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THE HUNT REPORT

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PREFACE

Dear Reader

“We are pleased to bring to you Vol. 14 of *The Hunt Report*: Strategizing and Planning for Future Leadership.

This issue expands on the theme of organizations aligning business - and talent-strategies. We also talk about new roles being created, driven by either rapid transformation of industries, or by introduction of new business models and regulations. As in previous issues, we continue to track the talent-trends — at the executive suite — across a cross-section of industries. And corporate governance continues to occupy pole position in this issue – highlighting the importance of this topic for corporate India.

We hope you find this report insightful, and welcome your comments and thoughts.

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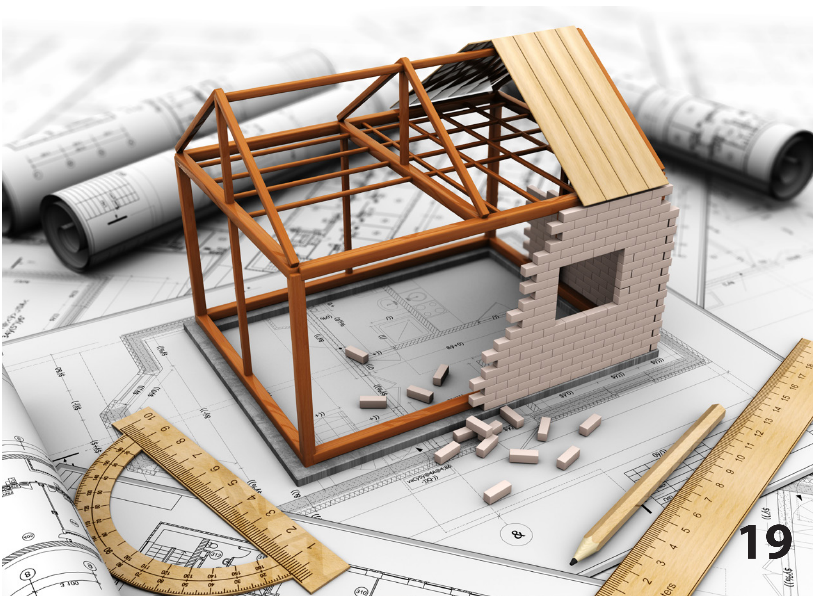

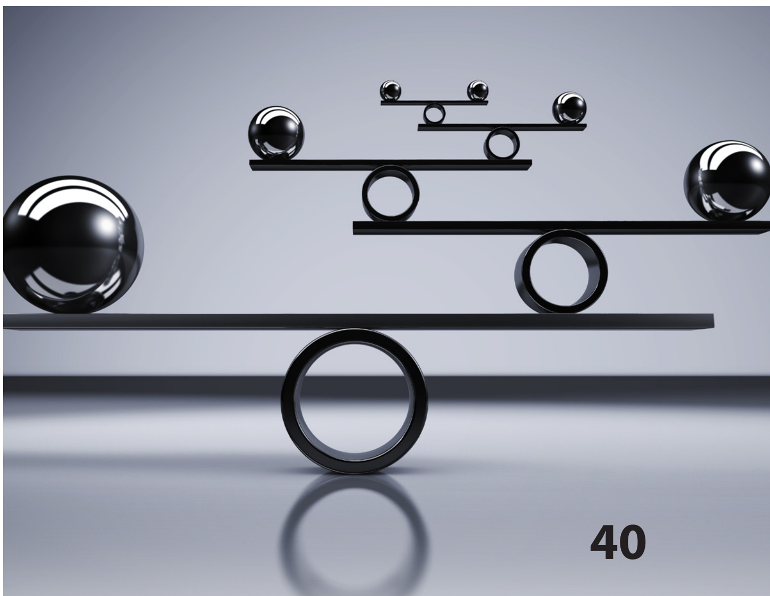

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Briefing Note :

Roundtable on the Advisory Board

Mumbai, 19th February 2019

'What is an Advisory Board?' 'What is its purpose?' 'Who does it advise?' These are some of the questions which an august group of corporate leaders and thinkers addressed in a closed door roundtable discussion hosted by Hunt Partners at The St. Regis, Mumbai on the 19th of February, 2019.

The roundtable was anchored by Dr Chris Pierce, CEO of Global Governance Services and also MC of Directors' Club® – the accredited director-certification program curated by Hunt Partners. Arjun Erry and Sunit Mehra from Altus/Hunt Partners provided the backdrop of the roundtable discussion.

A dozen corporate leaders discussed and debated the pro's and con's of advisory boards. The participants included:

- The Managing Partners of a leading firm;
- The National Tax Head of a big-4 consultancy;
- The Group CEO of a major media company;
- The Executive Chairman of a large financial-services group;
- The APJ Advisor of a global buyout fund;
- The Chairman of an institutional proxy-advisory firm;
- The Co-founder and Managing Partners of a major domestic private-equity firm;
- The Senior Vice President of HR, and Member of the ExCom of a leading conglomerate;
- The Managing Partner – Asia of a global private equity firm;
- Several senior Non-Executive Independent Directors.

Dr Pierce set the context by presenting the differences between the Board of Directors and the Advisory Board. He enumerated the several advantages of an Advisory Board particularly in the context of closely-held or family-owned businesses—where the Advisory Board can serve as the 'stepping-stone' before appointing independent directors to the statutory board.

Participants and shared experiences of how the Advisory Board—if correctly constituted—can enhance the reputation of the target organization. But in doing so, the charter and constitution of the AB must be clearly defined, and the experts on the AB must be appointed in complete alignment of the business strategy. For example, AB members could be appointed for helping the organization expand internationally, or to because of an up-coming listing event. It was also pointed that the AB should not involve itself in financial, audit, legal, and compliance topics lest is interfere or overlap with the role of the Board of Directors.

Moving to the implementation, it emerged that AB members must be issued formal appointment letters setting out their time commitment, roles & duties, term of appointment, renewal clauses, and remuneration. The corporate leaders also enumerated the necessity of ensuring conflicts of appointments do not arise. Another important point emerging was driving the distinction between a set of independent consultants/advisors, and that of a formal Advisory Board. And finally, the baseline question which the organization must answer: for whom is the AB proffering its advise to?

The morning was notable because it marked the unveiling of the Altus© brand from Hunt Partners. Altus encompasses all the governance and board interventions offered by the firm, and these including board advisory & consulting, board effectiveness & evaluations, director-certification, board training, and appointment of independent directors.

Board Evaluation

Suresh Raina,
Partner – Hunt Partners

Siddhi Dhakan,
Associate Consultant – Hunt Partners

The board of directors is thought of as a high-powered group of individuals brought together for their expertise. The assumption is that once they are assembled around the board table, they will figure out how best to maximize the value of their contribution.

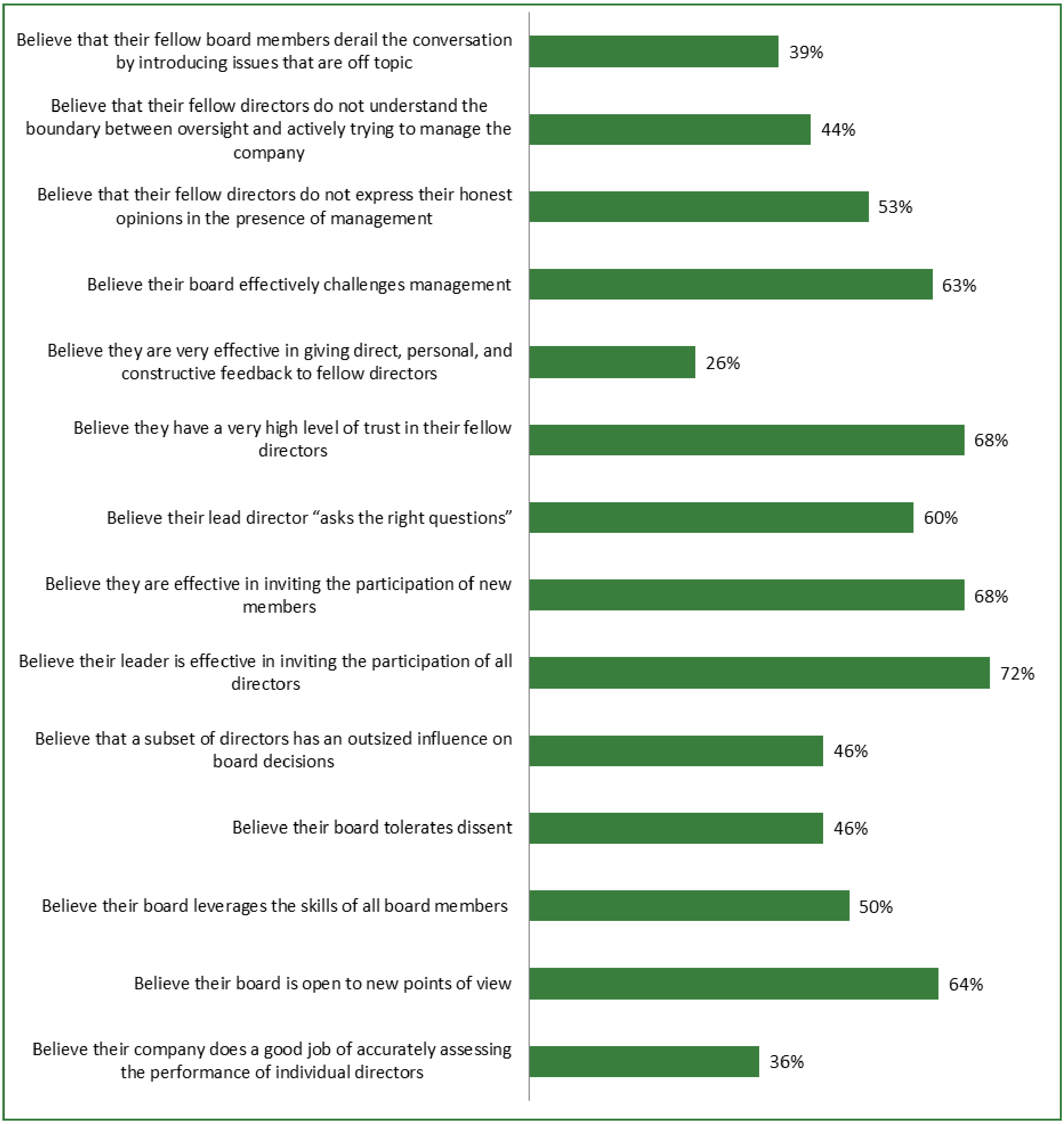
What drives the board will always most certainly cascade down to executive management and from there further down the organization. Regulators & Institutional investors continue raising their expectations of public company boards. The demand for board quality, effectiveness, and accountability to shareholders will continue to accelerate. Hence the irresistible business case for Board Evaluation!

Board Evaluation Statistics

Board Evaluation data throws up some interesting statistics. As per a recent research, a vast majority (89 percent) of Directors believe their board has the skills and experience necessary to oversee their company. Yet as you dig deeper, we find the following:

- The more difficult but also more value-producing part of the board evaluation process is to review the contribution of individual directors and the interpersonal and group dynamics among board members. Yet only half (55 percent) of companies evaluate individual directors.
- Three-quarters of directors believe their fellow directors allow personal or past experiences to dominate their perspective.
- The typical director believes that at least one fellow director should be removed from their board because this individual is not effective.

Survey of Board of Directors



These are troubling statistics that would possibly get revealed by investing in an external Board Evaluation exercise. It suggests that companies should use board evaluations to optimize the contribution of their members.

Source: Stanford University study

Changes / trends in board evaluation Internationaly

Global Best Practices

Governance Area	Requirements by countries	USA (Full CII - 'The Council of Institutional Investors' Corporate Governance Policies)	UK (The UK Corporate Governance Code)	China (Provisional Code of Corporate for Securities Companies	Australia (Corporate Governance Principles and Recommen-dations: 3rd Edition)	Austria (Austrian Code of Corporate Governance – July 2012)	Denmark (Recommen-dations on Corporate Governance-November 2014)	Italy (Corporate Governance code July 2015)	France (Corporate governance code of listed corporations)
Board Evaluation	Overall comment on the results of Board Evaluation in the annual report	✓	✓	✓	✓	✓	✓	✓	✓
Board Evaluation	Engagement of External Consultant for Board Evaluation	✓	✓	✓	✓	✓	✓	✓	✓

✓ Mandatory requirement ✓ Recommended by the respective Corporate Governance codes of the select countries ▢ OECD member countries

Source: Deloitte

Third party evaluation

Use of third-party experts, to facilitate the evaluation process is increasing. Twenty-two percent of Fortune 100 proxy filers disclosed having a third party facilitate their evaluation at least periodically, typically stated as every two or three years. A third party can perform a range of evaluation services, such as:

- Leading the evaluation process
- Conducting interviews
- Providing evaluation questions
- Reviewing questionnaire responses
- Overseeing implementation of evaluation action items.

Where the third party is independent, it can provide an impartial perspective; its participation in the evaluation process can meaningfully enhance the objectivity and rigor of the process and results. Third-party experts can provide new and different perspectives. The use of a third party may be especially helpful when:

- The board wants to test or improve its existing internal evaluation process
- Directors may not be forthcoming and candid with an internal evaluator
- The board believes an independent third party can objectively bring new perspectives and issues to the board's attention
- The board is new or has undergone a significant change in composition and its directors are not yet poised to conduct an effective evaluation
- The board has not seen significant change in composition over a period of time and new perspective is desired on board composition and performance
- The company and its board are facing and addressing a crisis

In an interesting development, SEBI recently mandated Public Interest Directors at MII's will need to go for external evaluation during the last year of their 3 year term.

In future, Boards will increasingly be put under pressure from shareholders and other stakeholders to describe the Board evaluation process. This may involve describing in the Annual Report how an evaluation method was selected and the processes that were employed (e.g. questionnaires, one-on-one interviews, etc.). Disclosure in the Annual Report of the findings of the Board evaluation and details of the Board development plan may also become more common. It can be argued that publication of this information will signal to key stakeholder groups that the company is taking seriously its governance responsibilities and the effective performance of its Board.

We also need to emphasize the critical role played by the Corporate Secretary in the evaluation process, either through coordination or through independent or joint facilitation of the evaluation process. It also entails convincing directors of the need for and value to be derived from a good external board evaluation process. The Company Secretary should stay abreast of board evaluation best practices, including information supporting the message to be conveyed to directors.

Manufacturing Industry Trends

Suresh Raina,
Partner – Hunt Partners

Pooja Thakker,
Principal Consultant – Hunt Partners

markets, such as automotive along with electric vehicles, construction, pharma and FMCG are all set to surge in India driving local demand.

