

CII Forum


IIM Bangalore

Where is Strategy headed?



There are about 30 Strategy models that explain a lot over the last 75 years of strategy. Everything is a rehash of past models, the jargon is new.





Past Strategy teams
collected huge amounts of
data, made assumptions on
the future and built a
strategy



Things were stable/assumed
to be stable



Strategy Topics over years

1. Product Market Fit
2. Organization Design
3. Global Markets
4. Portfolio Priority choices
5. Underserved consumers BOP
6. Make vs Buy
7. Offshoring
8. Uncontested markets
9. Sustainability
10. Digitization
11. Ecosystem
12. Business Models



In the past strategy was about setting a goal(s) and beating it, most were financial goals.

Goals had to be high enough to impress the stock market and low enough to keep the employees happy





What is changing?

Changes in strategy thinking



- 1. Time scale**
- 2. Tactics**
- 3. Differentiation is minor**
- 4. Focus on Execution**
- 5. Not outcome oriented**
- 6. AI**
- 7. Compass vs Map**

Do earlier time definitions hold today?

Short Term : 1- 2 years

Medium Term. : 3-5 years

Long Term : 5-10 years

**I think the
concept of long
term strategy has
suffered**

Why do I say long term has suffered?

- 1. Average tenure of a Global 500 CEO is between 6.9 years**
- 2. Average tenure of global CFO is 4.7 years**
- 3. The average tenure of a CHRO is 3.7 years**
- 4. Average tenure of a CMO in Fortune 500 list is 3.5 years**
- 5. Average tenure of Indian CEOs is 4 years**
- 6. Average lifespan of a company is 12 to 18 years**

Attention span of employees is less than 3 minutes

Long term goals are about

Revenue

Market share, redefined market

Profit

Competitiveness for the future

ICE vs EV vs Battery brand, Unthinkable!!



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Would you do this?



AIRBUS

VS

BOEING





Marching On New Frontiers

Air India recently launched its five-year transformation programme, Vihaan.AI, with a vision to become a World-Class Global Airline with an Indian Heart. Vihaan in Sanskrit means "Dawn of a New Era" and heralds a new beginning for Air India and Indian aviation. With a new year on the horizon, Air India is looking forward to achieving many new milestones and is optimistic in truly transcending to even greater heights.

The mission is to become the absolute best-in-class in customer service, technology, product, reliability and hospitality. Air India CEO and MD, Mr. Campbell Wilson, along with the senior management, unveiled the Vihaan.AI plan with clear milestones

focusing on dramatically growing Air India's network and fleet, developing a completely revamped customer proposition. Over the next five years, Air India will strive to increase its presence and market growth. Air India's transformation roadmap is built around five key pillars—exceptional customer experience, robust operations, industry-best talent, industry leadership, and commercial efficiency and profitability.

Air India's second phase of transformation, Take-off, kicked off in April 2023, and focuses on building tools, systems and capabilities needed to support its future scale.

Commenting on the conclusion of the Taxi phase, Mr. Wilson said, "The first six months

of our journey has engaged and united Air Indians behind a common cause, and made great strides in tackling many issues that had built up over the years. We have also come a long way in establishing our foundations. Our record-setting aircraft order, the commitment of US\$400 million for refurbishing existing wide-body aircraft, the investment of US\$200 million in new IT, and the recruitment of thousands of staff are but a few of the significant investments being made to restore Air India to the upper echelons of global aviation. Moving into our Take-off phase, we will start seeing investments bear fruit. All Air Indians are grateful to our partners and supporters as we continue this journey."

THE JOURNEY SO FAR

- Placed record-setting order for 470 aircraft worth US\$70 billion
- Added 15 aircraft to our fleet, including 7 widebody Boeing 777s, 4 A321 neos, and 4 A320 neos in the last one year till date
- Acquired ownership of India's first A350; aircraft will join active fleet next year
- Committed US\$400 million to refurbish interiors of 40 wide-body aircraft from early 2024
- 28 long grounded aircraft have returned to service
- Invested US\$200 million to revamp IT infrastructure
- Enhanced customer support ecosystem through in-house tech stack "AI Force"
- Revamped website and app (Trishanku) to enhance experience and innovation
- Assigned US\$200 million towards training for 50,000+ professionals, and have upwards of 19 simulators
- Welcomed over 7,000 new talent from April 2022
- Added 19 new destinations
- Inaugurated new 50,000 sq ft Engineering mega-warehouse to enhance operations
- Unveiled new brand identity
- Received CCI's approval for a merger with Vistara
- Collaborated with fashion designer Manish Malhotra for designing new crew and staff uniforms
- First airline to deploy Generative AI virtual agent
- Set to move all computational works to the cloud.

OUR 2027 ASPIRATIONS

- SCALE**
To grow fleet size 3X and expand global network
- MARKET SHARE***
Capture >30% of the domestic and international market
- BRAND IDENTITY**
Identify as global airline with an Indian heart, driven by technology
- INDUSTRY LEADERSHIP**
Most technologically advanced, socially responsible, and innovative airline
- EMPLOYEE EXPERIENCE**
Become India's most preferred employer in the travel industry

*Data as of 2023



Roadmap To Success



TRANSFORMATION PILLARS

PEOPLE AND DIGITAL AS DIFFERENTIATORS

- Global loyal customer base**
Create a world-class brand identity known for superior product and exceptional customer experience
- Robust and clockwork operations**
Build safe, trusted, and reliable operations in order to achieve excellence
- Industry best talent**
Design industry-best employee proposition and foster a meritocratic culture
- Industry captain on future agendas**
Be an industry role model for technology, sustainability, and innovation
- Commercially efficient and growing**
Expand network footprint and grow revenue with strong emphasis on profitability

ENABLERS

- Clear and open communication
- Powered by technology
- Values driven cultural transformation

AI and Strategy

AI STRATEGY

Enter your sub headline here



1. Churning lots of data is a piece of cake now
2. Use it for basic things
3. Use for productivity
4. Repetitive tasks
5. Employee and customer Experiences

What I see

- 1. Strategy cycles have become a series of short terms**
- 2. Results variation is now explained by unforeseen circumstances**
- 3. Growth ideas are few and hence adjacencies, acquisitions are going up**
- 4. Tactics driving strategy**



Is the map more
important than
the compass?