constantly upgraded to be in line with the best practices, and were aimed at ensuring better communication, information sharing, decision making, and coordination.

The processes and systems ensured efficiency, consistency and quality in performance, and alignment of activities and goals across functions, regions, and various levels in the organization.

b) Conspicuous Institutional Practices in Key Areas

These processes were specially conspicuous and innovative in managing and developing Human Resources, reviewing and evolving strategies; planning and budgeting exercise; and sharing information, learning and knowledge.

High emphasis was given to performance management across the organization to ensure good quality and time bound results. Different techniques, like Balanced Score Cards, were utilized by companies for this purpose.

Similarly the processes were distinctly effective in monitoring and reviewing progress of projects, and new initiatives.

4. SUPERIOR LOGISTICS

a) Novel and Efficient Supply Chain, Upstream and Downstream

They developed novel and efficient systems for management of value and supply chain upstream and downstream.

Their logistics, vendor development, selective outsourcing and distribution channel gave them substantial cost benefit, flexibility to change, market information, competitive advantage, and ability to concentrate on their major value creation functions.

5. MASTERY, OWNERSHIP AND DEVELOPMENT OF TECHNOLOGY

a) Mastery and Internal Development of Technology

They ensured thorough mastery of technology, persistent internalization, with constant improvement and upgradation of technology.

In some industries the in-house world class Research and Development was the main source of competitiveness.

b) Technology Ownership

They chose the ownership of technology in order to improvise and enhance their own technology development capability.

c) New Technologies

They identified the power and potential of new technologies, like IT and computer based systems and processes, and quickly tried to incorporate them and integrate them in their working not merely to keep up with the Joneses, but as means of improving efficiency, productivity and quality.

5. ADAPTIVE ORGANIZATION STRUCTURE

a) Less Hierarchical, Adaptive, Flexible, Evolving Structures

Almost all these organizations preferred less hierarchical, more flexible, adaptive organization structure, combined with informal atmosphere.

Most of the companies reviewed, evolved and adapted their structure to suit new requirements, some of them on regular intervals after three or four years.

b) Coordination Mechanisms

In order to overcome inter-functional and hierarchical barriers, several mechanisms like task force, cross-functional and multidisciplinary teams were utilized.

These mechanisms ensured swift and efficient communication, information flow, responsive decision-making, and quick problem-solving, synergy and effective coordination across the organization.

EXTERNAL AND INTERNAL RELATIONSHIPS

1. EXTENDED FAMILY – ‘WIN-WIN’ PARADIGM

a) ‘Extended Family’ like Relationship with Key Stakeholders

The underlying ethos of relationships with the key stakeholders in some of these organizations appeared like an ‘Extended Family’ that included the employees, suppliers, distributors, and shareholders.

b) Win-Win Paradigm of Relationship with all Stakeholders

The most distinctive characteristic of the relationships of these companies was a mutual trust based ‘Win-Win’ relationship with the employees, suppliers, distributors, and other stakeholders.

Such relationship was painstakingly developed and religiously guarded by prudent monitoring, sometimes summarily removing those who violated the norms, or did not come upto expected standards.

There was also evidence of positive attitude for mutually sharing the gains consistent with ‘Win-Win’ mindset, with a deep concern to safeguard and balance the interest of different stakeholders, and not only of the owners.

IDENTITY, CULTURE, VALUES AND PURPOSE

1. PRINCIPLE-CENTERED PARADIGM

a) Business Philosophy, Ethics and Values

A principle-centered paradigm, reflected in strongly held and explicitly articulated values and business philosophy, for doing business in a unique and ethical way was stated, emphasized and practised in almost all outstanding organizations.

Some of the cornerstones of stated business ethics were: No ‘under the table’ business, honouring commitments, meeting delivery schedules to internal and external customers, maintaining specifications and quality standards, and giving full value for money to the customer.

Ethical business was considered profitable business.

2. INSTITUTIONAL IDENTITY, CULTURE AND PURPOSE

a) Institutional Identity, Culture and Purpose

At the core of the company was its Institutional Identity, a Distinct Culture with some deeply ingrained Shared Values, and a well defined Purpose. These provided the broad and stable framework for articulating and interpreting more specifically the Mission, Vision and Scope of Business, that were reviewed and redefined by its leadership from time to time keeping in view the changing business environment.

The members of the organizations felt a sense of belongingness, pride in the identity, culture and purpose of their company that endowed it with cohesiveness and longevity.

Most of the companies consciously cultivated the organization culture of Open Communications, Teamwork, and High Performance.

b) Reinforcement and Continuity

The continuity of identity and culture were reinforced through persistent emphasis, articulation and personal examples set by the organization leaders.

Their continuity was maintained through a careful selection and induction of staff, training and mentoring.

The reward system also enhanced the sense of commitment and ownership (both psychological and financial in some cases) among the members of organization.

3. CONCERN FOR RELEVANT SOCIETAL ISSUES

a) Corporate Social Sensitivity and Concerns

Some of the outstanding companies and their top leaders demonstrated concern, sensitivity and thought leadership in finding solutions for society's selected economic, social and environmental issues; such as environmental friendly technologies, enhancing productivity of critical sectors, and good corporate citizenship.