CHEMICALS

The chemical industry continues to grow close to 9% and can hit double digits. Specialty chemicals has been growing at 14% over the past few years, primarily due to domestic consumption. The chemical industry will be key in realizing the vision and targets of the 'Make in India' initiative, especially the Polymer, Agrochemicals & Construction, and textile verticals that present immense growth opportunities. Key end

The Digital Wave & Hiring

Companies are moving towards digitization and creating digital organisation to unlock customer value through enhancement, automation, innovation and insights. Focus is on research activities to come out with new innovative products based on the feedback of user industries. There is need for a large pool of highly trained scientific manpower to develop innovative chemistries to attract changing consumer behaviours. To achieve these dynamic milestones demand of leadership talent is expected to grow in Innovation, R&D & IPR. Other areas where we see potential hiring are General Management and Supply Chain roles.

The gradual shift towards Asia as the world's chemicals manufacturing hub will continue. Indian companies need to shift focus from basic chemicals/ commodities to high value derivatives to enhance margins and profitability and be better placed to fight competition. Most MNC players are recognizing the ZERO DISTANCE concept, realigning regional operations to bring decision-making closer to the customer and improve cross-functional synergy to react more quickly to the evolving customer and market requirements. It will see positive impact on leadership hiring, as companies will need to make decisions on the ground.

Upcoming Trends

We are also witnessing a healthy shift to value premium from an entirely price driven market, demonstrating a need for efficiency and performance. It will allow players to come forth with better suited solutions for clients, thus increasing the value for high quality talent. Another area that is gaining prominence is the creation of highly integrated and efficient demand, supply & value chains across sites in India and outside to deliver value and superior customer experience, encouraging companies to make considerable investment wherever required. Dow, Lanxess, Evonik, Aramco, BASF etc. are among the few players who have declared investment plan in various parts of the business. Overall the prospects for the broad chemical sector look positive for the next 12 months and should help the momentum for senior talent to drive various functions.

METALS

Ferrous:

India is among of the fastest-growing steel markets among large economies. Demand for steel has been resilient in India, compared to the global slowdown. India's steel consumption is poised to cross the psychological 100-million tonnes mark in 2019 and envisions the steel capacity to be around 300-million tonnes by 2030. The National Steel Policy envisages investment of INR 10 lakh crore, from domestic and international players to augment the capacity.

Growth Drivers

The rise in infrastructure and automotive production are driving growth in the Steel sector, along with some growth expectations for the RE industry. The new Insolvency Code has driven resolutions for Bhushan Steel, Electrosteel & Monnet, being the big names. India's steel sector consolidation will drive improvement in the industry's capacity utilisation levels and mute the pressure on profitability. The focus is going to be on efficiency, cost and applications that will require a renewed need for high quality Indian and expat talent to bring about these changes in the Operations.

Lot of innovation is seen in the automotive sector, with the oncoming BS-VI norms by 2020. It has put pressure on the OEM's to make significant changes in body design moving to light weighting with advanced high-strength steel, creating potential for the suppliers. Other sectors that are supporting demand for high value-added steel are defence, aerospace, power and nuclear facilities that the domestic manufactures are eyeing and getting ready to provide viable alternatives to imports. From beefing up the manufacturing capability, both in terms of advanced technology and talent, to the market facing side with quality leaders, who can engage with clients to deliver on these high expectations in competition with the global players, will be key to the success of the industry.

Demand for Talent

Companies are already defining the road maps for the next 12-24 months when it comes to the talent acquisition for key positions. The industry is getting ready for this change and transformation with high-end activity led by players such as Arcelor. The need for both leadership and senior talent is expected to be high, especially in Business P&L, Operations, Finance and Strategy.

PEOPLE MOVEMENT

Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Devashish Saxena	Rexel	Group VP	PPG	VP and CDO	Apr –19
Sudip Ghose	Samsonite	Executive Director Marketing - South Asia	VIP Industries	Managing Director	Apr – 19
Shilpa Kabra Maheshwari	National Engineering Industries (NEI)	Vice President & Head of HR	Siemens	VP and Country HR Head	Apr – 19
Asitava Sen	MasterCard	Agri Business Advisor	CropLife India	CEO	Apr – 19
Ajay Kapur	Ambuja Cements	MD & CEO	Vedanta	CEO - Aluminium & Power	Mar – 19
Bimlendra Jha	Tata Steel	Executive Director	Ambuja Cement	MD & CEO	Mar – 19
Jayant Kumar	Tata Power Ltd's	Chief Human Resources Officer	Adani Group	Joint President - HR	Jan – 19
Jayakumar (Jay) Krishnaswamy	Akzonobel	Managing Director	Nuvoco Vistas	Managing Director	Sept –18
Achyut Iyengar	Cargill	Manging Director	DSM	Senior Director - Strategy & Execution APAC	Sept –18
Manish Bhatnagar	Danaher Corporation	Vice President & General Manager – Water Businesses (Asia Pacific)	SKF India	Managing Director	Aug – 18
Paramita Sarkar	BASF India	Head, Nutrition and Health, South Asia	Givaudan	Commercial Director - Flavours	Aug –18
Kaustubh Sonalkar	Future Group	Group CPO	Essar Group	President – HR	Jan –18

Automotive Sector – A bumpy road ahead

Suresh Raina,
Partner – Hunt Partners

Kajal Singh,
Principal Consultant – Hunt Partners

The Automotive sector remains one of the critical indicators of our economic growth. With the government's ambitious plans to emerge as the third largest automotive market in the next 5-7 year horizon, it is taking very important initiatives to support the growth of this industry:-

- The National Electric Mobility Mission Plan 2020
- National Automotive Testing and R&D Infrastructure Project - 7 testing facilities already have been finalised across multiple states. Formation of NAB - National Automotive Board under NATRIP
- Automotive mission plan 2016-2026

The Current Scenario:

FY 2019, OEM is expected to grow by 13-15%, where production of commercial vehicles is expected to grow by 25%, two – wheelers by 8-10%, passenger cars by 6-8% and auto-component production to grow at 12-14%. Exports are expected to grow by 15-17% and imports by 13-15%.

The industry has seen an investment of USD 738.9 mn so far with players like Ashok Leyland investing US$ 155 million to launch 20-25 new models across various commercial vehicle categories. Hyundai is planning to invest US$ 1 billion in India by 2020. SAIC Motor has also announced to invest US$ 310 million in India. Mercedes Benz is increasing the capacity in its Pune plant. Honda Motors is planning to set up its third factory in India for launching hybrid and electric vehicles with investment of ~US$ 1.31 billion till date. Mahindra opened its electric technology manufacturing hub in Bangalore. Tata Motors overtook its competitors to become #3, with a focus on engineering and tech enabled automotive solutions, robust logistics and providing additional variants in Commercial Vehicles (CV), SCV Cargo and Pickup, commercial passenger carrier and the PV segment.

The Automotive Sector did very well last FY, till about Q3 and started slowing down in Q4 and this slowdown has continued this FY Q1. This implies that as the classic tussle between sales and cost plays out, it is affecting the senior talent in these organisations - as margins are already stretched, companies find it difficult to compensate their senior professionals properly. This is one of the major reasons for a lot of attrition in this sector. Keeping employees engaged is becoming a daunting task.

The Talent Challenge

With the narrowing price gap between diesel and petrol, cost of development and the race to meet the Bharat VI emission norms has forced OEM's like Maruti to do away with some of the diesel variants in their mid-sized car segment. Also with 50% market share with Maruti, the remaining players are competing for customers and talent in the remaining 50%. This limited growth opportunity puts additional pressure on companies for providing career opportunities to the talent and it also caps the remuneration for the talent.

Talent crisis at leadership level has always been a pain area- Automobile Design Engineers, Business Leaders, Project Managers have always been in dearth for the industry. The MNCs have their design and production facilities spread in multiple countries where they can attract good talent. However, home-grown talent is missing and hence the domestic auto manufacturers are having a challenge in getting desired talent.

Auto component manufacturers are facing sharp fall in demand, cancellation of projects and facing tremendous challenges in staying profitable. The insolvency of Amtek was a big jolt last year, and with the market already being competitive, and the pressures of remaining profitable, these companies are finding ways to reduce the cost.

Possible Solutions

Increasing exports is one main focus for auto-companies to remain afloat and hence, the domestic suppliers are also climbing up the value chain moving from supply of only components to R&D based sub-systems which can compete in the foreign market. Also, there is lot of consolidation and value creation happening – players like Bharat Forge, Mahindra CIE, JBM and the likes are buying companies in other regions that focus on alternate raw materials lightweight aluminium, magnesium and fibre to cater to the global demand.

The future is electric vehicles that is seeing interest from established players such as Suzuki and the new entrants such as Adani. Companies have started investing in projects. With rapid change in technology, newer set of skills such as cognitive, digital, systems thinking etc. are in demand and therefore, there is a pressure on professionals also to up-skill themselves, to stay abreast. New types of jobs like Analytics, Digital Technologies/Applications, IoT are getting added to this sector, which has been a legacy sector for quite some time. Hence, the domestic OEMs also are shrugging their traditional mindset and recreating and reinventing their corporate learning & development landscape.

Leadership Requirements

There is a requirement of senior professionals in general management roles who understand the global automotive market, fast changing technological requirement and customer needs with atleast one international stint in developed markets. These are rare species to find - there is plenty of talent in the supply chain, finance, HR and marketing function but definitely a crunch at leadership positions.

To address these shortages at mid and senior level more and more companies are convincing the potential retirees to stay on, by giving more flexible work arrangement options. Advisors and Interim Leaders are being utilised as a stop-gap arrangement to fill the gaps.

It is an established fact that auto is one of the lowest paying industries and salary levels have not gone up as compared to other sectors. And hence, it is pertinent that the industry manages the existing talent it has and spends more energy in developing them.

PEOPLE MOVEMENT

Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Ravindra Kumar	General Electric	CHRO South Asia	TATA Motors	CHRO	Dec-18
Puneet Sabharwal	MG Motor India	Director Finance	Peugeot	CFO	Sep-18
Ashok Gupta	Escorts	Vice President (Head Manufacturing Operations)	International Tractors Limited	President - Operations	Sep-18
Dr Chiranjeev Roy	Mercedes Benz Research and Development	Principal Data Scientist	Nissan Motor Corporation	Vice President	Jul-18
Mukund Krishna Murthy	Kirloskar Oil Engines	AVP Sales	Mahindra Rise	VP – Strategy and Planning, Automotive Division	Apr-18

Rent it to flaunt it: upcoming trend in start-up ecosystem

Tehsin Danawala,
Principal – Hunt Partners

Sunit Mehra,
Partner – Hunt Partners

Want to access everything even though it may not be in line with your income? Then don't wait for it, rent it! The sharing economy has evolved from the most basic of services and opportunities such as renting an apartment or a car to renting holiday homes, taxi services and more recently designer clothes & jewellery, furniture, appliances, travel gear, toy, pets, boyfriends (yes you read it right) and it doesn't stop here, one can also rent a family, a trend observed in Japan!

Renting is not a taboo anymore, it's about a behavioural change, where people use as per convenience and don't feel the need to own.

Over the past few years, multiple online rental service providers have come up, from cloth and accessory providers such as **Flyrobe** to furniture & appliance providers like **Rentomojo** (backed by Chiratae) and a self-driven car company like **Zoomcar** (backed by Sequoia). Renowned investors like Accel backed two-wheeler rental service provider- **Wicked Ride** and similarly Matrix Partners backed a scooter sharing company **Vogo**. In mature rental economies like US and UK, there are several odd rental companies like Rent a Mourner.

Global Trends

According to Brookings, the sharing economy market globally is expected to grow to USD 335 billion by 2025. Most prevailing business models amongst the domestic online renting companies are Marketplace model like Gorenty or RentSetGO or the capex heavy model (owning asset) like Furlenco.

While it is observed that cost may not be the only factor to rent, sometimes one may like to try things before buying or may not have enough storage space to own. This has given a boost to rental companies like Bragpacker that deals in luggage and camping equipment or MyPleyBox, a company that rents out baby products such as a 'kid-walker'.

People Requirements

Given the evolution of this nascent start-up segment, organizations will need professionals to head critical functions such as sourcing, supply chain and operations. The growing scale of such businesses would also have a huge demand for professionals in critical functions like finance, category heads, HR and legal amongst others.

Rentals – A Real Convenience

The rental economy is at different stages of evolution depending on the category. While a rented house is an accepted norm, the car rental space is still emerging in India. Household and movable goods will catch up soon.

For an economy where 50% of population is below the age of 25 and 65% below the age of 35, renting will become the new way of living. But for now, the upside for a millennial is that a good life is just a click away, so go ahead - rent it and flaunt it.

PEOPLE MOVEMENT

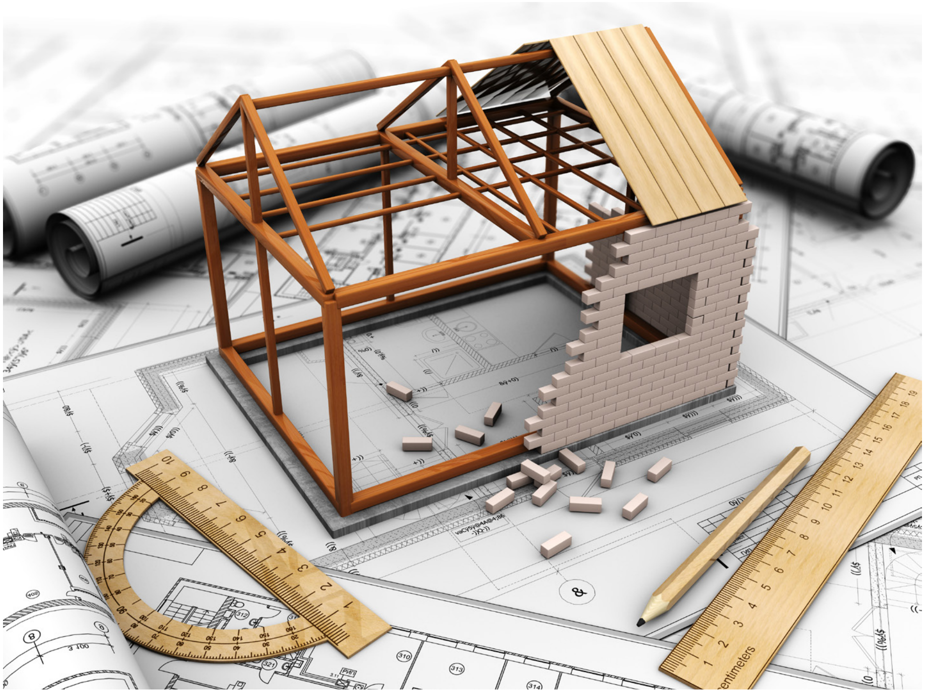
Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Sandeep Patil	Flipkart	Head Consumer & Commercial Lending	True Caller	Managing Director	May-19
Anirban Mukherjee	Jio / Reliance Payments Solution Ltd	Co-CEO	PayU	Chief Executive Officer	Feb-19
Kartikeya Bhandari	Flipkart	Senior Director-Marketing	Livspace	Chief Marketing Officer	Feb-19
Dipanjan Basu	Myntra	CFO	Fireside Ventures	CFO & Partner	Jan-19
Ananth Narayanan	Myntra	CEO			Jan-19
Spencer Neumann	Activision	CFO	Netflix	CFO	Jan-19
Sumesh Rahavendra	Amazon	Country Head, Germany and Spain	Scootsy	CEO	Nov – 18

PE to continue fueling the Indian RE sector

Nikita Garg,
Associate Partner – Hunt Partners

Sunit Mehra,
Partner – Hunt Partners

First, let's take a glance at the environment in which businesses are flourishing in India today. The country is showing signs of lower than 7% GDP growth; the two sectors that reflect the state of consumption, Housing and Automotive are on their slowest growth trajectory in more than a decade. There continues to be uncertainty in global trade relations, thereby impacting incremental job opportunities both locally and outside the home country and the most recent PMI data is far below expectations. This leads us to the question, where does growth in the country lie?



