

## SUSTAINING & NURTURING A VALUE-DRIVEN ORGANIZATION

### Disruption, an advantage?

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The recent turbulent environment witnessed three types of businesses: one that completely buckled under the duress and had to wrap-up unwillingly but forcefully; second who sustained or managed to survive and live through the bloodbath; and third, who set an example for what businesses can aspire to be, who managed to not just survive but excel in the turbulence and emerge as winners. It is this third type of organization or business who have obviously become the role models.

Disruptions are by definition, sudden. They occur without warning signs. Organisations that go in underprepared often run the risk of failure. Those which are resilient enough to manage the disruption and change with it, usually sail through and survive, while the organisations which revel in the disruption and lead the change, succeed well.

So, what type of organisations do well? It is not really possible to define the complete characteristics of organisations which succeed. Each enterprise is different and each one has its own set of strategy, practices and culture. Commonly all such enterprises can best be summarised as “**value**” driven organisations. It is important to note that the term “value” here need not mean merely financial value, but the entire gamut of objectives that the companies “value” the most and would like to maximise to the fullest, as they go along.

Most organisations centre around defining maximising of value to mean maximising the following three: **Financial Goals, Interactional Experience, and Corporate Governance**. It is these traits that successful companies most aspire to continuously increase. The traits are in no particular order. Each one is at the same level as the other and are all equally important.

Clearly the most common and often quoted trait to determine value is financial goals and results. This covers all aspects that can be measured in terms of money and material achievements – revenue, profits, EPS, total assets, market cap, and so on. It will also include client acquisitions, mergers, etc. The trait that is probably the most elusive is human experience. People who interact with the companies that care, establish an experiential connect, which goes a long way to create a brand that is respected. These could be the individual customers, shareholders, employees, suppliers, or even the authorities. The trait that is equally important, but works behind the scene, is governance and controls. It determines extent of compliance and risks. It also measures disaster and backup readiness. The extent to which the culture of governance, controls and risks has been established could well determine the level of resilience to deal with external disruptions.

While organisations accept the above-mentioned traits as the most valued attributes, the sustaining and nurturing of these can become a challenge. A roadmap charted for these organizations can be shaped by defined enablers that empower the organization to not just survive, but thrive, in the face of adversity. The most commonly quoted enablers that have been the driving factors for these businesses to sustain and nurture a ‘value driven organization’ are:

## I. Staff Function too can “be” the Business

All organisations struggle to define the place a “support” function should have within the company. The very fact that these functions are referred to as “support” or “staff” undermines the involvement these functions enjoy. At times, even the leaders of the support functions believe that they are only meant to support the core – they are themselves not the core.

Most support functions are measured merely as costs benchmarks. They are considered necessary costs and an erosion of value.

In order to better contribute to the business of the enterprise, two factors need to play out simultaneously:

- 1) A change in the achievement metrics of the so-called support functions. The purpose of the functions must be reimagined, so that their contribution is much more meaningful.
- 2) A change in the culture of the enterprise to not look at these functions as mere “support”. As is obvious, this needs to start at the top – at the CEO. The organisational structure needs to be built with complete involvement of the functions at all levels.

Support functions are usually created under the overall enterprise umbrella and are not confined or partial to any line of business or department. With this strategic advantage, support functions can become the best conduit for major enterprise-wide projects. Progressively successful companies have looked at support functions as leaders of change, transformation masters, torch bearers of corporate values and ethics, direction finders, and trend setters. Defining the enterprise vision and mission and then creating business strategies around it is the key function that support functions provide – all of it core to the very existence of the organisation.

## II. The Power of 'Disruption as Usual' (DAU)

We have already seen that externally induced disruptions – lockdowns, new solutions, new business scenarios, shift in customer expectation, etc. - can either spell disasters or even be the harbinger of major changes. Successful companies often do not wait for disruption in the business environment, but create a culture of disruption within themselves – making disruption a part of their “usual” business.