4. DYNAMIC CAPABILITY AND CONSTANT LEARNING

a) Learning, Competency and Leadership Development

There was palpable evidence of high emphasis on developing dynamic capability and competencies through constant learning and upgradation of knowledge, skills and positive attitudes across the organization through internal and external programmes and exposure.

A proactive training and education policy for development of technical expertise, managerial competence and leadership was vigorously pursued.

Several organizations had well developed; state of art in-house education, training and learning centres.

b) Knowledge Management

The acquisition, development and sharing of knowledge across the organization was systematised through knowledge management initiatives, specially in the IT and Pharmaceutical Industries.

c) Entrepreneurship and Change

Constant endeavor for improvement, change, innovation, and entrepreneurship were integral part of the organization culture of these organizations.

Seeking ideas, recognizing and rewarding ideas for improvement of products, processes, cost reduction and productivity from all levels were encouraged.

5. MERITOCRACY AND PROFESSIONALISM

a) Professionalism in Management

Irrespective of the nature of ownership, the guiding management philosophy of these companies was meritocracy and professionalism in management.

Professionalism was sustained by distinctive Human Resource Management and Development practices to attract, retain, and develop the best possible talent, consistent with the organization's requirements.

b) Transparency, Openness and High Standards in Corporate Governance

Transparency and high standards in governance, and openness in questioning the decisions of even the top management in the larger interest of the organization, were the hallmarks of most of the outstanding companies that demonstrated a sustainable competitive edge

Summary of Findings

In short, the organizations that demonstrated sustained outstanding performance and competitive edge were driven by leadership with a passion for success, were more operationally value-based and principle-centered. They perceived business opportunities where others saw threats and barriers. Some of them sensed business opportunities beyond the visible horizon. They anticipated change and quickly responded to change. They converted latent needs into demand by innovative business propositions, by offering valued products and services at affordable price.

They were more internationally-oriented, professional, adaptive, innovative, and highly focused on creating and delivering value to the customers. They diligently ensured providing superior products and services, and had effective business models for capturing and sharing value that led to high profitability and growth.

They operated on a principle-centered paradigm, and their philosophy of business was based on a 'win-win relationship' model with their stakeholders. They were clear about and emphatically followed certain values and business ethics. Interestingly, a strong relationship could be observed in their ethical values and economic value generated by

them. They painstakingly built, nurtured and protected their brand equity, goodwill of customers and stakeholders. They had a long-term institution-development orientation. They attracted, nurtured, and developed talent and leadership across the organization. They valued innovation, initiative, entrepreneurship, and constant improvement in every aspect of the working of the organization.

They continuously mastered, obtained, internalized and upgraded the technology that would give them best results. They made special efforts for developing skills and competencies of the staff, and for acquiring, utilizing, sharing and developing relevant information and knowledge across the organization.

They practiced high level of openness and transparency in communication and decision making. They thoughtfully developed organization culture, processes and structures that supported these concerns. They were acutely conscious of the proposition that sustainable competitiveness cannot be maintained without sustainable leadership.

In the full text report that will be published as a book, we will explain and elaborate each of the above-mentioned points in detail, supported by statements from the interviews with the key managers of the selected companies, and other available information in this regard. Further, a detailed quantitative analysis of these companies on various important performance parameters over an extended period of time has been critically analyzed to examine their ability to develop and maintain a sustainable competitive edge in their industry.

Strategic Leadership Thought Process

The Strategic Leadership Thought Process model that emerged in observing and studying these organizations could be visualized as given in Figure II.

Strategic Business Leadership Thought Processes for Sustainability

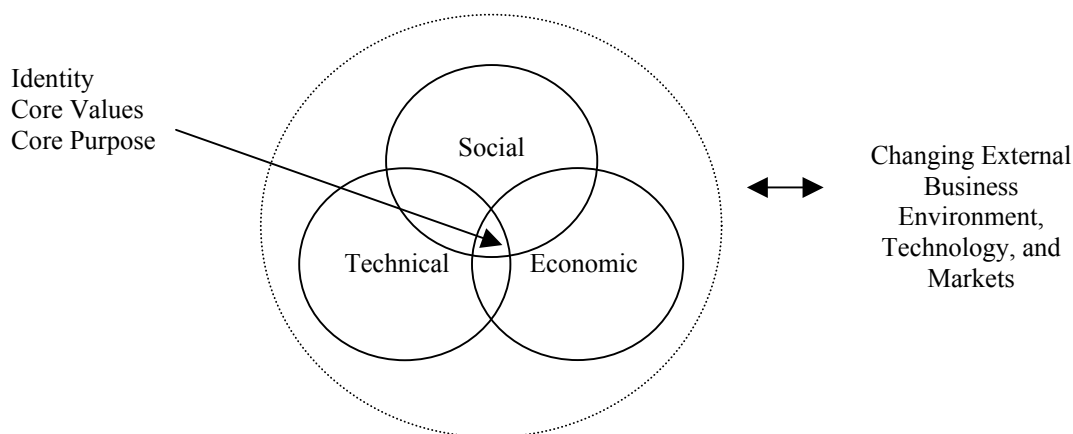


(Figure II)