The Investment Scenario

It is a mixed bag in comparison to last year, though the months of Feb – April 2019 saw an uptick of 41% from the previous month in PE and VC investments. The sector that however, shines from a PE standpoint is surprisingly Real Estate. Latest data published indicates a USD 2.5 billion investment in Q1FY2020 in the sector by PE; highest first quarter inflows in more than a decade.

Experts are attributing this development to the first successful REIT listing which has opened an avenue for investors to participate in the momentum visible in the office markets. Warehousing and Logistics, Office, Retail and Hospitality continue to see huge bouts of foreign investor interest with Mumbai witnessing a 30.5% share followed by Bangalore at 27.3% and key investors being Blackstone, Brookfield and ADIA.

Partnerships driving growth

Contrary to the acquisitive philosophy of PE, partnerships with local developers and operators are driving such investments. Residential real estate is not far behind from this trend as investors look to augment their presence in Affordable Real Estate. Affordability will fall, leading to greater urban density and smaller apartments. Developers will become more innovative about how they design and build commercial and residential real estate, seeking to use space more efficiently.

The expected 8-10 percent annual return in the affordable segment of residential real estate is attracting not just Indian investors but also foreign entities from the U.S., Singapore and Canada.

Hunt Partners views on Leaderships related emerging trends

Leadership at most platforms across PERE continue to reflect domain expertise, local market knowledge, stakeholder management and commercial astuteness. Though, it is interesting to see an emerging talent pool arising from 'Consulting' backgrounds in some top positions. Leading this trend are companies such as Lodha Developers, Ascendas Singbridge, Oyo Rooms and more recently Tata Realty. Amongst all asset classes, heightened activity can be seen in Warehousing and Industrial Assets followed by Student Housing, Hospitality and Retail.

Warburg Pincus has recently entered both Student Housing and Retail segments. Goldman Sachs is also scouting the market actively in making direct investments in Warehousing in India. Leadership moves highlighted below shall give our readers a good view of market movement within the sector.

However, successful and robust operating experience within real estate continues to be the predominant requirement across most such platforms. 'Leasing and Business Development' as a role has witnessed significant hiring by most platforms in the previous year. Hunt Partners foresees this trend only growing in the current year.

Key Highlights

- Blackstone Group, one of the largest owners of commercial real estate in India, has agreed to buy a majority stake in Aadhar Housing Finance - an affordable housing project and committed 8 billion rupees ($112 million) additional equity to the asset.
- Piramal Enterprises and Ivanhoe Cambridge, the real estate arm of Canadian fund Caisse de dépôt et placement du Québec (CDPQ), has announced a $70.15 million investment in Palava - a project of Lodha Group on the outskirts of India's financial hub, Mumbai.
- Several domestic real estate funds, including HDFC Property Fund and Kotak Realty Fund, are also scouting opportunities in the real estate space, according to industry sources.
- An industry source said that Canadian asset management firm Brookfield Asset Management is exploring roughly half a dozen residential real estate investments and it aims to nearly double its bets in the space to over $1 billion, from $450 million in the coming year.
- The Abu Dhabi Investment Authority (ADIA), along with Hines Investments is also poised to announce an investment in the space, a source involved in the deal said.

PEOPLE MOVEMENT

Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Sanjay Dube	Landmark Group	CEO	Warburg Pincus – Retail Real Estate Platform	CEO	May-19
Rahul Pandit	Lemon Tree Hotels	President and Executive Director	Warburg Pincus – Student Housing Platform	MD & CEO	Mar-19
Hardik Shah	Brookfield	Senior Vice President	KKR	Director	Nov-18
Rahul Anand	Portman Holdings	Managing Director	ASK Group	Chief Operating Officer	Aug-18
Pankaj Renjhen	JLL	MD – Retail Services	VRSA	Chief Operating Officer	Jul-18
Souvik Mukherjee	Shapoorji Pallonji Investment Advisors	Chief Investment Officer	Mapletree Investments	Head – Logistics Development India	Jul-18
Vishal Mayani	Valeo India	Regional Purchasing Director	IndoSpace	Executive Director Leasing	Jul-18

DIAGNOSTICS INDUSTRY - TRENDS & SHIFTS

Anne Prabhu,
Partner - Hunt Partners

Natasha Mistry,
Senior Consultant - Hunt Partners

Diagnostics Sector in India

In India, diagnostics mostly comprises of pathology and radiology which are largely run by private players. Driven by demand and ability to pay, this sector has seen growth not only in metros or urban cities but also in tier 2 and 3 cities. Further, this sector is poised for a sharp growth owing to several factors:

- The increasing incidence of lifestyle diseases as well as improvements in technology and diagnostic procedures
- Increasing awareness amongst the

population, shifting the focus to early diagnosis

- Wellness and preventive healthcare gaining traction

Over the last couple of years, the market has grown at a rate of 15-20% and is at nearly INR 40,000 Cr. as of 2016

Gene Based Testing & Precision medicine

Newer technologies like gene-based testing has resulted in precision diagnostics and medicine gradually gaining visibility across the globe. This approach unlike the conventional treatment doesn't follow the 'one size fits for all' but emphasises on tailormade treatment for an individual. Though precision medicine has more traction in the oncology space, it is slowly spreading to other specialities and to preventive healthcare. Companies like Mapmygenome, MedGenome, etc are offering genetic tests and precision care, given the demand and implication in clinical practice.

The Indian Genomic Industry

It can be said that India is still at a nascent stage when it comes to genomics diagnostics as there are many complex diseases but not many organizations are addressing the same. With the humongous population that India has, there is a massive opportunity for this industry. Celebrities like Angelina Jolie are embracing this concept and endorsing it to create awareness amongst the masses. Owing to the trend these days of late marriages and hence late pregnancies, the demand for NIPT (Non-invasive prenatal test), preimplantation genetic screening (PGS), etc., to identify any genetic abnormalities early on, has gone up. However, the awareness and acceptance of gene-based diagnostics is still low and will take time to pick up, but once it picks up, it will ultimately reduce the cost of treatment and benefit the larger population.

Digitalization

The second trend is the rapid digitalization that is equally pushing the boundaries in the diagnostics space. Digitization across diagnostics has improved access to diagnostic services and overall patient management in resource-limited settings whether it is by providing rapid diagnostic test results, standardizing the interpretation of results, ensuring testing quality, reducing interpretation and transcription errors or remote monitoring. Amidst this, Artificial Intelligence and Machine Learning will become stronger in independently diagnosing disease and deriving clinical treatment decisions. Examples of players in this space include mFine amongst others.

It's all about Talent

The fast pace of development in this sector has created a demand for talented and highly skilled experts and technicians in this industry including professionals in bioinformatics, molecular biology, genetic counselling, geneticists etc. Given that this is a nascent space, talent from the more evolved international market and research and academic institutes and moving into the diagnostics space. Moreover, there is a growing demand for professionals who are ready to upgrade themselves and embrace the changes that innovation and technological development are bringing about in this space.

Source:

"Healthcare is moving towards precision diagnosis and targeted therapy" Express Healthcare - June 5, 2019

"Diagnostics sector in India is poised for a sharp growth" Biovoicenews - March 25, 2019

"Why precision medicine is the future of healthcare" World Economic Forum - January 1, 2019

"Expanding Precision Medicine: The Path to Higher Value Care" Siemens Healthineers - November 22, 2018

PEOPLE MOVEMENT

Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Girish Mehta	Medgenome	CEO India & Asia	Eurofins Clinical Genetics India	National Division Director Clinical Diagnostics	May-19
Neeraj Garg	Apollo Health and Lifestyle	CEO	Eurofins	Regional Director – India & Middle East	May-19
K M Singh	Eurofins	Director Sales & Marketing	Reliance Life Sciences	SBU Head & AVP	Apr-19
Surendra Chikara	Eurofins Clinical Genetics India & Eurofins Genomics India	Executive Director	Medgenome	VP Operations	Mar-19
Vaibhav Bhosale	Medall	VP Operations	Medwell Ventures	Regional Head	Jan-19
Subrata Mukherjee	Eurofins Genomics India	Sales Manager Pan India	Unipath Specialty Laboratory	National Sales Manager	Nov-18
Chirantan Bose	Medgenome	VP Clinical Services	Healthians.com	SVP Lab Operations	Aug-18

CONSUMER HEALTHCARE IN INDIA: A GROWTH SAGA

Anne Prabhu,
Partner – Hunt Partners

Shreyash Jain,
Associate – Hunt Partners

The Consumer Healthcare Industry which is essentially health and wellness products and OTC drugs for pain, digestive disorders etc. has been in focus over the recent years.

Factors driving growth in Consumer Healthcare

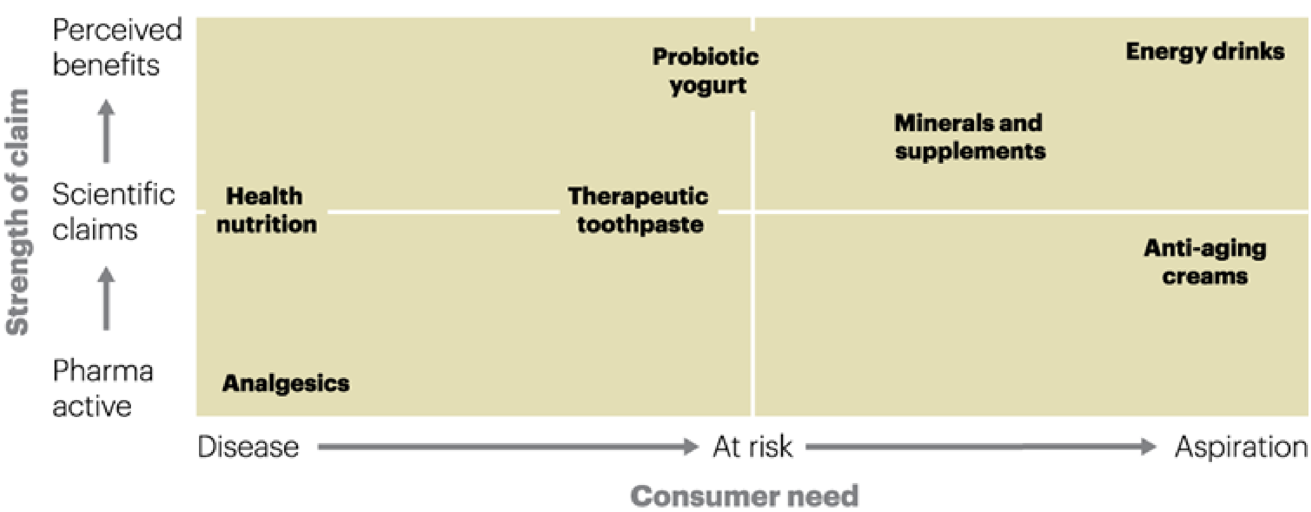
- Growing awareness of wellness and focus on preventive healthcare due to the increased prevalence of lifestyle diseases;
- Self-medication and need for choice for common ailments with increased education and awareness;
- Rise in disposable income resulting in a demand for various new categories of consumer healthcare and wellness products

Pharma companies looking to broad base their offerings and Consumer companies looking to stay relevant are increasingly investing in this segment organically or through acquisitions. Examples include:-

- Hindustan Unilever acquired GlaxoSmithKline Consumer's blockbuster brands Horlicks, Boost and Maltova.
- P&G acquired Merck's consumer business.

Indian Companies have also forayed into this space:

Figure 1
Defining the consumer health market



Source: A.T. Kearney analysis

- In 2018, ZydusCadila(housed in Zydus Wellness) bought Kraft Heinz's consumer brand businesses, which include Complan.
- Companies like Piramal Healthcare, DRL, Sun, Lupin, Cipla, Glenmark, etc. have also been innovating and/or establishing independent subsidiaries to focus on this segment

Recently, the fast-growing consumer healthcare market has attracted interest of several traditional Indian Pharmaceutical companies which were largely selling prescription medicines, to enter the over-the-counter (OTC) products. Given that it's a long-term investment game and the competition is strong, companies are choosing differentiated products and creating innovative healthcare solutions.

Growth Trends

The consumer healthcare segment in India is headed in the right direction and the penetration in many categories is very low. According to a recent report by market research company Euromonitor International, consumer healthcare market in India grew at a compounded annual growth rate of 11.5 per cent between 2012 and 2017. From INR 270 billion in FY 2018-19, the market is expected to reach INR 310.3 billion by 2022. It is one of the fastest-growing industries in India, growing at a CAGR of 10 to 11% year-on-year.

The Way Ahead

An important factor for companies to grow in this segment is a strong marketing and distribution network. To succeed in the OTC segment, they should also invest in advertising and promotion. As the consumer healthcare space is very different from the pharma products market, companies are also bringing in talent largely from the consumer industry.

Currently, chemists or pharmacies drive the sale of consumer health products in India. However, the penetration of OTC products into traditional retailers and modern trade remains relatively low. To reach out to consumers in rural and semi-urban regions of the country, the companies are now focusing on traditional channels. Consumer-centric approaches are increasingly being used to promote products.

There is significant room for disruption in India's consumer healthcare segment as it is still fragmented. Leadership talent i.e. business heads, marketing / market insights and R&D roles are very much in demand and will contribute to the further growth of this industry over the next few years.