Modern business houses are better prepared for managing change as realisation is rapidly setting in that change is not only inevitable, but it is also going to be more frequent, larger in impact, and will come from unexpected quarters. Engineering disruptions by proactively and continuously examining the processes and all the variables keeps the organisations agile. It is about creating new and innovative dimensions in value delivery by challenging all key paradigms. For instance, in the case of Business Services, in 2019 SSF had established four such principal paradigms that should be continuously challenged by the service organisations – both internal and external: Operating Model, Business Dynamics, Talent Deployment, and Digital Quotient.<sup>1</sup>

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<sup>1</sup> The 'Code' of Disruptional Engineering - presented by SSF at 9th Annual Global Business Services Conclave, 2019.

### **III. Innovative Employee Practices**

There are major changes being witnessed in the world of business - anywhere ops, hybrid working, new training formats, new leadership models, etc. All such changes have a significant human impact and need a cultural shift within organisations. In addition, an important functional shift is moving the focus from managing the business to managing the enterprise, creating new set of dynamics within.

With the shifting stands, leaders are discovering newer meanings of long held corporate beliefs – working conditions, working hours, corporate loyalty, supervision, engagement, communication, brand pride, personal connect, involvement, and performance management, amongst other things. With the new conditions become the preferred norm, organisations are reverting to innovation at the human front.

Employees are usually the most impacted set of people during any instance of change, though change is not just limited to them. Human level engagement models are constantly changing with direct employees as well as outreach ones, such as outsourced serviced providers, at the centre stage. Changes in technology, especially communications technology, has made engagement even more dynamic.

### **IV. Human Experience Administration**

Increasingly value that a company demonstrates gets defined by the overall experience that humans have while engaging with it. Expanding corporate vision to shift from looking at individual “touch points” to composite “journeys” require a core cultural shift.

On the one hand employees have begun to work remotely, while on the other, customers have become contributors to the businesses. Human interaction and overall experience that the stakeholders carry finally establishes the brand value of the enterprise. These could be customers, shareholders, employees, suppliers, or even the government – any human that engages with the company. Each of the stakeholders may engage with different sections of the enterprise. Certain stakeholders may interact with several sections of the same enterprise. Organisations are consciously charting the engagement journeys to provide consistent and superlative experience. Companies are even altering their stated corporate values statements to incorporate the sentiments of the vast set of people they engage with.

### **V. New-age Technologies**

One of the key driving factors for businesses to find the right foothold in the new world largely rests on the adoption of new-age technologies providing business intelligence, resources and analytics. The extent of intervention by newer technologies at an accelerated pace has itself been a major disrupter for several organisations and businesses. Rapidly shifting business environments have caused companies to either close businesses or make drastic changes in their service and products.

Technologies have become integral to the business to the extent that the business is itself that of technology governance, in most part. Several tech implementation models have emerged in the recent past. The advent of pay-as-you-go culture has revolutionised both deployment and use. The erstwhile tech asset capitalisation has given way to the more agile tech revenue cost systems.

Data Privacy, Information Protection and Cyber Security are non-negotiable for any organisation. Systems that enhance risk management and controls are becoming increasingly important. Organisations are investing heavily on protecting their own as well as their stakeholders' data. While protection from data theft has been important ever since data and information became the new-age treasure, the threats that companies face now are related to hacking with the intention of industrial sabotage. Protection becomes all the more difficult since technology has shrunk to the level of tiny urls and apps that are installed on almost all hand-held devices, potentially giving access to all and sundry.

## Conclusion

Each of the above-mentioned enablers are value enhancers having direct influence on the three common traits of value. Disruption of every nature is likely to become a way of life. It can also be a universal leveller, at times, hitting the bigger companies more than the smaller ones. Smaller and agile companies, such as the start-ups, usually come equipped with the cultures enabling value enhancement embedded within them. Established companies and leaders are increasingly implementing these cultures all across their enterprises too to ensure sustaining and nurturing of their long-term value. **SSF**

The perspectives and insights that have been mentioned herein are SSF's own views, with collective contributions from the following leaders:

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