Delhi Business Review ✠ Vol. 5, No. 1, January - June 2004

Communication

GLOBALISATION AND BUILDING SUSTAINABLE COMPETITIVE STRENGTH

Raj Agrawal*

COMPETITIVE advantage has become one of the key frameworks- if not the key one- for every aspect of Business in the global economy. It has raised critical issues as to the leveraging competitive advantages at the global level. Being prepared for the unexpected is the single biggest challenge facing companies today. The mantra of the new economy includes talking about innovation at 'E-speed'- moving at the speed necessary to survive and thrive in the new economy. The problem is the gap between where we are and where we ought to be. This article is an attempt to find solution by bridging this gap. The organizations which are ahead of their times are tuned into the changes in communications technology, globalization, cross-cultural exposure, literacy and education, etc., which affect societies and communities. They know what the future will unfold and on that basis, they keep changing their products and services. They, therefore, begin to acquire and build these competencies even before they are to be deployed. Looking into the immediate future, the major challenge facing Indian industry is the need rapidly to attain international competitiveness eficaciously responding to the fast pace of trade liberalisation arising from WTO. Companies must find quicker and more efficient ways of transmitting/sharing and embedding their culture and values, managing their knowledge and expertize and helping employees to develop and maximize their entrepreneurial and managerial potentials.

Background

As the new century dawns, competitive advantage has become one of the key frameworks – if not the key one – for every aspect of Business in the knowledge based global economies. It has raised questions not just about how to penetrate new markets, but what the definitions of those markets are. It has raised profound issues regarding how a company should be organized and to be led. Deep structural shifts in markets and in economic values are enormously altering the nature of wealth. Technology has brought diversity at workplaces. Innovation is the order of the day. With such unrelenting change blurring the vision of corporate leaders, they need the benefit of the best thinking in order to focus on the right global strategies.

Being prepared for the unexpected is the single biggest challenge facing companies today. The mantra of the new economy includes talking about innovation at 'eSpeed'- moving at the speed necessary to survive and thrive in the new economy. Indian Economy, society, policy and decision-makers at the top are at cross roads. During the last decade both in liberalization and post liberalization era, there have been momentous transformations in the domestic and global economic and socio-political scenes. This is the time for introspection for planners, policy makers on how to stablize the process of change for achieving balanced and self-sustaining economic growth rate of 8% annually.

The problem is the gap between where we are and where we ought to be. A solution helps us bridge this gap. A competitive advantage at global level is a unique subject for a group of industry leaders, policy makers and students. This article is an attempt to provide insights with a solution to bridge the gap in current global trends by sharing the perspective and approach of emerging economies with a specific focus on India. The article also explores the possibilities for companies to become the corporate drivers by gaining the competitive advantages

* *Senior Faculty (Economics and International Business), All India Management Association – Centre of Management Education (AIMA-CME), New Delhi, India.*

in the fast-changing global scenario. The organizations which are ahead of their times are tuned into the changes in communications technology, globalization, cross cultural exposure, literacy and education, etc. which affect societies and communities. They know what the future will unfold and on that basis, they keep changing their products and services. They therefore begin to acquire and build these competencies even before they are to be deployed. Therefore for corporate and business managers, understanding of major problems resulting from changes in business environment is a must.

Problems for Indian Companies

The Integrating Role of Technology

The rapid creation and diffusion of new and more advanced technologies, over the last few decades, has not only improved production but also widened the scope for global marketing in goods and services. The technology revolution especially in microelectronics has reshaped competition, helped reduce costs and make products available to more global consumers. In addition the major developments in transportation and information technologies have further strengthened the internationalization of national economies (Laccocca and Novak, 1985).

Dynamics of Capital Flows

The global economy is shaped more by capital flows and dynamics of international investment than trade in goods and services. The present phase of world integration is dominated less by increasing trade linkages than by rapidly growing investment and technology flows facilitated by exploding financial linkage of the 1980s.

National markets are fast growing into global capital markets because of the large flow of funds among countries (Prahalad and Hamel, 1990). The liberalization of restrictions on capital movements, deregulation of domestic capital markets, and advances in data processing and telecommunications are likely to accelerate further the pace of globalization of financial services in the years ahead.

Production Sharing and Globalization

The current trend is that global corporations are going in more and more for global manufacturing systems where the production of a single product spans across different countries. This has been made possible because of the technological development, explosion of new products, and removal of barriers to international trade, and improved communication and transportation networks.

For example, “components for the Ford Escort automobile, introduced in Europe are made and assembled in 15 countries in three continents” (Whitney, 1996). Since the aim of the global corporation is to offer products of superior quality at lower costs, attempts are made to develop resource capabilities by exploiting labor costs in one country, raw materials in another and information technologies in still others. The result has been the development of global production system.