PEOPLE MOVEMENT

Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Angelo George	Anchor	Chief Executive Officer	Emami	Chief Operating Officer	Mar-19
Atanu Mitra	BSN medical	Business Director Key Accounts and Head of Marketing	Abbott Molecular	Country Manager, India	Jan-19
Amit Gupta	Merck Group	Head of Consumer Health Finance, Asia	Procter & Gamble Health Limited	CFO & Executive Director Finance	Dec-18
Prakash Gupta	Fonterra Brands SriLanka	Director (Integrated Supply Chain)	Wockhardt Ltd	President (Global Supply Chain and Generics Business)	Sep-18
Sunil Singh	Reliance Industries	Vice President HR	Cadila Pharmaceuticals	CHRO	Aug-18
Amitabh Mishra	Vedanta Resources Limited	Chief Digital Officer	Emcure Pharma Group	President and Global CTO	Jul-18

Warehousing on an upswing

Anne Prabhu,
Partner – Hunt Partners

Dhara Katkoria,
Senior Consultant – Hunt Partners

Warehouses, from being called godowns many decades ago, have today emerged to be the backbone of the manufacturing and burgeoning e-commerce industry. The warehousing space is continuing to evolve at a rapid speed to keep pace with the changes in the industries it serves. The Indian warehousing and logistics sector is estimated to attract nearly $10 billion investments over the next 4-5 years. With the addition of around 200 million sq. ft warehousing space across India, total supply is expected to nearly double by 2022 (source: JLL).

Factors driving growth

- Rapid rise of ecommerce – FlipKart-Walmart, Amazon and the likes. The $35 billion e-commerce market is projected to grow 25 percent a year for the next five years and exceed $100 billion by 2022, according to a report by tech industry body NASSCOM and PricewaterhouseCoopers.
- GST (Goods and Services Tax) implementation - This uniform national tax has unified India's 29 states into a single market. With this, the logistics, distribution and warehouse locations have been driven primarily by business and efficiency considerations vis a vis taxation. Thus, the earlier fragmented chains are now consolidated into large distribution chains with centralised hubs and networks.
- Infrastructure status to the logistics industry - This allows developers to access lower-cost funding for development. This coupled with the decline in the residential housing market has encouraged some developers to consider warehousing. E.g. Panchshil Realty which is concentrating on logistics facilities, among other new investments rather than residential. Other developers / potential developers include Lodha Group Hiranandani, etc.

The Market

According to a report by Ernst & Young and the CII Institute of Logistics, the size of the Indian warehousing industry is estimated to be around Rs 560 billion. The sector is growing at an average 10% per annum. This consists of warehouses for:

- agricultural and horticulture products - 15%
- cold storages - 16%
- industrial and retail players - 55%
- Inland Container Depots (ICDs) and Container Freight Stations (CFSs) – 14%

Developments in the Sector

A key trend emerging now is the growing demand for warehousing and logistics space from tier II cities like Coimbatore, Guwahati, Lucknow, Jaipur & Ludhiana in addition to Tier I cities like Delhi NCR, Mumbai, Pune, Bengaluru and Chennai.

There is a rapid increase in the number of large organised players in the market, from barely three or four to at least eight or ten in the last couple of years. They are investing and building warehouses faster and with higher quality. This includes a number of private Indian developers like Musaddilal, Panchshil, GWC, FWS, Hiranandani, Lodha Group, Jalan Group, Srijan, Apeejay, AllCargo to established and newer foreign funds-managed developers who have also entered this segment by way of joint ventures, joint developments and acquisition of existing portfolio. This includes Altico Capital, Ascendas FirstSpace, ESR, IndoSpace, Embassy, LOGOS India, Morgan Stanley and Proprium. Marquee global players such as Warburg Pincus, Blackstone and KKR have also entered the segment. Hindustan Infralog (DP World + NIIF) bought a controlling stake in KRIBCO Infrastructure and acquired CWC, Morgan Stanley Real Estate Investing bought a majority stake in KSH Infra, a Pune-based warehousing and industrial logistics park developer; Warburg Pincus formed a platform with Embassy Group for development and management of warehousing assets in the country; CPPIB has backed warehousing developer IndoSpace.

Logistics players in India have typically followed an asset-light model under which they lease warehouses instead of owning them. But the recent infrastructure status encouraged them to chart out plans of having a mix of owned and leased warehouses. Firms mix their warehouse use (split between multiple companies to maximise utilisation) and improve their earnings.

Among sectors, third-party logistics (3PL) companies, ecommerce, auto & ancillary, retail and fast moving consumer goods (FMCG) companies accounted for around 60% of the absorption during the year. Dozens of companies and logistics players such as DHL, Amazon, Future Group and FedEx have all rushed to set up warehousing spaces.

The Road Ahead & Talent Trends

The industry will witness a structural shift in the next three or four years. Warehouses are getting larger and better equipped (technology, robotics and even advanced fire-fighting systems).

The new entrants in this business will either be disruptors who can leverage the use of technology and differentiate the product offering or forward integrators who do not only wish to use their supply chain but also be providers in the industry.

Borrowing would have its own challenges as banks are concerned with the current destabilisation in the banking sector due to compromises made in certain sectors, frauds reported, NPAs shooting up, etc.

The warehousing industry which was a source of jobs for the local population, will perhaps see a decline over the long term with AI and robotics. Till manual operations exist, locals will continue to get manual jobs. At the leadership level, there has been an increase in the need for talent to manage the P&L and drive growth, customer orientation, ability to manage operations in a highly competitive market by providing value is in demand.

PEOPLE MOVEMENT

Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Dwarkesh Jhaveri	Ceva Logistics	Finance Director	TVS Supply Chain Solutions	CFO India	Apr-19
Mansur K	Caterpillar	APAC Head – Supply Chain Solutions	Flipkart	Director Supply Chain	Apr-19
Mahesh Adapa	Kesar Multimodal Logistics	CEO	Continental Multimodal Terminals (DP World)	Head PFT - Vizag	Mar-19
Prashant Ahir	Reliance Industries	Manufacturing Cluster Head of HR	Stellar Value Chain Solutions	Chief Human Resource Officer	Mar-19
Ramakant Kshirsagar	JDA Software	Director Sales India	Freight Tiger	Senior Director Sales	Feb-19
Srinivas Sattiraju	Delex cargo India	CEO	Geodis	Managing Director India – Contract Logistics	Feb-19
Sharon Thomas	Al Tayer Group	VP Logistics & Supply Chain, Retail	Stellar Value Chain Solutions	CEO Contract Logistics	Feb-19
Nikihil Nadkar	Damco	Solution Sales Director	Agility	National Ocean Product Head	Jan-19
Anuj Mathur	Telenor	SVP & Head Internal Audit	DP World	Head of Internal Audit	Jan-19
Nagarajan Kumaraswamy	Damco	GM – Head CSO - South India	A.P. Moller - Maersk	Head of Terminal WnD & Execution - South & East India, Nepal & Bhutan.	Jan-19
Ajit Jangle	TVS Logistics	COO	DP World	CEO Supply Chain Management & Delex	Jan-19
Shantanu Roy	Mahindra Logistics	Chief Information Officer	Ehaat	Chief Technology Officer	Jan-19
Dharmendra Saxena	Arshya	AVP	Samsung SDS	Director	Jan-19

Debt Fund Fiasco: A five finger discount to investors?

Arjun Erry,
Partner – Hunt Partners

Tehsin Danawala,
Principal – Hunt Partners

> "History repeats itself first as tragedy, second as farce"
>
> - Karl Marx.

The recent debt fund fiasco if not a repeat, then certainly is a rhyme to the debt fund defaults seen in the past. One has not forgotten Amtek Auto default on bond payments that hit JP Mrogan AMC, or the Deccan Chronicle - Pramerica MF default, and the Ballarpur downgrade to junk causing trouble to IDBI MF.

The Indian MF Industry

While India lags behind most of the major nations in terms of mutual funds as a percentage of GDP (at just 11% versus the world average of about 62%), the current market condition is certainly not conducive enough to change this status. Most investors are staring at losses with three – seemingly independent but related – credit events

- The down-grade of the IL&FS debt to default
- The moratorium on principal repayments on issuances of bonds / NCDs by the Essel Group
- The downgrade of papers of Reliance Home Finance

These events have brought to the fore the credit appraisal, underwriting, and risk management processes on the Fixed Income side of Mutual Funds.

The growing challenges of Fund Managers

While one can argue that these defaults were not linked, however the common thread in these defaults may be the pressure on fund-managers to generate consistently above-benchmark returns.

The multi-fold surge in Debt Asset Under Management (AUM) during the period 2008 -2018, has led to a large sum of money chasing a limited pool of investable grade securities. To compound matters, the pressure to increase AUM and generate alpha- may inculcate a higher risk-taking behaviour amongst investment teams – and this could lead to the fund subscribing to papers which managers may not have ordinarily done.

Fund Managers 2.0

A lot has been said about remedial measures, some ranging from increasing ownership amongst stakeholders like regulators, credit rating agencies, promoters and investment managers to penalizing defaulters. However, the most immediate and impactful amongst these will be renewed ways of fund management.

Adherence to stringent risk management processes and effective use of credit monitoring systems will both be important. Fund managers may also adopt new formats of safety margin (value of the collateral in relation to the sum borrowed) to protect themselves from a potential default. In high-risk cases, where the issuer's equity is offered as collateral, fund-managers may also look at escrowing the issuer's (i.e. the company's) cash-flows as a hedge.

Predictive Analytics & Research: The success mantra

The ability of a fund manager to distinguish signal from noise will become equally essential. Their skill to conduct predictive analysis & gather forward-looking views on the sector, industry and organization will give an edge.

PEOPLE MOVEMENT

Name of the person	From (Company)	Designation (Was)	To (Company)	Designation (As)	Date of the move
Pradeep Gokhale	TATA MF	Senior Fund Manager	ITI Mutual Fund	Senior Fund Manager	Nov-18
Leo Puri	UTI	CEO			Aug-18
Anup Maheshwari	DSP Blackrock	CIO	IIFL	CEO & CIO	Jul-18
Gopal Agawral	TATA MF	CIO	DSP Blackrock Mutual Fund	Senior Fund Manager	Jul-18
Ashish Balaji	InstaRem	CTO	DSP MF	CTO	Jun-18
Ravi Gopalakrishnan	Head Equities	Canara Robeco			May-18
Prathit Bhobe	ICICI Bank	General Manager	TATA MF	MD & CEO	May-18

CT EXECUTIVE SEARCH

Entering the Indian Market Step-by-Step

Christian Tegethoff
Managing Director – CT Executive Search

About the company of the author

CT Executive Search specializes in senior recruitment in Eastern Europe and the emerging markets, leveraging its proprietary research capacities in Moscow and a network of partners and freelancers in Eastern Europe Russia & CIS, Asia, the Middle East and Africa. CT Executive Search closely cooperates with Hunt Partners across South Asia.

Not only the large German corporations, but also many mid-sized German companies are well experienced with working on foreign markets. This is especially true in the German B2B sector, where practically all companies operate international supply chains and export their products to distant places like China, Russia or the USA.

India with its growing economy is becoming more and more attractive especially for German manufacturers from the machine-building, automotive and pharmaceutical industries. When entering the Indian market, German companies typically pursue a three-stage model, employing a step-by-step approach that is designed to mitigate financial and commercial risk.

Step 1 – Understanding the Market

The company will gather information on the Indian market. Popular information sources are Indian trade fairs, the German industry associations and the Indo-German Chamber of Commerce. The Indian government also provides information and contacts, e.g. via the "Make in India" initiative.

As soon as they have an overview of the market structure and regulatory environment, especially smaller companies will typically decide to cooperate with Indian dealerships. These distribution partners usually also act as importers, assuming the transport and customs clearance responsibility from the manufacturer. For the German company, this is a low-risk option because virtually no investment is required.

However, sales through distributors does not allow for the development of market knowledge and contacts with end customers. Also, the pricing is beyond the control of the manufacturer. Moreover, motivating sluggish dealers without a presence in India is difficult.

Step 2 – Set up Sales Office

For these reasons, many companies decide to take the next step and set up a sales office in India. This allows closer management of the dealers, as well as facilitating direct business with end customers.

Customers in the capital goods sector carefully assess the service and maintenance offering associated with a product. Especially buyers of German goods have high expectations regarding the service level; operating a subsidiary allows the manufacturer to offer aftersales products inhouse, without having to rely on external service partners.

Step 3 – People Hiring

Need for Localization

Companies that have successfully entered the market via the three described steps might then consider a (partial) production localization. A push factor for this is usually the need to adapt products for the requirements of the Indian customer.

However, the improving legal and commercial environment makes India an increasingly attractive manufacturing hub for the entire South/Southeast Asian region and the Middle East. We are proud to assist German companies together with Hunt Partners on their way to success in India and beyond.

Why Governance Continues to be a Challenge-A Family Business Perspective

Kavil Ramachandran

Professor & Executive Director - Thomas Schmidheiny Centre for Family Enterprise, Indian School of Business

Corporate governance is a challenge despite the variety of regulatory measures taken in recent years. This is true in family businesses that constitute over 91 percent of all listed companies in India. We will discuss how high-quality governance can be assured in them.

