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HE WORLD IN THIS DECADE could be very different from the world we saw in the last one. Technological disruptions, global competition, protectionism, demographic transition and sustainability imperatives are just some of the factors that are transforming the way we live and do business. The current pandemic is only compounding the effect of these forces that will continue to gain momentum during the next few decades and

and future, a comprehensive strategy is needed. The strategy framework being proposed herein, that could become the pillar of the transformation journey of a company, consists of three strategy themes: Survive, Revive, and Thrive (SRT) spread over three concurrent time horizons.

The three themes work simultaneously, and together they address the immediate and future challenges of the company. Each theme has its specific strategies and initiatives that ensure the fulfilment of objectives it was launched for.

In the SRT framework, Survive is about managing the present, Revive is about adding value to the present by learning from the past, and Thrive is about creating the future.

None of the themes is any more important than the other two but their allocation of resources vary depending on the specifics of an organisation. Ideally, one must devote the majority of the resources for preserving the present or winning the

SURVIVE, REVIVE, THRIVE:

Strategy in Times of Disruption



drive our future.

One of the most critical managerial functions in a company is to allocate time and resources on a day-to-day basis across the competing demands of today's requirements and tomorrow's possibilities. Anyone who has ever tried to lead knows that the challenge goes beyond managing today's business while creating tomorrow's. There is a third, and even more stubborn problem: letting go of yesterday's values and beliefs that keep the company stuck in the past.

Thus, to balance a company's often competing realities of its past, present,

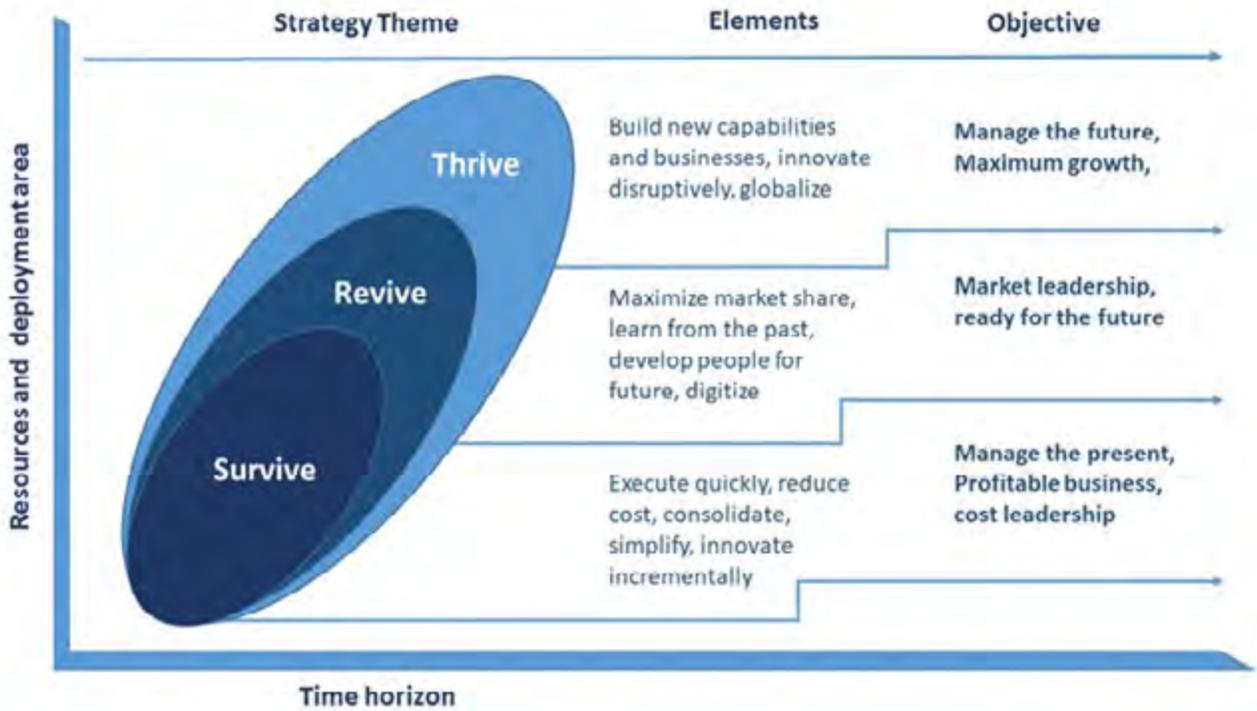
and future, some for developing people for newer challenges and for selectively destroying and learning from the past, and the rest for creating a future. Resource allocation and time spent will depend on what stage of maturity a company is in.

For businesses accustomed to understand the future in short, medium and long-term time frames, the SRT model customised for a large organisation could be understood as shown in the chart titled *Things We Fear to Do*. The basic idea here is that the future is now.

Survive

A business environment is always in transition. We tend to evaluate the present times as more volatile and hostile because we observe these events first-hand and are directly affected by them. The present business environment will continue

THE SURVIVE, REVIVE, THRIVE STRATEGY FRAMEWORK



(and perhaps worsen) during the next foreseeable future, as it reflects the combined effect of the following:

- Slower, erratic growth in domestic and world markets.
- Intensified protectionist environment in all major economies of the world.
- Intensified regulatory pressures like environment norms on business conduct and investment decisions.
- Intensified competition, and changing consumer behaviour.

