

The Game Changer



Ravi Kant

THE COMPANY MAY HAVE hogged the headlines for the Nano over the last few months, but Tata Motors has many more firsts to its credit. In 1998, it launched the Tata Safari, the country's first sports utility vehicle, which was followed by the Indica, India's first fully indigenous passenger car. Ace, a sub-one tonne commercial vehicle followed in 2005, that created a new segment of its own.

"India can be the place for innovation," said Ravi Kant, MD, Tata Motors, at an ET-promoted event, adding that innovation is primarily the implementation of a new idea that would give the company a competitive edge, in all aspects of the value chain. Driving this innovation are the Seven Ps: product, price, promotion, place, purpose, people and processes. While price was clearly the path breaking thought behind the Nano, the other aspects too were tackled unconventionally for the Rs 1 lakh car. "The company was faced with a dilemma when it came to promoting the Nano, given that the product wasn't even ready. But they needn't have worried. 'I can't think of any other product or service which has built up such a strong brand without spending money,' laughs Kant. Within 24 hours of the launch, the Nano website had four million hits. Now that's a hit.

Going Green



Homi Khusrokhhan

WHEN TATA CHEMICALS recently set up its first Innovation Centre in Pune, MD Homi Khusrokhhan ensured that the scientists were not governed by the same rules as the rest of the organisation. This meant enough flexibility and time to spend on research along with less complicated management processes. "People need to have the right environment to be able to innovate," he says. He is also a firm believer in having an open and informal culture, where people are given the freedom to experiment and fail.

The Innovation Centre has been set up with a view to discovering a new set of "horizon three businesses" where the company could have a presence in the future. "The one common thing all these businesses have to have though is that they must pass the 'Green Screen' and be sustainable," says Khusrokhhan. While the company has already started work on some innovations like bio-fuels and using biology to create nanomaterials, there are many others still in the pipe-line, some also being worked upon in collaboration with other group companies. The Centre currently houses 30 scientists and intends to take this up to 300 over the next five years.

Enter The Dragon



Percy Siganporia

TATA TEA MD PERCY SIGANPORIA has a simple motto: shed what you are good at and move on. As a result, this plantation turned branded tea company has emerged as among the most innovative companies within the group. From the way it structured its exit from the plantations business by selling it to the estate employees to a more recent series of measures which have resulted in the time taken for the tea-tasting process going down to a fourth of the original, most departments in the company have their own tale to tell.

"What we do at Tata Tea is to create an atmosphere by which innovative behaviour is encouraged. It also forms an important part of the appraisal process," says Siganporia. The company has a system in place, whereby employees can present ideas on any part of the business that they feel can be done differently. While a lot of ideas get thrown up, Siganporia says that the company is engineered in such a way, that only the truly innovative led ideas tend to get firmed up.

Tetley, UK, a subsidiary of the company, has set up what it calls the 'Dragon's Den', where ideas put forth by the employees are discussed. The 'dragons' act like venture capitalists and based on the strength of the ideas, the employees are provided the funding to see it through. "We tell the youngsters not to focus on the financial model but to be open to taking the risk. We will back them-but at the same time, there are enough checks in place to ensure that we don't invest blindly either," says Siganporia.

Steely Resolve

FOR TATA STEEL, INNOVATION can range from the deployment of invention to using the best that is available in a manner that makes it most profitable to the enterprise. B. Muthuraman, MD, Tata Steel is a strong advocate of 'nurturing' innovation, not managing it. He is known to have said that the word 'manage' connotes system, structure, hierarchy and procedure—each of which is an opposition to innovation. The managing, he feels, should be restricted to the culture and ambience of the organisation.

It is by implementing a series of small but significant innovations in every step of the manufacturing process that the company has emerged as one of the lowest cost producers of steel in the world. For instance, one of the biggest competitive advantages Tata Steel had was its captive supply of iron-ore. However, once it started supplying to sectors like white goods and automobiles, it realised that the 0.80% phosphorus content was a problem as some wanted it as low as 0.25-0.10%. So the company went about gradually changing parts of the manufacturing process and has brought the level down to 0.12% and is now working at bringing it further down to 0.10%.

What has made all this possible is that the senior management of the company encourages maverick thinking and allows people to have their own take on innovation.