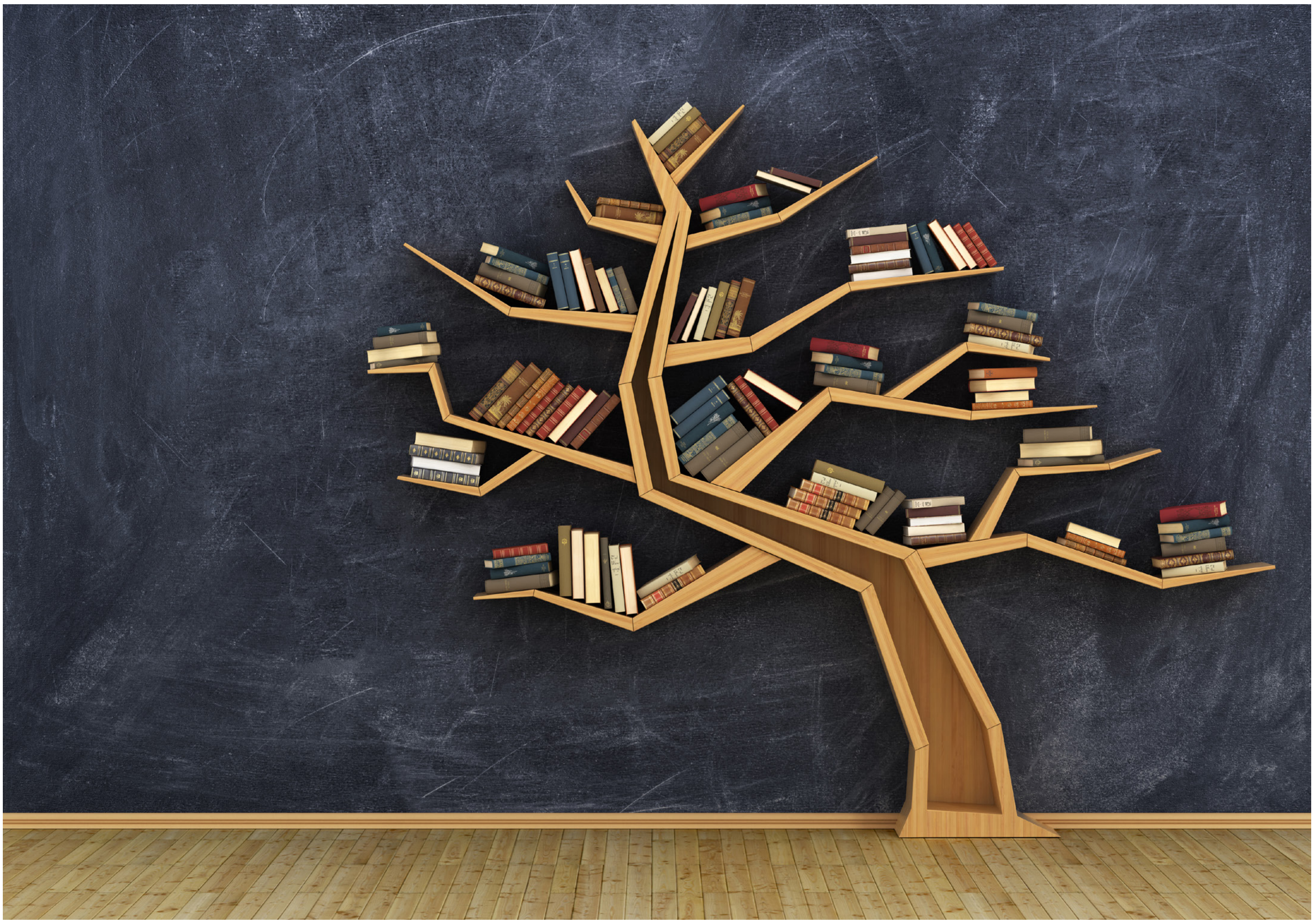
Building blocks of corporate governance

The essence of governance is to ensure fairness across all stakeholders, and the board of directors is its custodian. Without a facilitative organizational culture, good governance will not flourish. Thus, leadership never compromises between the interests of the organization and its stakeholders. Hence, having an independent board that takes its work seriously is important to oversee the operationalization of regulatory requirements in letter and spirit.

Major governance challenges arise when the leadership compromises on the long-term interest of the organization for short term gains while interpreting and implementing governance policies. One has to go beyond the form and look for the content! This does not happen automatically. Since organizations have to transform themselves during their journey of evolution, it is important to recognize that changes in the capability and knowledge basket of the leadership includes governance. Business does not continue to remain a subset of the promoter any more but grows beyond, with multiple stakeholders impacted by its actions. This is when ownership becomes greater responsibility; values have to be institutionalized in nature, much beyond financial excellence.

Role of promoter families

Promoter families with significant stakes in the business can build or break any of their creations. Corporate India has many well governed businesses. A common feature of leadership of all of them is their family's commitment to stewardship and personal ethics. Families behind groups such as the multi-generational Murugappa and Godrej or younger corporates like Mahindra and Dr. Reddy's Laboratories have demonstrated their commitment to building their businesses as institutions. They have played the relay game of leadership succession very strategically, recognizing the need for changes in the resources' endowments



required to sustain the organization's journey forever. This includes changes in the board composition, its independence in judgement and action. Fundamental to achieving this is the recognition of the leader about one's own limitations. They believe in humility as a virtue, and practice "detached passion" that enables them to be objective. They separate themselves from the organization and let everything happen that helps the organization grow as an institution.

Building beyond the founder generation by the inheritors is not easy since in most cases the successors would not have gone through the pangs of creation. There is a growing trend among business families (including founder entrepreneurs) to learn the concept and process of creation and practice of family governance which is good. This is particularly among families that have witnessed bitter breakups in the past. Families clarify the range of roles possible for them (e.g., operational vs strategic) in their ever-changing businesses. They prepare clear ownership agreements and keep the family members tuned to the core values continuously.

Role of non-family key stakeholders in upholding governance

Two other major stakeholders are the board of directors and the operational leadership. The board represents outside investors too. They have a fiduciary responsibility to play the stewardship role actively. This includes actively sensitizing the promoters about the need to wear the 'ownership' and 'management' hats judiciously.

> Given that most business leaders have a history of taking a "discovery driven" exploratory journey, their own understanding of the need to see themselves different from the organization may be limited.

The board can show the mirror of reality to the promoter families. Regulatory institutions such as SEBI can also play a more active role in creating a more informed governance atmosphere in all companies. That will help promoters and businesses evolve as separate institutions, supporting each other.

Mr Amitabh Kant is presently posted as CEO, NITI Aayog (National Institution for Transforming India). He was till recently Secretary, Department of Industrial Policy and Promotion (DIPP).

Amitabh Kant is a member of the Indian Administrative Service, IAS (Kerala Cadre: 1980 Batch). He is the author of "Branding India – An Incredible Story" and has been a key driver of "Make in India", Startup India, "Incredible India" and "God's Own Country" campaigns which positioned and branded India and Kerala State as leading tourism destinations. These campaigns have won several international awards and embraced a host of activities – infrastructure development, product enhancement, private-public partnership and positioning and branding.

Amitabh Kant has worked as Chairman & CEO, Delhi-Mumbai Industrial Corporation, CMD – ITDC, Joint Secretary – Ministry of Tourism, Government of India, Secretary – Tourism, Government of Kerala, Managing Director, Kerala State Industrial Development Corporation, District Collector, Kozikhode and Managing Director, Matsyafed.

Amitabh Kant did his schooling from Modern School, Delhi, Graduation in Economics (Hons) from St. Stephens, Delhi University and M.A from Jawaharlal Nehru University. He is a Chevening Scholar.

Amitabh Kant
CEO - NITI Aayog

The Age of Disruption and The Future of Jobs

(Why we must embrace the new era of artificial intelligence, blockchain & robots)

The ancient Chinese game GO, which has a very high number of possible moves, was considered almost impossible for a computer to beat humans two years ago. Last year when Alpha GO (a GO program designed by two GO players) beat the best human professional GO Player Lee Sedol in a five-game match, by learning from millions of games, it became clear that machine learning has breached even the bastion of strategic thought. Impossible Foods a fourth industrial revolution technology company makes a plant-based food that smells, tastes, looks like real meat. It threatens the future of the $ 90 billion meat industry. If only 20% of the world's population switches from eating real meat to alternative proteins it would free up 12% of total fresh water, free 400 million hectares of land and 960 megatons of CO_2 emission. Both traditional manufacturing and service-oriented industries are being disrupted in a manner we have never seen before.

The Fourth Industrial Revolution

We are in the midst of the fourth wave of technological advancement - the phenomenal use of new digital industrial technologies known as the Fourth Industrial Revolution. The word revolution implies abrupt and radical change. The first industrial revolution spanned around mid-1700 to 1840 triggered by the invention of the steam engine which led to mechanical production. The second industrial revolution made mass production feasible and was catalysed by the discovery of electricity and assembly line. This began in late 19th Century and continued till early 20th Century. The third industrial revolution began in the 1960's and was driven by computers, digital technology and the internet. The fourth industrial revolution is being driven by ten technologies that are transforming industrial production. These are: autonomous Robots; simulation; big data and analytics; augmented reality; the cloud; cyber-security; additive manufacturing; horizontal and vertical integration; the internet of things and artificial intelligence. These technologies are impacting the entire production value chain from design to productivity, speed and quality of production.

Impact of the Fourth Industrial Revolution

A vast range of jobs are at risk of extinction and rapid scaling could lead to accumulation of job losses. The other fear is that new technologies would lead to increase in inequalities and lack of social cohesion. Elon Musk has stated that artificial intelligence represents an essential threat to humanity and has suggested tight regulations. Bill Gates has stated that Robots need to be taxed to compensate for greater efficiency compared to humans and suggested that the pace of automation should be slowed down.

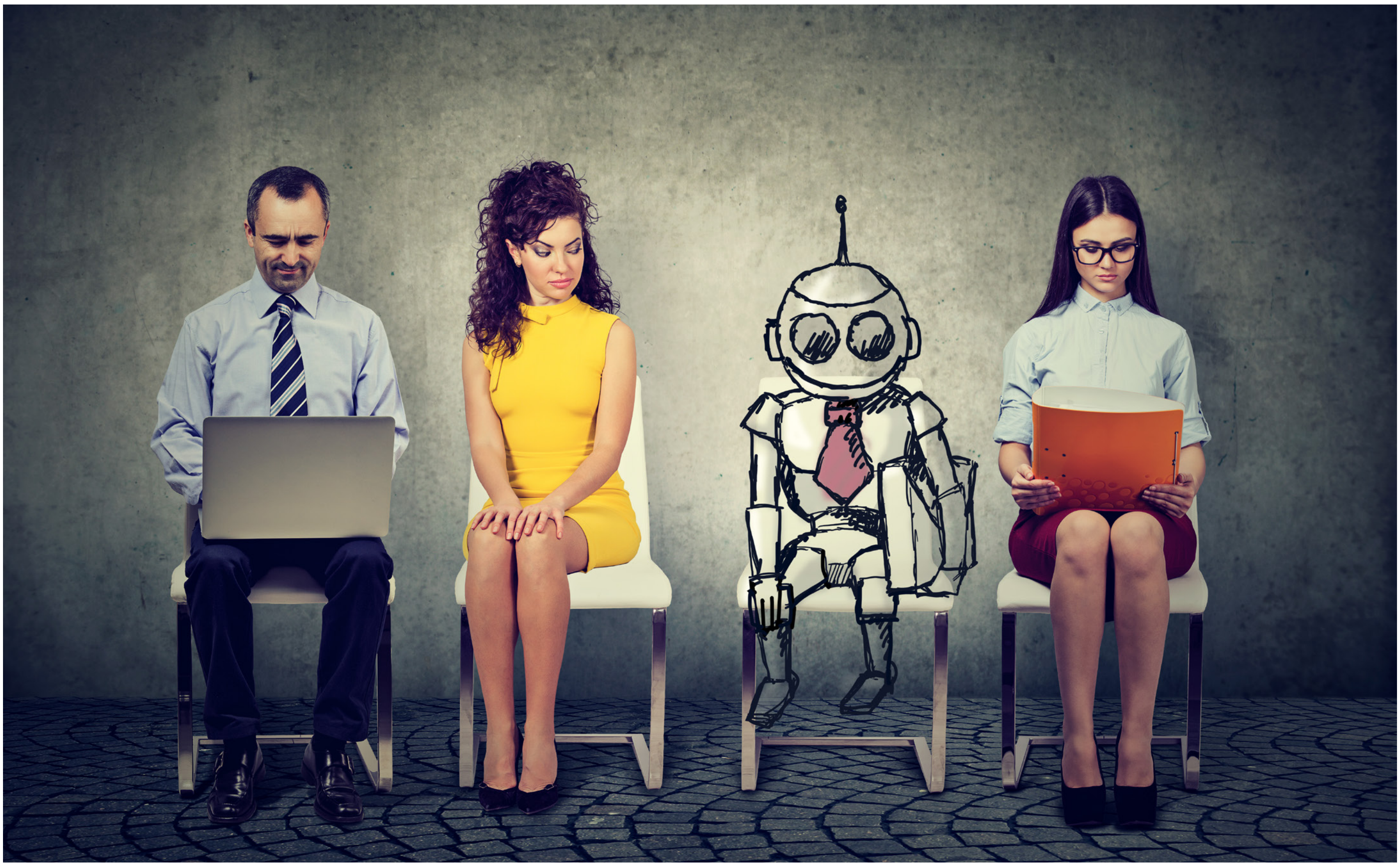
McKinsey Global Institutes report, "Jobs Lost, Jobs Gained: Workforce Transitions in A Time of Automation" estimates that between 400 million and 800 million people around the globe could be displaced by automation and will need to find new jobs by 2030. While new jobs will be available, people will require new skills to find them. There will be considerable need for re-skilling and training.

Technology to Solve Business Challenges

The two indicators holding India back in Ease of Doing Business are enforcement of contracts where India is 164 out of 190 countries and registering property where India is 154 out of 190. About 3 crore cases are currently pending in various courts of India. Two-thirds of all civil cases in district courts relate to registering land. Blockchain based smart contracts could radically reduce litigation, bring transparency in land registry and eliminate corruption relating to land. India has a billion biometrics on Aadhar. We have a unique opportunity to leverage our public identities to have many applications on a blockchain network.

The Power of AI

According to a PwC report, Artificial Intelligence will contribute as much as 15.7 trillion to the world economy by 2030. Given India's strength in technology, favourable demographics and structural advantages in availability of advanced data, India can be a pioneer in the field of AI. Artificial Intelligence has the potential to add US $ 957 billion



to India's economy by 2035 (Accenture Report) India's data diversity is a big draw for global AI implementers as data is the fuel that powers current generation AI algorithms utilising deep learning. Artificial Intelligence can be a game changer in government where "Scale" and "Quality" need to be addressed simultaneously.

Required Reinvention

1. We must move away from the Anglo-Saxon system of education with emphasis on academic degrees to hands on learning in practical subjects. A beginning has already been made by Atal Innovation Mission. It is the first program of this size and scale globally which aims to change the fundamentals of our education system to better enable our society to work in the future.
2. We must constantly upgrade skills for newer and higher paid jobs. There is a severe shortage of skilled manpower. India needs massive upgradation programmes in new technologies. Our IIT'S and IIIT's must redefine themselves as institutes driving cutting edge technologies for the fourth industrial revolution.
3. We must create a highly flexible, resilient and adaptive workforce which is multi skilled and has the capacity to undertake digital tasks from anywhere rather than a fixed location.
4. We must initiate measures to ensure that India's citizens and its workforce are fully prepared to embrace the new era of AI, blockchain, additive manufacturing and emerging technologies. India cannot afford to bypass this revolution. This requires a new mindset. Our policies must drive this change.
5. We must work across disciplines and institutional boundaries. We must break silos. Medical data is an example. Lifesaving opportunities can be utilised by sharing large set of genomic data across different health providers and research organizations.
6. Our focus must be on social sector – education, health, nutrition where new technologies will enable us to leapfrog, improve the quality of life and enhance our human development index. These are also the sectors where maximum jobs will be created.

Countries are still navigating the early stages of transformation of this new industrial revolution. Can India jumpstart this transformation?