As a result of these pressures, all corporations are witnessing a major evolution in industry structures and competitive behaviours. Many structures that were stable and highly profitable during the last decade are now moving toward instability and marginal profitability (for example, large hydrocarbon or petrochemical companies).

Moreover, the narrow range of corporate strategies and business “success formulas” which brought prosperity in those earlier years are no longer work-

ing. Instead, these are being replaced with a much pragmatic range of strategic choices that are becoming essential to survive in the hostile environment ahead.

Survival is the basic necessity in these circumstances. Companies must survive in order to thrive later. The current revenue stream, the bread-winner, must be preserved till the company is ready to migrate to diversified or newer growth areas. A company often needs to deploy about at least two-thirds of its resources and time on winning the present.

The first principle in the Survive strategy is to execute ideas, projects, and strategies quickly and effectively. For this, the execution must be led by the top management and a company should have a defined system for that. The key requirements for a successful execution system are to have clear goals for everyone in the organisation, that are supportive of the overall strategy, combined with a monitoring mechanism for measuring progress toward those goals on a regular basis, and clear accountability for that progress.

Once an organisation starts to execute well, survival is almost guaranteed and prosperity becomes possible even when the business environment turns hostile and industry trends change from favourable to unfavourable.

The next step to remain ahead of the curve is to have a strong will to achieve the lowest cost position relative to competition, coupled with an acceptable quality level to gain profitable volume and market share growth (lowest cost @ acceptable

quality). Cost reductions and incremental innovation play a major role in the Survival strategy.

Finally, the companies must look for ways to consolidate and simplify the aspects of businesses that could make them nimble and asset-light. The future belongs to companies that typically operate with higher sales turnover, reflecting a lower cost, and a flexible asset base.

The success elements of a Survive strategy could be summarised as:

- Expeditious execution of orders in hand creating an improved cash flow and goodwill, coupled with quick execution of strategies and ideas.
- Reduction in wasteful expenditure and cost cutting in all processes.
- Incremental innovation in product design and efficiency of processes.
- Consolidation of assets wherever possible coupled with simplification in processes to reduce cycle time.

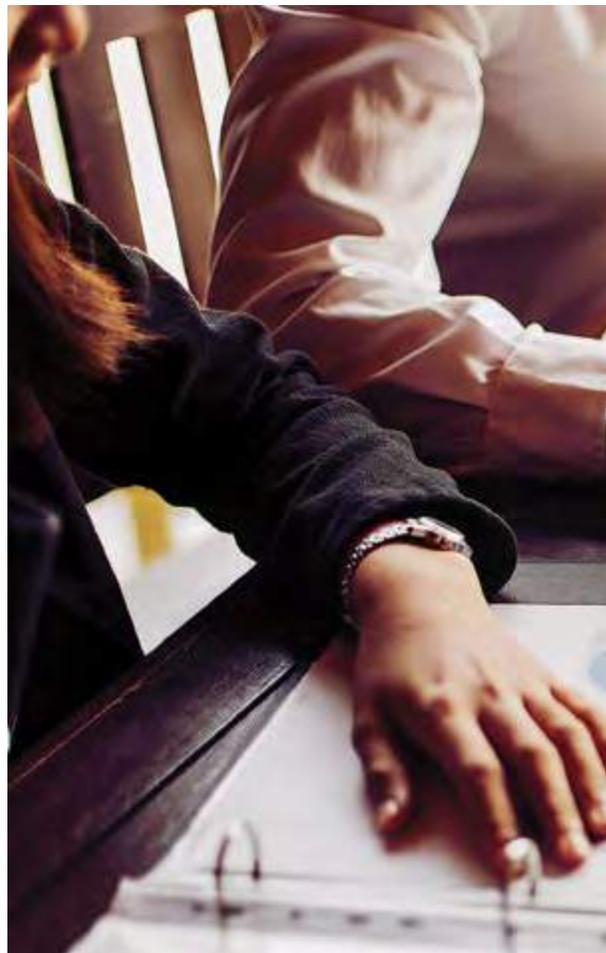
To be sure, the present is vitally important. The current business is the performance engine of a company. It both funds day-to-day operations and generates profits for the future. It is based on activities and ideas that are proven, well understood, and firmly embedded in the business. A prudent management of a company's core business is the key to its Survive strategy.

Revive

In comparison, the Revive phase of strategy is about learning from the past, developing people for the future and protecting the core business, and being ready for the future.