B. Muthuraman

The Technovator



K. Ananth Krishnan

BACK IN 1968, IN THE AGE of punch cards and unit recording equipments, when the idea of 24x7 processes didn't exist, a small 'computer company' in the Tata Group came into being. This company, Tata Consultancy Services (TCS) actually introduced the concept of business process outsourcing a few decades before the rest of the country—and the world—caught on to the idea. The next big step for TCS was to set up the first innovation centre in Pune in 1981, which was followed up by labs across the world, with the twentieth one coming up in the US shortly. To make the shift from being inventive to innovative, TCS brought Clayton Christensen, a noted innovation consultant, onto its board.

K. Ananth Krishnan, chief technology officer, TCS says that there are a lot of interactive initiatives to take innovation to the next level in the company. These include various initiatives including 'Technovator', an open online forum for ideation and the launch of company blogs where employees can share ideas. TCS also has its own innovation awards for the best lab, teams and individual innovators.

The Winning Edge

WHEN THE OPENING WORDS of a company's vision statement read, 'To be Innovative...', you know that it takes innovation seriously. As the first company to pioneer organised watch retail and then branded jewellery retail in India, Titan has always had a history of doing things differently.

The best known example of innovation from this relatively young company is the Edge, the slimmest watch in the world. B. Nagaraj, head-Innovedge division, Titan mentions that a few years ago, the company went through a rough patch as products like mobile phones started eating into wrist-watch sales. "At a time like this, innovation was the key to the growth of the segment," he says. So the company set up a special cell, Innovedge, which would work on marrying



Harish Bhat

technology and style in watches.

According to Harish Bhat, COO, Titan innovation is a matter of culture. "We try to empower people to go out and research a new world, both inside and outside of watches," he says. A few months ago, the company sent a team of designers to Europe who spent a few weeks in Basel and at the Louvre in Paris to soak in atmosphere and ideas.

The possibilities of what can be achieved using technology are what really excite the company. "We are working on installing RFID chips within watches which could work as access cards in offices, or could store information about a person. The possibilities are endless," says Bhat.

The I-Game

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"WE ARE NOW building partnerships with institutes of excellence such as the Indian Institute of Science and Cambridge University. Group companies such as TCS and Tata Motors already have established partners, and now we are doing more workshops so that people can understand how to invest in research and development and partner with academia," explains Sinha. TCS, for instance, is collaborating with Stanford on software development for data privacy.

A proud achievement for the top Tata managers has been that the innovation culture is spreading its tentacles. Some like Percy Siganporia, MD, Tata Tea even stick their neck out to say it's all pervasive. He says, "We don't have a special innovation cell in Tata Tea as we believe innovation is happening in all spheres of our company." Not surprisingly, two of the company's recent innovations have reached the final rounds of the Tata Innovation Awards. The awards, presented on the Tata Innovation Day, were set up two years ago to bring into the spotlight the different kinds of innovation taking place in the group, both in India as well as overseas. Interestingly, it's not only successful innovation that is awarded, but even the ideas that have failed are duly recognised under the 'Dare to Try' category. The award winner who makes a presentation also details why and how the idea failed and what is being done to fix and re-launch it. "In India, most people are afraid of failure but to be innovative, it is essential to be able to take that risk without the fear of failing," says Gopalakrishnan.

Renowned innovation guru V. Govindraj, Professor at Tuck School of Business and chief innovation consultant at General Electric is convinced that the Tata Group is well poised to be at the forefront of innovation in the country in future. "The Tatas understand the Indian consumer and have a passion for growing India. Also, the Tata Group has always been professionally run and has paid attention to building very high intellectual capital and has the financial strength to mount big, audacious and innovative projects," he says.

Despite the hullabaloo around successes like Nano, Tata executives are going about assimilating innovation in their daily scheme of things in a silent, unassuming Tata sort of way. Siganporia recounts how last month, at the northern region finals for the Innovation Awards, when Gopalakrishnan asked the finalists present if they thought they were really innovative, only six or seven hands went up. "That is the thing about the Tata Group—we don't believe that what we are doing is innovative. It is just a part of the day's work," he says. Watch out for the unassuming innovators; more Nanos are work in progress.

priyanka.sangani@timesgroup.com

CONSTANT INNOVATION: THE HALLMARK OF CUSTOMER RESPONSIVENESS

Companies that deploy path-breaking business practices are typically the ones that have a heritage and culture of innovation and promote the same at all levels. Profiled below are six companies (featured on www.avayaglobalconnect.com/crpractices), all leaders within their verticals that have viewed challenges through a new eyeglass and handled them with fresh approaches, methodologies and business practices.