The views expressed are personal

Making Fair Comparisons – A Tale of Two Large Nations

Sandeep Asthana
Country Head India – Sun Life Financial

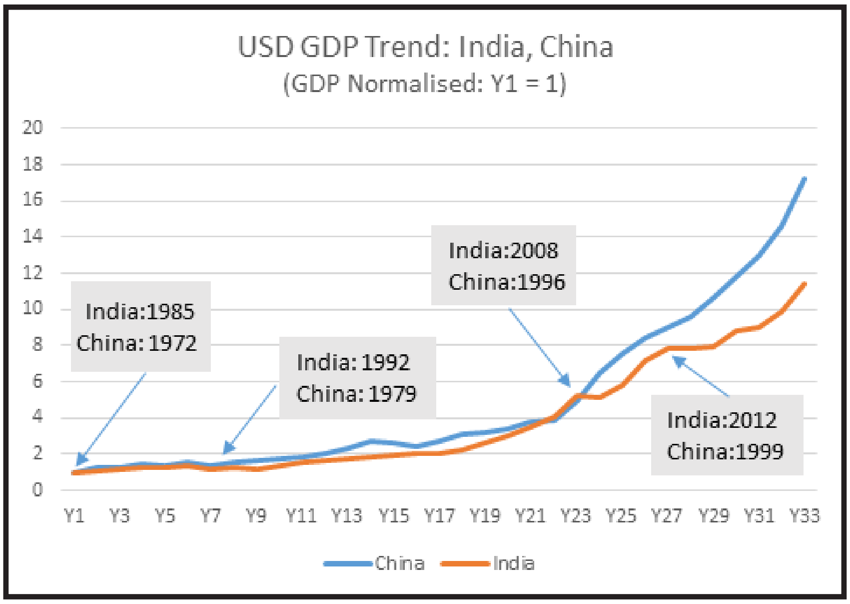
I often come across comparisons between the fiery fast-moving dragon that is China and the slow bumbling elephant that is India. How fair is that comparison?

China and India are the world's largest nations. Like all large nations, both are complex organisms that are constantly learning and adapting. Each has a unique mix of economic systems, culture, limitations and strengths. Each has its own objective for economic development. But to truly compare these two economic giants, we first need to look back at their history.

The History: When it all began

China became a Republic in 1912, and in 1949 chose one party led communism as its political ideology. It chose to be socialist, largely closed to the world until Deng Xiaoping opened up the economy voluntarily in 1979, a full 13 years before India opened up its economy under duress.

India had a different path. It chose to be a democracy after gaining independence in 1947. In decades that followed, India became socialist as the government gradually became the largest participant in the economy. In 1992, faced with a balance of payments crisis, it had to open up its socialist economy to the private sector to access an emergency loan from the IMF. That was a rebirth, and started India's journey to transform into a capitalist democracy, and this journey continues.



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What does that mean for the comparisons between India and China?

When India's year of opening up (1992) is re-based to the year of China opening up (1979), an interesting trend emerges on US Dollar GDP (Source: World Development Indicators, World Bank). India's GDP trend tracks China's quite closely until 2007-08 on India's timeline when it was hit by the global financial crisis (GFC). That year was 1996 on China's timeline. After that the trends start to diverge.

India and China initially showed the same trajectory of GDP growth. They tentatively adjusted to private and global capital after decades of distrust of the 'profiteering' private sector and the 'outside' world.

Indian optimism and exuberance hit global turbulence in 2008, its GDP growth started to slow, and it exposed additional weaknesses in economic and financial structures, which are still being addressed. In contrast, Chinese growth continued unabated 1996 onwards as the global environment was a lot more benign then, aided by an almost secular global growth.

In 2017 (Y33 on the chart), after a long period of stabilization post-GFC, India was where China was in 2004. Interestingly, from 2004 to 2017 the Chinese economy grew over 15% per annum in USD terms.

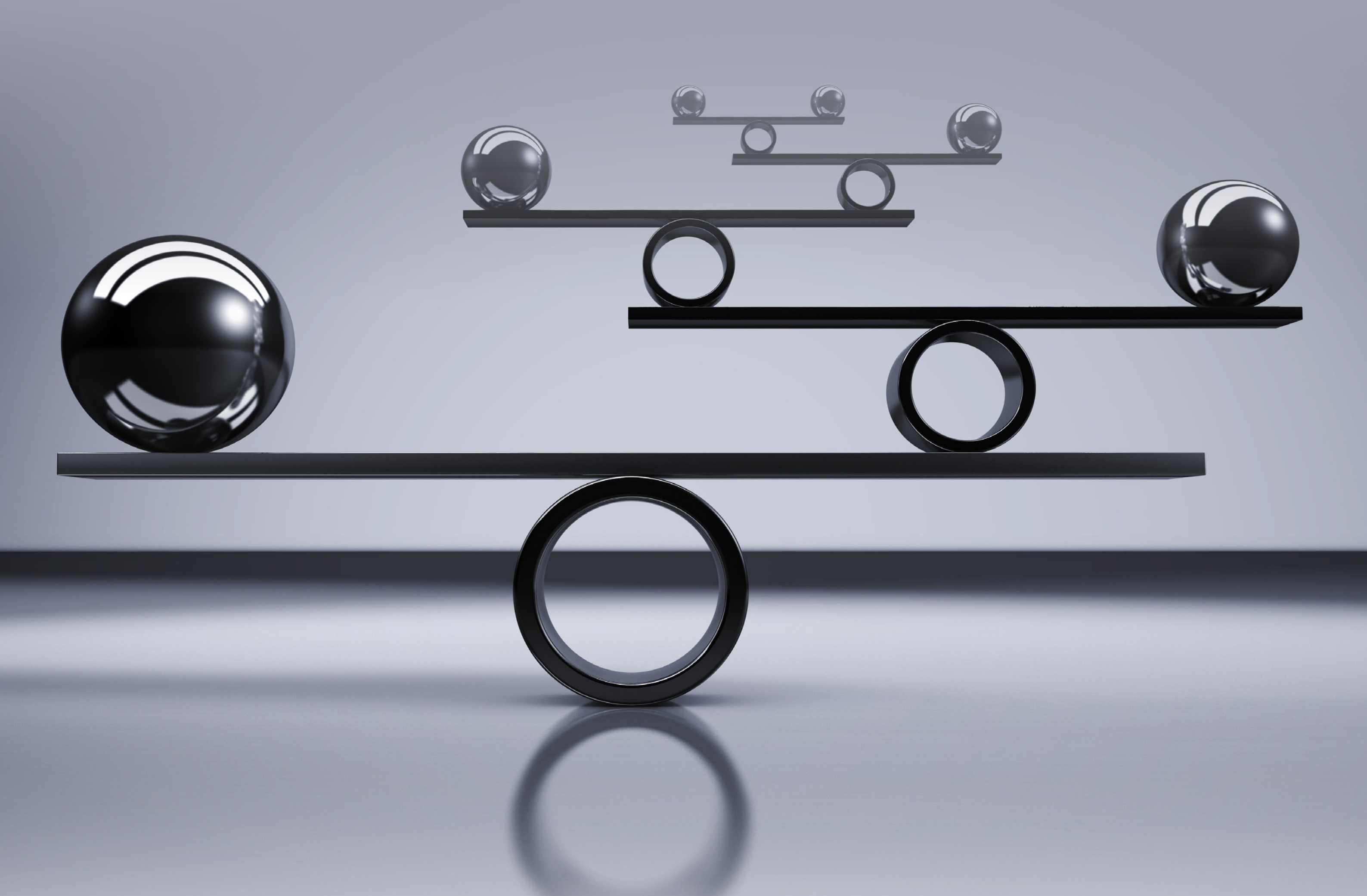
Should we expect India to match that? While India will continue to grow, I believe its growth rate will always be lower than that of China.

There are good reasons for India's slower growth

India is a federal democracy, which has arguably the largest diversity of demographics, culture, language and religion in the modern world. That creates its own challenges in designing policies and implementing them. While the capitalist mindset is still evolving, India has taken strong steps in strengthening the institutions that are essential for a democratic capitalist structure. These include judiciary, independent election body, effective central bank and financial market regulators. There is also the independent media. In a capitalist democracy, these institutions provide the checks and balances, but they also moderate growth. Moreover, India's global image will always be difficult to manage as its diversities and dissonances find instant expression in media – both traditional and social.

The future of New India

New India since its rebirth in 1992 is still a young nation, and like many developed nations it will gradually evolve its own frameworks relevant to its history, diversity and culture. The process is accelerating thanks to the rapid proliferation of digital information and digital tools. While transformation of India will be unique and unpredictable, it will also be self-corrective.



K. A. Narayan
President HR – Raymond Ltd

SELF AUTHORING LEADERSHIP

K.A. Narayan is President-HR for Raymond Ltd which is a conglomerate of Fashion, Retail, FMCG, Engineering and Real Estate businesses. Over the eleven years of association with the Group, the Group has undergone a massive transformation of talent, culture and growth. Prior to Raymond, he spent 19 years in the pharma industry with Wockhardt Ltd and left the Company as their Global President-HR & Legal. During his tenure the Company grew from a INR 100 crore turnover to INR 6000 crores through acquisitions globally and in India.

Amongst the myriad count of successful leaders who are known in this world, few stand out for the extraordinary legacy they leave behind. They are icons and national symbols who are synonymous with the organisation they lead and with the industry they represent.

- What differentiates these leaders from the rest?
- Why are they larger than life?
- What drives them to build institutions?
- Why are they irreplaceable?

Self Authoring Leaders

These leaders are amongst a unique breed called Self Authoring Leaders.

There are several qualities that define a self-authoring leader – two of which are outstanding. They connect with a deep sense of Purpose and operate on strong Values.

Purpose-led Leadership

In the year 1976, when addressing a group of Doctors, His Holiness Jagadguru Shankaracharya of Kanchi Kamakoti Peetam spoke of the need for a hospital with a missionary spirit. That triggered the thought in the mind of Dr. S. Badrinath who, along with a group of philanthropists, started a not-for-profit eye hospital called Shankar Netralaya which marked the beginning of world-class eye care to the people of India; one that would adopt a single standard of care for all, rich or poor, one that would share the fruits of its knowledge and spread its concept of care to distant parts of this country. This institution has become one of the leading eye care chains in India. This is a great example of Purpose led leader in the social sector.

A recent example of a renewed energy in the organisation using Purpose is Unilever. When Paul Polman took over as the CEO of Unilever, the first thing he did was to articulate a very inspiring Purpose of reducing the carbon footprint on the planet. While it sounded very esoteric to begin with, the entire organisation was rewired to meet this Purpose. What Polman left was an indelible ink in the organisation where every employee got a great insight as to how they are contributing to a larger cause on this planet. This initiative had a significant impact on the global carbon footprint. Isn't it very audacious for a leader to even think of inspiring the entire organisation with a larger purpose and yet grow the business profitably?

Leadership Trends

Leaders like Varghese Kurien (AMUL), Yogi Deveshwar (ITC) Muhammad Yunus (Gramin Bank), Martin Luther King, Mahatma Gandhi are other examples of self-authoring leaders in more recent times. Research shows that 50% of millennials are even willing to take a pay cut to find work that matches their values and purpose. While competent managers may be able to get a job done, purpose driven leaders are able to inspire and motivate employees at a deeper level.

Organisations are, therefore, investing a huge amount in cultivating and grooming self-authoring leaders who are passionate about leaving a legacy rather than just getting a job done.

Turnaround Managers for Distressed Assets

Arjun Erry,
Partner – Hunt Partners

Several new investment platforms are being set-up targeting distressed assets in India. These assets could be currently owned by private equity, asset reconstruction companies (ARCs), in resolution by creditors under several R.B.I. debt-restructuring schemes, or admitted to the N.C.L.T. under the Insolvency & Bankruptcy Board of India (I.B.B.I.).

Channels for reconstruction and resolution

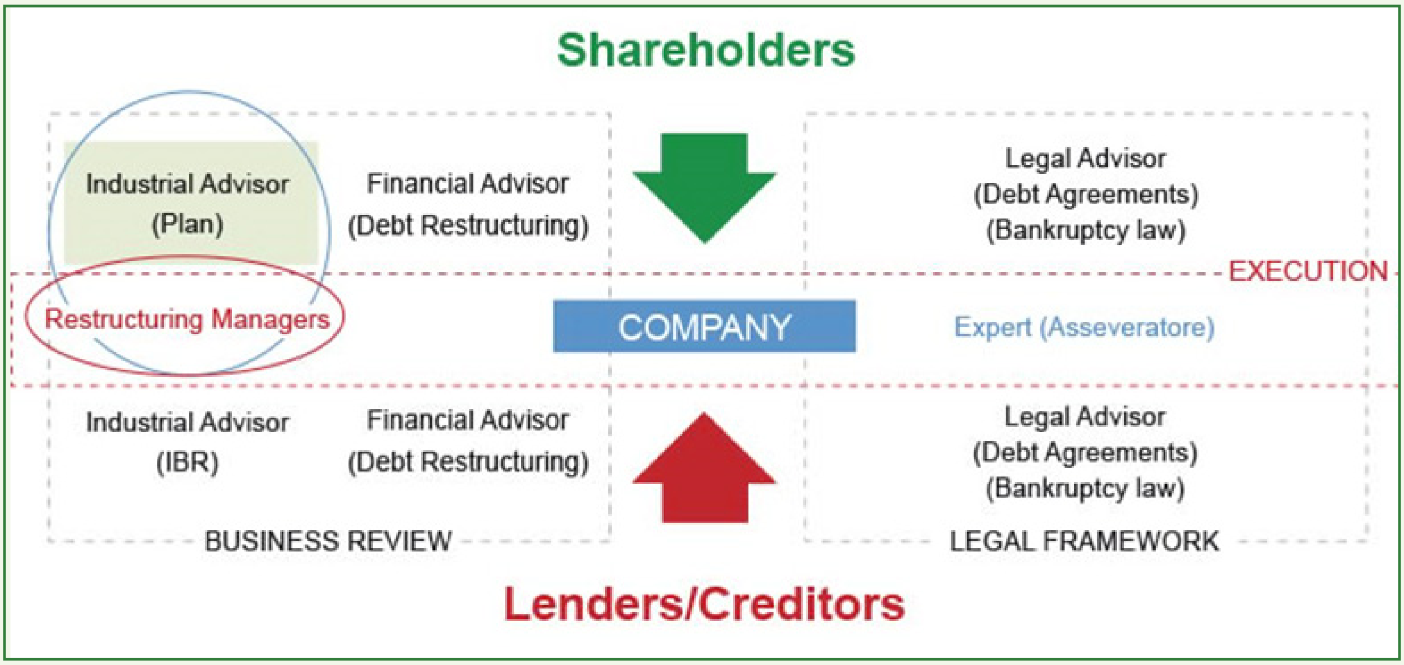
Each of the companies needs capital and expertise in the form of accomplished management to be 'turned-around'. Let's define turnaround as the process to revive a troubled company and return it to solvency. To effect a turnaround therefore, necessitates a management team who can analyze, plan, strategize, and execute the plan to bring a company back to solvency. Implicit in this process is the expectation that the management team for turnaround situations must have the domain knowledge and the skills when faced with catastrophic declining health of a corporation.