Once the company has decided to invest the majority of its resources on core business, it is time to go all-out and deploy learning from the past to increasing market share. A very important tool in garnering market share is how people view themselves and the company. Thus, developing people to become assertive about the company and about themselves, making them unlearn some

Unlearning past habits that are no longer profitable is a key part of the Revive phase. For example, if brick-and-mortar office is not making sense, change the practice and assimilate work-from-home. If you have office or factory space that you can lease profitably, then do it. If you can outsource your HR and financial needs, get it done with and retrain people for something specific



of the unproductive practices, and training them to avoid the traps of the past, goes a long way to secure a leadership position. An assertive workforce has confidence in themselves and the company. They excel at business development and marketing, thus increasing the chances of gaining market share. Assertiveness is manifested in protecting market share in deploying aggressive marketing strategies.

Most organisations ignore revival as they try to innovate their way to a new model. Even as old ideas and practices choke off the new future they are trying to create, organisations find it very difficult to overcome the power of the past. The more attention a company pays to the Revive phase, the more room there is for the Thrive strategy to achieve its goals.

Thus, unlearning past habits that are no longer profitable is a key part of the Revive phase. For example, if a brick-and-mortar office is not making sense, change the practice and assimilate work-from-home. If you have office or factory space that you can lease profitably, then do it. If you can outsource your HR and financial needs, get it done with and retrain people for something specific. The idea is to do a realistic audit,



conserve the best and relevant practices, and prune the rest of them. An organisation must renew itself periodically and have people ready for the future.

Harnessing the best of digital technologies makes people and the company ready for the future. For example, before the onslaught of Covid-19, how many companies were willing to use digital technologies for effective working? Despite having an IT infrastructure in place for a decade or more, people were habituated to in-person meetings and conferences even if that meant wasting two hours in commuting or twelve hours in flights.

Nobody was willing to respect employees who were working from home unless they themselves experimented and found it more productive. Even now,

many companies who have reluctantly adopted the digital way of working are just itching to go back to the old ways. Many companies do not realise that they cannot only use digitalisation to improve efficiency of their existing processes but also create an additional revenue stream by using it to create intellectual capital. A company in the modern times must strive to do both.

Traditionally, the Thrive strategy is the least prioritised area of a company as unlearning is difficult and painful. It may require wrenching management decisions to divest long-standing lines of business or to abandon entrenched practices and attitudes that are unwelcoming or even hostile to ideas that don't conform to the dominant model of past success.

The success elements of a Revive strategy could be summarised as:

- Increase market share by deploying aggressive short-term strategies, and by taking the existing product or technology to new market or new ones to the existing market.
- Develop people to become assertive and ready for the future.

■ Learn from the past, and retain only the relevant.

■ Harness digital technologies to become agile and lean, and to create additional revenue streams.

Thrive

The foundation of long-term sustenance of any business rests on innovation and doing well in new growth areas. The major part of the Thrive methodology for creating the future consists of leaps of faith and experimentation that are fraught with uncertainty and risk. The regime calls for entirely different management strategies and metrics than do the relatively settled and predictable work of executing the present core business at the highest level.

Often, exploration and diversification come too little and too late for most companies caught in a competitive whirlpool. However, really successful companies use part of the earnings of the core business to provide a steady flow of capital for promoting meaningful positions in innovative businesses. This is the hallmark of the Thrive strategy and it usually ensures ongoing growth and vitality of the company.

The biggest challenge one has in balancing the three strategies is that the greater one's success in the Survive phase, the more difficulties one is likely to face in conceiving and executing breakthrough Thrive strategies.

Once companies become big, and successful, the tendency is to preserve that success. They enjoy focussing too much on the Survive phase. This success trap usually arises not from deliberate inattention but from the overdependence on the success that the past and the core business have brought.

In the Thrive phase of experimentation and learning, not every step along the way will be successful. One needs to develop a process for taking and hedging risks.

While large companies should be at an advantage because they have the resources and capabilities to create new

THINGS WE FEAR TO DO

Element	Survive	Revive	Thrive
Perspective	Core	Adjacent	New
Horizon	Now	Next	Future
Timeframe	Winning the present (2 years)	Near Future (3-5 years)	Long-term (beyond 5 years)
Resources/ Time Allocation	50-70%	10-20%	20-30%
Metrics	Profit	Market share, order-book	Growth, new products
Drive	<ul style="list-style-type: none"> •Execution quickly •Reduce cost •Innovate incrementally •Consolidate, Simplify 	<ul style="list-style-type: none"> •Increase market share •Develop people •Learn from the past •Digitize 	<ul style="list-style-type: none"> •Create the future market •Globalize •Innovate disruptively
Mantra	Things we love to do	Things we have to do	Things we fear to do

businesses, they often don't understand it, or understand it too late. How many large companies do we see floating start-ups committedly? How many are introducing breakthrough products and technologies?

In order to be sustainable in the longer run, companies must build new technologies and capabilities. They should enter into new growth areas, diversify, and create disruptive products in a continual manner. In order to do that in a formal, rigid structural framework that a company usually operates in, the Thrive strategy must be institutionalised and it should be represented by a formal team, allocated a set budget every year, and be regularly reviewed at the top level. **BW**

Read the concluding part of this article, 'Survive, Revive and Thrive', in the coming issue of BW Businessworld

*The author is Director General, SCOPE and former CMD, BHEL
The views expressed are personal and do not reflect those of BW Businessworld*