RAM N. AGARWAL
MD AND CEO

WEPPERIPHERALS
In order to help its channel fraternity and customers, WeP Peripherals launched a sales process automation system, including an automated Reseller Payout system to reach 600 towns, an auto alert system for billing to customers and a CRM package, BizTrack for improving sales processes. Now, the timeframe for the reseller cheque payments has come down from an average 60 days to 20 working days. Customers have found the e-mail invoice generation beneficial and have been releasing payments on time. The increase in collections has boosted business profitability.



JOSEPH MASSEY
MD AND CEO

MULTI COMMODITY EXCHANGE OF INDIA LIMITED (MCX)
Since its inception, MCX has been working to develop the commodities market through extensive training programmes. The company has enhanced its training capabilities through the establishment of a Centre of Academia, which covers the entire gamut of training—from identifying users/trainees and developing the course content to delivery and evaluation. The MCX Centre of Academia offers classroom programmes and distance learning modules in partnership with India's leading management institutions such as the IIMs, IRMA and Symbiosis, among others.

"USING THE POWER of innovation, organisations need to invent new business practices and reinvent existing ones to differentiate themselves and gain competitive advantage in the market. Business leaders must create an environment within their companies where employees freely and fearlessly think beyond the ordinary and come up with practices that will usher in business transformation and

alter the rules of the game. In today's world, we need more conceptualisers and ideators of business practices—practitioners who can really make a difference by looking at old problems with new eyes. Business practices are the crown jewels of organisations, but they must be constantly examined, improved and even replaced by new ones so that companies can remain dynamic and customer responsive."



NIRU MEHTA
Managing director and vice-chairman, Avaya GlobalConnect



NARAYAN S.
MANAGING DIRECTOR

KOTAK SECURITIES LTD
Recognising the need of its customers to remain updated regularly on market moves and their positions, Kotak Securities decided to introduce M-Trade, a service that provided clients with live market updates on their mobile phones. A first-of-its-kind investment facility, M-Trade has been designed to give the customers an instant access to the stock market through the mobile. Furthermore, clients can make investment decisions on the go and place an instant order through Kotak's call and trade facility.



GAURANG SHETTY,
SVP, ALLIANCES AND INTERLINE DISTRIBUTION

JET AIRWAYS INDIA LTD
To meet the ever increasing needs of its customers, Jet Airways wanted to understand their flying patterns. The company launched a loyalty (frequent flyer) programme with a dynamic software delivery platform, to capture the varying transaction/usage patterns of flyers and build a customer-centric value based proposition. The practice has helped the airline generate repeat business, improve customer loyalty scores and acquire new clients.



NADIA CHAUHAN,
DIRECTOR

PARLE AGRO
Parle Agro decided to take a fresh look at its popular drink Frooti and go beyond the Tetra Pak. The company introduced Frooti in PET bottles to aid staggered consumption. It also made the beverage affordable for all by launching Frooti in a 65ml Tetra Pak, priced at Rs 3. Realising the damage that out-of-stock situations would do to its customers, Parle Agro took the backward integration route by setting up a PET preform manufacturing unit. This initiative has helped boost Frooti sales through PET bottles, penetrate Tier II and III markets, compete across categories and develop a pan-India presence.



RAHUL SINGH
MD AND CEO

CITIGROUP GLOBAL SERVICES LTD
Citigroup Global Services (CGSL) was driven by the growing maturity and expectations of its customers to go beyond cost arbitrage and improve delivery, quality and productivity. The company developed an 'Operational Excellence and Innovation Framework' to capture and deploy ideas pertaining to improving Voice of Customer (VOC), SLA Conformance, Voice of Employee (VOE) and Productivity etc. This has helped CGSL reap cost benefits, bag new business, improve profitability and customer satisfaction scores.

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