Role of Turnaround Managers

Turnaround Managers are often interim manages who stay only as long as it takes to achieve the turnaround. These assignments vary in duration depending upon the size of the organization and the complexities. Turnaround managers need to work closely and coordinate tightly with creditors – both financial and operational, providers of new capital – including banks, private equity, and special-situation-funds, and with professional services firms such a lawyers and insolvency practitioners.

The New Team

One of the strategies employed by creditors for achieving a turnaround is the replacement of the management team including the CEO. This strategy is based on the principal that new managers can bring recovery and change



because of their previous experiences. The new management team is also far more objective and impartial about certain problems – and is not emotionally attached to certain decisions or ways of doing things. A new team is also needed because the existing CEO may not recognize that a change in business strategy is needed to make the company viable. Further, by not replacing the CEO / the management team, runs the risk of qualified professionals leaving the organization for opportunities elsewhere exacerbating the decline.

There are several stages in the turnaround of an organization:

1. The evaluation and assessment stage;
2. The acute needs stage;
3. The restructuring stage;
4. The stabilization stage;
5. The revitalization stage.

The New Trend

Capital providers such as private equity and distressed funds are proactively seeking out turnaround managers with expertise in particular domains, say power, cement, or steel for example. The turnaround managers come on-board even before the target asset has been identified, much less acquired.
The turnaround management team works with distressed fund to identify troubled assets, prepares the bid material, executes the transaction, and then commences the turnaround. Typically the interest of the turnaround management team is secured by way of performance bonuses and equity in the asset.

HUNT PARTNERS

LEADERSHIP EMERGENT INDIA

A Breakfast Roundtable Event

Cross Fertilization of talent between India and Europe :

Challenges and Opportunities

Recently, Hunt Partners and Eric Salmon & Partners hosted a closed-door sit-down breakfast discussion. **The topic: the cross-fertilization of talent between Europe and India**. The discussion was attended by over a dozen corporate leaders from across industries. This note captures the most important themes and takeaways of that morning's discussion.

While global mobility of executive talent has been prevalent in some industries, we decided to throw the cat amongst the pigeons and ask corporate leaders what it would take for true international mobility of Indian executives in the European context. To be specific we solicited thoughts and ideas on the level of preparedness of Indian executives to assume management of European assets.

Raoul Nacke, Co-president of Eric Salmon & Partners (ES&P) posed two important questions based on his experience of cross-cultural talent mobility:

How to locate, retain, and develop internationally-mobile talent?

And, what inter-cultural 'intelligence' and capabilities are essential for executives to thrive across borders?

Participants provided conceptual inputs – backed up by anecdotal experiences – of how several executives groomed & raised within corporate India have been successful in international markets. The room seemed to agree that cultural sensitivities and emotional-intelligence are key determining factors for successful global mobility.

An interesting dimension emerged: the need for respect. Participants around the table agreed that being respectful of cultures and having the sensitivities and antennae to pick up cultural-nuances was perhaps the most compelling differentiator in successful international tenures.

The consensus – at the conclusion – was that each successive generation of Indian executives is becoming more adaptable to a global culture, and this is a sign of an increasingly globalized and intercultural world.

Standing Steady in a Spinning World

Rashmi Dixit,
Mentor and Faculty - Leadership that Works

Today's businesses are fast paced, demanding and in constant change. Leaders are under immense pressure as a result of this dynamic, volatile environment. New ways of being and doing will become imperative for sustainable and growing businesses.

The question every aware leader is asking:

'How can I continue to be myself in this ever demanding, high pressure world?'

In response, most organisations open onsite recreation centres, some try innovative office design, others offer remote work schedules, sabbaticals, I-phones, extended vacations and the list goes on. However, the question persists, and the problem remains unresolved.

The Power of Coaching

On the other hand, pioneering organizations are actively pursuing transformation-based options centred around people and organisational development. Coaching is one methodology that is increasingly being used to answer the question. Coaching not only supports transformation of attitudes and breaking of barriers, it also offers powerful tools and skills for leaders to use in their day to day lives. Leaders who are coaches are able to listen deeply, communicate effectively and hold empowering conversations. These leaders are able to create cultural and systemic changes inside and outside of organizations. Senior business leader and entrepreneur Ajay Kelkar recently graduated from a coach training program and he says, "I was surprised to learn that my body holds an intelligence far beyond my brain, and this experiential consciousness of self has shifted my interaction with my colleagues, as I am able to notice patterns that I wouldn't notice before. I used to get aggressive about topics that I was passionate about, but now I can pause, breathe and shift as I notice the aggression before it gets me and this has put others around me at ease."

A coaching mindset creates new responses and possibilities to old, stagnant patterns which do not allow leaders and organizations to breathe and grow. Isha Agarwal, working with a major leadership consulting firm, says, "The self-journey of becoming a coach has had an immense shift in me. People experience me as more playful, open and free, I am always asking the question; What else is possible? What's another way of looking at this?". The impact is profound and has been experienced by many leaders, who have learnt and synthesized coaching as a part of their lifestyle and business.

In a world that demands constant action, the path of coaching enables a much needed PAUSE - for deeper listening and creative response. With a coach hat on, the leader is more intuitive, steady and responds from a value center that is inspiring and imaginative.

Story of Shabnam Singh's personal and professional transformation:

I head Learning and Development at my organisation and I love my work! It keeps me motivated and inspired. The coaching mindset has helped me create what I have. I was hugely inspired to bring the work into my organization and create top down leadership transformation. I initiated this work parallel to joining Coaching For Transformation (CFT).

The leadership in my organisation was a strong transactional one and thus, held a huge scope for the leaders to expand their dimensions of agile situational leadership, through inculcating deeper self – awareness, as a powerful enabler. The space also held immense possibilities for leaders to learn newer mindsets and tools for inculcating mutually rewarding relationships and business synergy with peers, teams and stakeholders. And, the CFT 'Being to Doing' model helped the organization realize all of this and more!

Another thing that got woven into our culture during this process was trusting and respecting everyone's journey. We used skills and principles that I learnt in my coach training – especially around deep listening, believing people are whole and resourceful and holding our polarities with understanding.

The feedback mechanism

We used 360-degree survey, Pulse Survey and Psychometrics to create awareness and a system to monitor our progress. The owner of the organization fully backed and participated in the process. His openness to growth, and courage to accept the required change helped establish this mindset for organisation-wide changes.

Author Bio:

Rashmi Dixit holds more than a decade of experience leading senior leadership teams, networks, and coaches to realise their potential. She is an accredited transformational coach (PCC) and believes in the power of coaching as a tool for individual, team and social transformation. Rashmi is a mentor and faculty for Leadership That Works. The team at Leadership that works is creating ripples of awareness and transformation across India and the world, to learn more visit http://www.leadershipthatworks.com

CTOs in the Age of Cloud

Arjun Erry,
Partner – Hunt Partners

Some argue that with the cloud, enterprises can simply outsource the responsibilities of the CIO and the CTO. After all, weren't these executives charged with building the technology infrastructure – a role now made redundant with the cloud and software-as-a-services (Saas)?.

Role of a CTO

The traditional role of the CIO and CTO was to select business applications and manage the deployment. Granted a significant portion of this responsibility has shifted to – or has been usurped by – the business leaders because of the relative ease of going online, finding a Saas application, and deploying it. In this scenario it is probable that CIOs and CTOs will become managers of IT infrastructure rather than being strategically responsible for the I.T. architecture.

In fact, the explosion of applications, platforms, and browsers has increased the complexity of the I.T. ecosystem within an enterprise. And hence the argument for the continuation of the CIO or CTO – albeit in a different avatar.

The Changing Landscape

Today, more than ever before, CIOs and CTOs need to bring new perspectives on how their functions can drive business growth. This means they need to develop much better business sense; and they and their functions need to become much more responsive to the needs of the business. In fact, businesses are being disrupted in the manner in which they deliver products and services to their customers – a disruption triggered by technology.

Impact of the Cloud Era

But this explosion of cloud, mobile, and social technologies is exerting a greater pressure on those responsible for building enterprise applications. That is because applications in the cloud era need to be faster, more flexible, more responsive, and must meet more robust security guidelines. Applications must also have high usability, and the interface must be consistent across mobile operating systems. This leads to the conclusion that the cloud is not a substitute for in-house app development. And that an organization's own needs and processes need to be configurable in the cloud-deployed applications.

Future CIOs, CTOs, and CEOs will need to have a far greater appreciation for data science – a multi-disciplinary comprising computer science, mathematics, business, social sciences, etc. CEOs and business heads can no longer hold the view that business and technology are separate. Technology is business and cloud has made it ever more understandable and digestible.

Road Ahead

In conclusion, while the cloud and cloud applications have made the roles of the CTO and CIO redundant, the advent of this transformational technology has made it essential for these leaders to re-invent themselves to becoming relevant and critical in this new world. Mastering the opportunities of the cloud will be the new competitive advent for enterprises – and the new Rubicon that CIOs and CTOs will need to cross in order to survive.

EXECUTIVE INTERIM MANAGEMENT

Ollivier Lemal,
Director France - EIM

What are the fundamentals behind the growth of interim management activities in the world?

The genesis of Interim Management

The Interim Management profession was invented thirty years ago by the Dutch consulting company BOER CROON. As part of this genesis, they founded EIM (Executive Interim Management) as a joint venture with the search group Egon Zehnder and as such created an entity with immediate worldwide footprint. From its inception, the business model was to develop a pool of highly experienced professionals (55 years and older at the time) from every economic sector. These were 'managers' who had decided to carry out temporary or interim missions and assignments that had clear objectives and delivery timeframes. These professionals were recognized functional or sector experts as well as excellent line managers. They did not need to behave in a "politically correct way" inside the group they are working for in order to progress a career. They simply wanted to deliver results without having a prior or future role within a business.

This concept has proven successful, but a long educational process was necessary to convince companies that Interim Management was a powerful means by which to manage change and/or implement transformation.

Interim Managers Today

Thirty years later, we are in a completely different world and Interim Managers make the difference in many ways. They not only implement change and transformation plans but also in delivering performance improvement processes. They can replace a manager at short notice; they can also perform a functional role or occupy a line position. They operate with a defined purpose – 'in mission mode'.

The increasing demand for executives working in mission mode is perceived by the market as the right answer to accelerated change in the new era of permanent economic transition.

Demand for Mission Mode

The main reasons underlying this strong development, in fact a long-term trend, may be summarized as follows:

- Companies must adapt, react and innovate constantly in this new era of permanent transition, they must organize themselves in "agile" mode creating projects to be run in parallel.

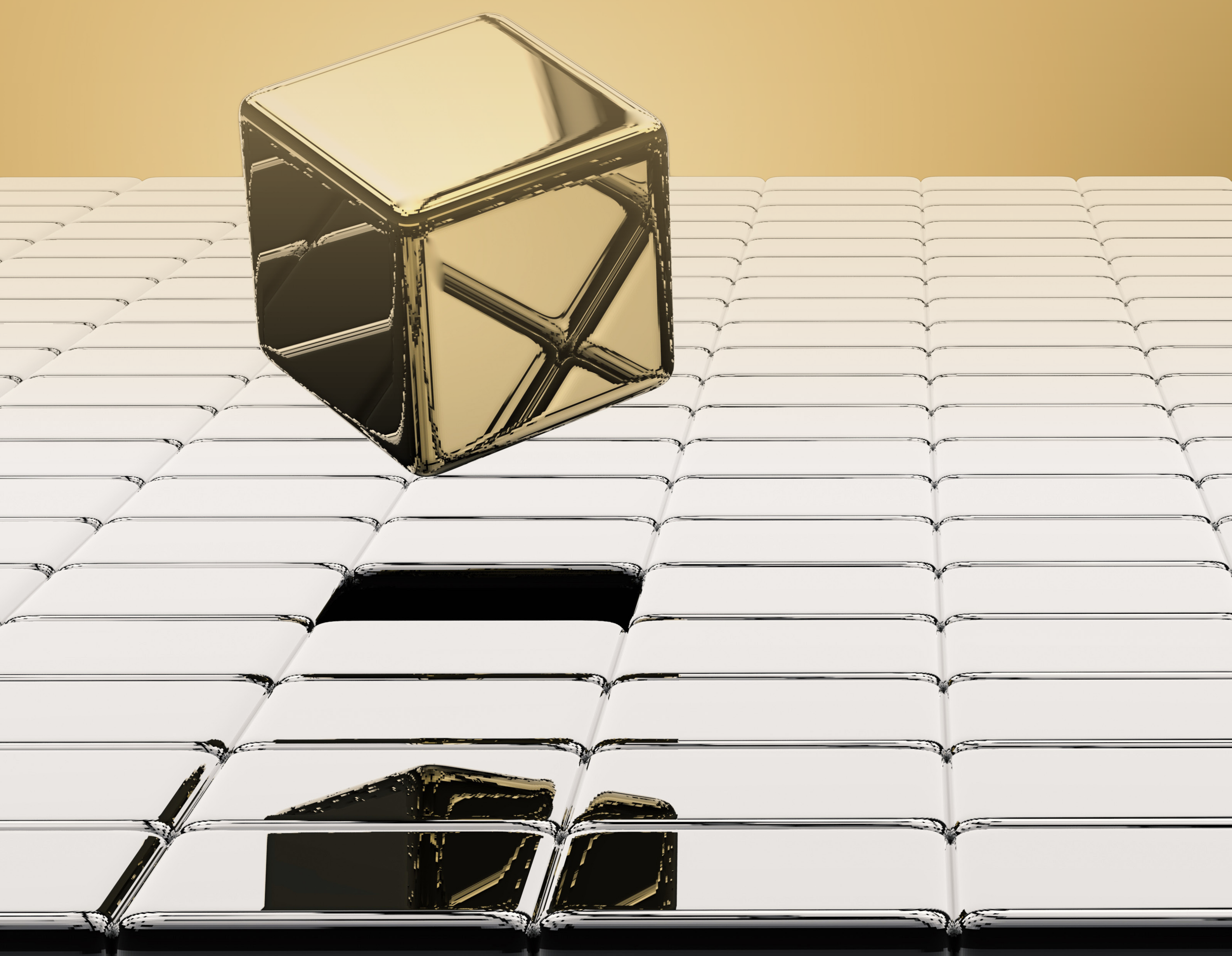
Each project requires a strong focus, specific competences and most of the time a transversal thinking across companies. Interim management is an appropriate answer to project management.

