

Dear All,

India celebrates 75 years today. 75 years in nothing in the life of a nation.

If you looked at the raw statistics, India had little chance of success in 1947.

1. In 1947, India's population was 340 million
2. India's GDP was 3 % of global GDP in 1947
3. India's literacy level was 11%
4. India's life expectancy in 1947 was 31 years, India's infant mortality was 14.5 %
5. India had no industry, and very few institutions.

I wrote for the Hindu business line newspaper - my view of India over 75 years and what I would like to see for the next 25 years. The article that appeared is below.

## **Is India Local, Global or Glocal in management?**

India celebrates 75 years today. It has been a phenomenal 75 years since few gave India any chance in 1947. Many argued that India would implode because nothing unites India and the baggage of 584 princely states, illiteracy, lack of industry and absence of governance were a cocktail for disaster.

India has progressed on many fronts, and I will look at the progress from a business management perspective. My 6 themes are:

1. India is a mass market and will continue to be one in the foreseeable future. In the last six months, South Indian movies with catchy songs, punchy dialogues, snappy mannerisms and larger than life heroes have captured the imagination of the country. They have swayed the public with songs

like 'Oo Oo Antava', 'Cmon' baby lets go on the bullet' and 'Ra Ra Rakamma'. They have taught Bollywood a big lesson.

While the south films have swept the country, the original master story tellers – Bollywood have lost their plot – they are trying to be slick and ape Hollywood and have become formulaic and niche – much like some MNCs in emerging markets. Lesson for all companies is that you will not be a scale player without having a mass approach.

## 2. India will continue to be a branded market.

India started as an unbranded, unorganized market in 1947. Over years we developed an unorganized branded market where the brands were retail brands. India is home to the largest retail footprint in the world, we have an outlet for every 150 people. The branded part sits on top of this unorganized, retail branded segment.

Brands played an important role in being a quality marker plus a reason for retail to buy from manufacturers.

Nowhere in the world does one see advertising for pipes, cement, electric bulbs, adhesives, and electric wires. The Indian mass market is brand

conscious but more value conscious. Indian entrepreneurs continue to perceive branding as a route to enhance profitability and exit commodity trading.

3. The surge in manufacturing self-reliance: In 1947, the bicycle was the largest selling durable in India. Today India is the manufacturing hub for the 2-wheeler market, the home of the small car market, the home of generic drugs, the home of vaccine manufacturing, and the home to one of the largest local cement markets. India has over 75 years developed import substitution as a goal and has significantly upped quality to match global standards in every industry. Today, 30 % of India's GDP is manufacturing led, which is an impressive local for local journey.
4. India consumer is more local than global: Winners in India have been brands/ companies that have understood India, its habits and taste. This is most obvious in the foods sector where multinational brands have made little headway. Amul is the largest brand and the parent company in all FMCG! The category with the maximum innovation in Mumbai city is the simple khakhra which has about 100 variants serving every community's taste profile, a mobile pack for the

lady's purse etc. Blindly replicating Western/Asian products or brand or messaging has failed in most cases.

Electronics is one of the few categories where Indian brands do not have a top 3 position. This is because the industry requires manufacturing at scale and this capability has been captured by China, South Korea, Japan, and the Asian countries.

Business models of other countries do not work here. The telecom market is a great example, all the early entrants tried the phone bundling model of the west and failed till the government changed the NTP (national telecom policy in 1999) and then the market took off.

Advertising is another area where India has been 99 % local and 1 % global. Early brand work and advertising in 1970s was English language led and then 1984 and 1991 happened, when television took off in India. Master story tellers like Piyush Pandey, Prasoona Joshi, Balki, and recently the Dentsu Bangalore team success at Cannes etc. have put India on the global map with brilliant local work.

5. India's physical infrastructure could be labelled poor" but its digital infrastructure is rich: In the last 15 years, the mobile infrastructure has been the backbone of the digital eco system in India. Everything in India is mobile first, not PC first or tablet first. Let's start with Software and IT services. India exports about \$135 billion, which is remarkable by any standard.

India's digital infrastructure has contributed to the growth of startups. India is the second largest start up country because of the rich digital infrastructure and this I predict will only multiply. India will be a vibrant digital system in the future because of the Trishul – Aadhar, UPI and now ONDC. This combination doesn't exist anywhere in the world, and this is 'consumer delight' at its best on identity trust, easy payments, and competitive platforms.

6. India -The home of management thinkers: India has produced some of the best global management thinkers in the last fifty years – the late CK Prahalad, Ram Charan, Nitin Nohria, Sumantra Ghoshal, the late Bala Balachander, Shrikant Dater, Vijay Govindarajan, to name a few. One can see a lot of their Indian roots in their

concepts like bottom of the pyramid and the concept of rotation in a business model. Each of them has consulted and coached Indian enterprises and Indian leaders over the years to drive global best practice in cost, quality, differentiation, capability as the foundation of competitiveness.

India has come a long way and it will go a long way over the next 25 years. India has vitality, it has oodles of energy and an attitude to make things happen. These are all good ingredients in the management space.

Where do we go next? And where do we lead global management thinking?

We should be proud of where we are, but never get arrogant about it. India is a large and a top 10 market in every category. However, despite its consumption market, on a per capita basis, India will continue to be a work in progress country over the next 25 years.

The country has a unique BRSR reporting for the top 1000 companies. It is a first of its kind. We must lead in sustainability as India is a big consumer /consumption market.

India has the largest number of listed companies, more than 5000 and the largest number of family concerns in that 5000, about 66%. India can lead management thinking both in governance and practices in family concerns.

India has a formal rule of a woman board member on every board. Inclusion and diversity are an area for India to lead.

India can lead and the world will follow if India continues its soft power. Management influence is more about soft power.