The Firm as a Living, Socio-Economic-Technical Open System

Based on the above stated patterns and insights a deeper and more holistic analysis reveals that a firm can be viewed as a Living, Socio- Economic-Technical Open System that takes resources from and creates value for the Society in which it is embedded (See Figure III). Its primary concern is to create better products, services, and solutions for its customers and consumers. It develops and utilizes resources with high levels of productivity and innovativeness, through which it creates value that leads to higher profitability and growth, and creates wealth that benefits all its stakeholders. The sustainable firm, therefore, is a value and wealth creating organism that is embedded in its socio-economic milieu. It is not sustainable as predatory mechanism to syphon off monopoly gains, or as merely a device for rent-seeking behaviour. This is a totally different paradigm contrasted with the perception of the firm as merely a profit seeking mechanism to maximize the benefit only for the owners and shareholders.

Organization as a Purpose Driven, Principle Centered, Organic, Co-Evolving Open Socio-Economic-Technical System



(Figure III)

Some other important elements in this model are at the central core, consisting of a strong and distinctive sense of identity, deeply embedded core values, and clearly articulated core purpose of the organization.

We visualize the open systems model of organization having the ability to develop and sustain competitive edge as a dynamic entity, closely related to and co-evolving with its changing environment.

We anticipate the usefulness of the above-stated findings, paradigm, and models in broadening the view of business leaders and strategists, as well as professional managers. Hopefully this study will help them in thinking through the basic issues relating to survival, growth, excellence, and superior performance of organizations over long spans of time with a different perspective.

We also hope that this study will develop some awareness of the orientations, policies and practices demonstrated by the leaders and managers of outstanding organizations in India, that enabled them to build great organizations that can withstand the ups and downs of change and turbulence in the highly dynamic business environment.

Main Differentiating Findings for Sustainable Competitive Edge of Organizations in India, as compared to the Earlier Studies:

We would like to highlight the main differentiating findings of the study with the earlier studies on this subject.

1. Most of the earlier studies have identified a few key factors and sought to explain competitiveness as a function of such variables. We have noted and emphasised a **configuration of inter-related factors, characteristics and practices in a dynamic, organic open system** as the key for developing and maintaining a sustainable competitive advantage.
2. The findings of the study are **context based** and help in understanding the various factors, characteristics, and practices that seem to have specially worked in India, and **some of these are unique to the Indian context**. Such differentiating findings are listed below:
 - a) **‘Simplicity and Character’ in the style of top management leadership**, and almost austerity in their personal life and work situations in several outstanding organizations.
 - b) **Sustained leadership and nurturance of leadership and talent** across the organization. The top management saw their term like only one part of the relay race, in which they were keen about the success of the company and their successor to win the race.
 - c) **Passion and Commitment for ambitious goals** and urge for supremacy across the organization as the driving and energizing force.
 - d) **Principle-Centered Paradigm**, reflected in strongly held and explicitly articulated values and business philosophy, for doing business in a unique and ethical way.
 - e) **Internationalization** of all operations as the means for developing competencies for competitiveness in the global and domestic markets, benchmarking the productivity and quality parameters with world class organizations.
 - f) Centrality of **Outstanding Implementation skills and Superior Logistics** as competitive advantage.
 - g) **Quick response to changed business environment** for maintaining strategic superiority.
 - h) Institutionalization of superior streamlined **Processes, Systems and Standard Operating Procedures** for high level of productivity,

efficiency, and quality, for performance management and alignment of activities and goals across different functions and regions.

- i) In several organizations a mutual trust based, **‘Win-Win’ paradigm in relationship** with the employees, suppliers, distributors, and other value contributors, almost like an **Extended Family** in the Indian ethos.
- j) **Balancing the interests of different stakeholders** to mutually share the gains.
- k) **Open-ness, Transparency, Meritocracy, and Professionalism** in Management and Governance.
- l) **Sensing and Creating Business Opportunities**, constant adaptation, pro-action, and change by the firm as an open socio-technical-economic organic system, **co-evolving with its business environment**, creating and sharing value and wealth, sensitive to its relevant societal issues.
- m) **Distinct Institutional Identity and Culture**, with deeply ingrained shared values, and a well defined purpose that created a sense of belonging and pride among the organization members, and endowed the organization with a brand equity, cohesiveness and longevity.

**Companies Included in the study
(Appendix-A)**

- INFOSYS
- WIPRO
- SATYAM
- RANBAXY
- DR. REDDYS LAB
- HERO HONDA
- EICHER
- LARSEN & TOUBRO
- TITAN
- MOTOROLA
- BPL
- HINDUSTAN LEVER LIMITED
- GLAXO-SMITHKLINE-BEECHAM
- TATA SONS
- RELIANCE
- HINDUSTAN GRAPHITE
- ICICI
- BEL
- NTPC