- Speed continues to grow as a key success factor and the ability to rapidly put in place experienced managers brings a competitive advantage to companies, especially when there is a strong need to fill a vacant position.
- Operational excellence makes the difference between companies in a competitive market; interim managers bringing their functional or sectorial expertise with clear objectives, a set timing, having no career considerations within the companies in which they operate, are strong assets to execute operational measures and bring best practices to bear.
- This way of working in mission mode is increasingly attractive to

talent because it confers true freedom in working life, with no need to play corporate politics for people who want to see rapid results from their work. Seasoned executives, typically not below 45 years old, increasingly want to join the pool of Interim Managers.

- Interim management offices have enlarged their lines of services. It is not restricted to Executives working full time in top level or functional positions. Today, interim managers may involve themselves in more middle management roles, generally with younger managers, and also in support roles, as Counsellors, to help existing managers meet their operational objectives or to acquire best practices.

Interim Managers are here to stay. These developing trends should even accelerate in the future.



Coach Kompass
Leadership Coaching
REFLEXION-HUNT PARTNERS INITIATIVE

Suva Chattopadhyay and Urvashi Malhotra

A Case for Coaching

The last 5 years has seen Corporate India embrace Coaching as a tool of development for their senior leaders. But even as the adoption of coaching increases, a paradox remains. There is cognitive agreement that coaching is beneficial however, the belief lags a little behind and often the question on the impact of coaching remains.

As organizations explore coaching, the first conversations around coaching often arouse skepticism - Does it really work? Does it get the performance or really help development? Often, what is really being sought is a mentor in the disguise of a coach (!) **What is Coaching?**

A modern definition of Coaching by the famous coaching researcher A.M. Grant is that it is a "result-oriented systemic process in which the coach facilitates the enhancement of life experience and goal attainment in the personal and/or professional life of normal non-clinical clients" (1). The data from multiple studies and meta-analysis which take into account 2000 plus clients demonstrate the irrefutable impact of coaching – (1,2,3,)

- Coaching could benefit by enhancing employees' performance, skill, wellbeing, coping, work attitudes and goal-directed self-regulation.
- Broadly it works in the area of the intrapersonal, interpersonal and self-efficacy area.
- A quality coaching relationship amplifies the leader's work engagement and career satisfaction. It helps leaders craft and express vision

3 senior leaders from Google - Eric Schmidt, Jonathan Rosenberg, and Alan Eagle wrote the book "Trillion Dollar Coach" about their coach Bill Campbell. They attribute much of the business success of Silicon Valley to the behind the scenes role that Bill Campbell played as a coach to several leaders

> Bill had been our coach, meeting with us every week or two to talk through the various challenges we had faced as we helped grow the company. He had guided us as individual and teammates, working mostly behind the scenes as Google went from a quirky startup to one of the most valuable companies and brands in the world. Without Bill's help, there was a chance that none of that would have happened. We called him Coach, but we also called him friend. (4)

The coaching - mentoring paradox

First of all- both work. Seeking a coach from the same industry, gives comfort in the fact that the coach has been there and done that and so will be a more effective coach. It is also possible though that prior knowledge comes in the way of a client's independent exploration. The client may end up working with (mentor like) coach's solution and stay away from the possibility of breakthrough transformation.

The art of Coaching

Coaching is a skill, an art, that needs to be learned, practiced and perfected. Coaching focuses on the present, the Here and Now. Whether it is sports, corporate or personal coaching, the coach's role is facilitating the potential of the client by being there, by nudging, by expanding the possibilities as the client examines options, roadblocks and attempts the new and the different. In fact, it is because the client completely owns the change and makes their own choices that the impact of coaching continues long after the coaching ends.

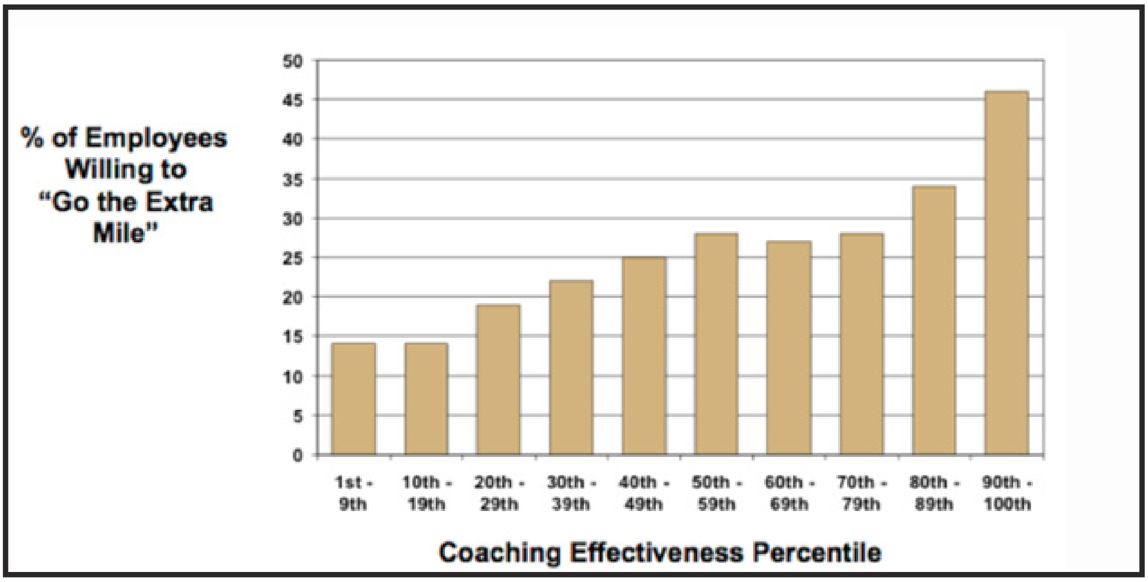
Adam Grant says in his introduction to "**Trillion Dollar Coach**" – "I've come to believe that coaching might be even more essential than mentoring to our careers and our teams. Whereas mentors dole out words of wisdom, coaches roll up their sleeves and get their hands dirty. They don't just believe in our potential; they get in the arena to help us realize our potential. They hold up a mirror so we can see our blind spots and they hold us accountable for working through our sore spots." (4)

Another long-term impact is seen when coaching is used as a leadership conversation style. It enables empowerment, facilitates risk taking and experimentation at all levels and make the workplace more human, open and psychologically safe.

In our own experience, of running a long-term skill building initiative for people managers that helped in building their coaching muscle for their teams, we found the engagement score for people managers to improved significantly before and after the intervention.

Impact of Coaching

- In 2015, Forbes Magazine (5) reported a study, where they found that employees were not only more productive after coaching, but good coaching also increased their commitment. Those leaders whose coaching effectiveness was at the 90th percentile, had employee commitment scores in the 88th percentile! .
- More than 60% of employees who report to managers who are not good coaches are thinking about quitting, versus 22% who report to the managers who coach best.
- What is noteworthy is that often a manager's self-perception of how good a coach he / she is, is significantly higher from what the team thinks about his / her coaching skills (7)



How can you initiate coaching?

- **Experience coaching**- Hire a coach for a short time and have one or two executives experience coaching themselves. The best way to find a coach is through a recommendation or interviewing the coach to see who suits you. (6). This helps in building belief, and understanding what good coaching is like.
- **Get coaching out from the "Occasion" box**- Make coaching a way of conversing with your team and not something that is an event to be practiced on a special occasion around the annual performance management conversation.

Some simple things to do –

- Listen to your team members, even when you do not agree. Listen to content, intent and what is not said
- Be present and do not judge the intent
- Ask, rather than tell. You do not always have the burden of providing a solution. Just as you can find a solution, your team member can too. As a leader, who practices coaching be open to your team considering your suggestions as "one of the equal" options. Give them the freedom and accountability of their own choices

- Pilot a Manager as Coach training program for people managers
- Try out a team coaching initiative for your high potential or leadership team.

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Eric Salmon & Partners

The CFO of the 21st Century

Alain de Borchgrave
Partner – Paris & Brussels - Eric Salmon & Partners

The Financial Director of yesteryear is dead, long live the CFO of the 21st century, business partner, strategist and accomplished manager! This highly qualified professional is becoming a true right-hand man of the CEO and a key player in the company's success.

The CFO of tomorrow is clearly more than a controller, more than a pure accountant with the power to say no. To recruit CFOs for large organizations, we are turning less and less towards the profiles resulting from public accounting. The CFO "policeman" has lived. Today, the CFO contributes to the creation of value, he is more involved in the development of the offer, the pricing, the negotiation of international contracts, etc. The business dimension has become very important. We still talk about support function, but the CFO has increasingly a strategic role to play. He is judged on his financial vision, his ability to analyse the company's business portfolio, optimize balance sheets, propose investments, etc.

The CFO as a Strategist

In family businesses, especially in case of succession, the arrival of a young CEO often involves recruiting a financial right-hand man with whom he can have full confidence, to help him guide the business portfolio and drive the external growth of the company. Technical and operational excellence is no longer enough, the CFO becomes truly a strategist.

Evolution of the CFO

The impact of digital on businesses cannot be ignored. Artificial Intelligence (AI) has a profound impact on all business functions, especially on the financial function. Consider the upheavals that ensue in terms of billing! Another fundamental change: the ever-increasing importance of compliance, especially in listed companies, where the constraints are particularly strong. A commercial experience is now a major asset. Associated with leadership, the commercial dimension makes CFOs more likely to become CEOs, and not only in financial services companies where this evolution is old and quite natural.

The Charismatic CFO

Soft skills enter all functions of the company, and CFOs do not escape it more than the others. Leadership is no longer an option, it is mandatory for success. This responsibility, especially within large organizations, requires a capacity to train, to embark employees, help them kickstart their career, etc… It can be said that the "charismatic CFO" is no longer a contradiction.

To be endowed with a visionary sense, to know how to surround oneself with good people, to manage much more collegially and to adopt an influence management in place of the good old hierarchical management is capital! The CFO must also be an excellent communicator, strive to become so even if it is not in his temperament. To this end he must train himself, learn to speak in public, give lectures, write articles and make himself visible as a great leader to the outside world. All this significantly changes the profession, even if, ultimately, the proof is in the figures.

The Question of Gender

Yes, there are more and more women in financial positions and at the head of financial departments. Other examples more or less emblematic, include the CFO of Renault, that of Essilor, that of Lafarge-Holcim, that of the Banque Postale in France, for example. Maybe they are not yet quite numerous, but the feminisation of the profession is an incontestable reality.

The Success mantra for CFOs

To be a great success in your role as a CFO, you have to be visionary, innovative, versatile and open to the world. All this, while remaining excellent with numbers.

Author Bio:

Alain de Borchgrave is a Partner in the Paris and Brussels offices of Eric Salmon & Partners, one of the leading international executive search firms, founded in 1991 and with around ten offices worldwide (Europe, Shanghai, Singapore) as well as partnerships with India, Brazil and the United States.

talentonic

Is this your Performance Management System?

Deepak Dhawan,
CEO & Founder - Talentonic

Performance Management Systems have gone through a silent revolution in the last 5-6 years.

Talentonic's work in the area has exposed certain universal trends and insights.

1. It's a Compensation Management System. Not a Performance Management System. Organizations are obsessed with consequence management and the need to roll out compensation plans that are considered fair and equitable. They have lowered their expectation from what can be delivered out of the millions of hours in a year that is spent on the PMS.

It's become a year-end event!

Most employees are disengaged and consider it a chore.

It has very little to do with how to manage the performance of the team or utilizing this high touch process to change the organizations' narrative.

2. The handshake between business planning and performance planning is weak.

Organizations are good at producing a budget and some produce a good understanding of strategic initiatives backing the budget. While a financial budget helps to manage the leadership at the very top, it's a pointless document for managing the rest of the organization.

We have actually seen employees write KRAs at the year-end assessment!! HR Functions philosophically settle to this with a resigned sigh!

KRAs are scattered, poor quality and when you put all these pearls together, they don't look like the pretty necklace that the business plan promised.

3. There are strong biases despite claims of objectivity. Here is a tentative list of common biases, even in great and large organizations.

a. "Line of sight bias"- Corporate Offices have the best ratings. Ratings increase as you go up the grade. Ratings increase with the length of service. Theoretically, your worst performers are sitting at the bottom of the pyramid. Many of them are smart young people recently hired!

b. "Promotion bias"- In company after company, ratings peek in the promotion year and drop in the year before and after.

c. Business disconnect- Try and draw a correlation between the performance of the business and that of the people. In some cases, it points in different directions.

HR and Business Managers try hard to give all kinds of reasons to defend the bias but ultimately crack into a grin "we are very clever… we know how to beat the system."

Well, you don't need to beat the system. The system should be designed to be an expression of your views.

4. Competency systems. – There is no wind in this sail. Poorly drafted and insufficiently implemented.

Only 30% of the challenge is defining the competency set. 70% of the challenge is in putting it to good use- Training, Calibration, Benchmarks, YOY progress. Like a good wine, it takes time to mature. The more you use it, the better it gets.

Foundationally weak competency systems are being used for compensation management with bell curving on competency data, thus putting a cap on competency building in the organization! "We only want 5% of the people in the organization to master the art of execution excellence!" Really?

5. Culture and capability are finally making a comeback. Process or technology is an insufficient answer to the capability gap that organizations face in creating a high-performance organization.

Process and technology were required to scale up efficiently, but CEOs are beginning to ask questions about the disempowerment of mid-management, the lack of contribution to people management objectives and the insufficient contribution to creating a learning organization.

Migration from process to capability

As the organization goes through its hoops and is buffeted by a choppy marketplace, do we really know how to manage and upgrade the performance of our people? That's not the job of technology, it's a leadership function.

It's our call how we want to treat the performance management system. It's either a totem pole at the center of the corporate village, visible & relevant, or it's an old cycle in the shed. Take it out once in a year, dust it, ride it around the block and put it back in the shed.

It has the capability to become whatever you want it to be!

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ABOUT HUNT PARTNERS

Hunt Partners is one of Asia's leading Executive Search firms with principal offices in Mumbai and New Delhi. Hunt Partners offers expertise across a broad spectrum of industries. The firm ensures highest quality service standards through its ownership approach for all the partners. Over a decade, the firm has been consistently ranked amongst the top 10 retained executive search firms and witnessed rapid expansion and growth in revenues and clientele. Hunt Partners provides services like Interim Management, Talent Management and Organization Alignment to help the clients achieve desired business results through effective and pragmatic talent management strategies. Hunt Partners also specializes in board advisory services, provides research, and even offers unique board-certification programs under 'Directors' Club' for aspiring and existing Directors.

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