Strategic Alliances and Global Competition

The growing international competition and strategic alliances between firms further accentuate the process of globalization. In order to attain competitive advantage, global corporations enter into strategic alliances even with their rivals in their domestic or foreign markets. These linkages take many shapes: joint ventures, licensing agreements, R&D consortia or reciprocal marketing deals. The business software that made IBM personal computers such an instant hit was not an IBM Product. It was the creation of Lotus Development Corporation. Most of the components in the IBM PC itself were out soured as well. IBM could not have developed the machine in anywhere near the time and cost as it did if it had tried to keep it 100 per cent proprietary. The heart of IBM’s accomplishment with the PC lay in its decision and ability to approach the development efforts as a process of managing multiple external vendors.

Ford Motor Company, with one-third of sales outside the US, owns 25% of Japan’s Mazda. Daewoo makes Nissan cars for Japan and Pontiac for America. Fuji-Xerox, General Motors, Toyota, HCL, HP, Maruti-Suzuki are other examples where firms have combined together in their drive to enlarge their global market share through strategic alliances. Globalization of business has been rapid during the last two decades. In addition to the factors mentioned above, the efforts undertaken by the industrial countries to restructure their economies, and the economic reforms carried out by the developing countries will further intensify globalization process in the coming years.

India and Global Challenges

Globalization of world economy offers both challenges and opportunities to the Indian companies. Already they have lost a lot of time in preparing for global competitiveness. A higher level of world prices, continuing devaluation of their currencies and increase in the quantum of their imports are adding new complexities to their international marketing efforts.

The opportunities that are opening for global marketing are further dampened by rising protectionism, discriminatory government procurement policies, offset requirements, forced technology transfers, local content requirements and other mechanisms used, and the growing trend towards bilateralism instead of multilateral trade agreements.

WTO

India participated in the Third Ministerial Conference of the World Trade Organization (WTO) held at Seattle from 30 November to 3 December 1999. The Conference assumed importance and attracted wide publicity because of the efforts of a large number of member countries to seek an endorsement from the Conference for the launch of a comprehensive round of negotiations, covering a wide range of subjects, including proposals to introduce Regimes on Investment, Competition Policy, Transparency in Government Procurement, Trade Facilitation, Trade and Labor Standards and Trade and Environment and Agriculture Trade. Ever since the conclusion of the Uruguay Round, developing countries continue to experience great difficulties in capitalizing fully on the benefits they expected to derive from their participation in the multilateral trading system. During the Uruguay Round of negotiations, the developing countries had taken exacting obligations in the form of TRIPs and TRIMs, though these were not to their advantage. In return, they hoped to secure increased market access at least in the areas of textiles and agriculture. However, due to the backloaded nature of the integration of the restrained textile items and also due to the perpetuation of trade distorting domestic and export subsidies coupled with high tariffs and tariff escalation in agriculture by the developed countries, the expected market access has never been realized.

Naturally asymmetries and inequities in several of the agreements including those relating to anti-dumping, subsidies, intellectual property, TRIMs and the non-realization of expected benefits have been a matter of serious concern. On one hand, India has eliminated all kinds of quantitative restrictions and is progressively reducing tariff levels; on the other, trade barriers imposed by the developed countries are becoming more and more impregnable. This biased multilateral trading system is again a big challenge for the Indian companies to increase the competitiveness of their products and services in global market.

Indian Companies and Suggested Areas of Change

Developing Executive Leadership

In this era of transition effective leadership is in great demand. Effective leaders generate and sustain trust by displaying equal measures of competence, ambition and integrity. When the organizational goals are no longer incremental changes but large-scale transformation, to perform in the era of competitiveness, leaders should replace managers. Traditionally, managers focus on doing things right, whereas effective leaders are concerned with doing the right things. The efforts of the leaders should be directed towards unleashing people's imaginations and passions and enhancing their ability to form genuine shared visions. They have to change the quality of thinking in the organization and facilitate increase in intelligence at the front lines, where people confront increasingly complex and dynamic business environments. They will have to foster the trust and skills needed by teams at all levels.

Truly effective leadership doesn't mean following a universal set guideline. Instead, it is grounded in a high degree of self-awareness and the ability to leverage that personal strength that set each individual apart. The ability to train, acquire or identify leadership capabilities in aspiring talent pools of major organizations is in itself a far more complex conundrum. Leadership is a growing corporate priority and the methods for leaders in the past have unfortunately not kept pace with the magnitude of global change. Currently there are over 200 available CEO positions in Silicon Valley alone. Where then are all the capable CEO's to fill these positions? Leadership development is all about building the capacity to architect successful change; it is vastly different from, but a complement to, management, which is all about control and efficiency, but the two together are required for successful change execution in the medium/long term.

Leadership development is a means to an end; the end being successful change and competitive advantage; it has to have context to have pay-off and so has to be built on an individual basis with individual executives and executive teams:

Leadership development should be considered at three levels: (Robertson, 1997)

- The leadership of the business by the top team (including the explicit operation of the "processes of leadership" by group.)
- The leadership of the top team by the CEO (fully including the dynamics of Top Team Effectiveness).
- The personal development of individual executives as leaders.

Leadership development is not 'smoke and mirrors'; leadership is not an enigma; the process of leadership development is both disciplined and robust and can be demonstrated to have a clear pay-off in terms of achievement against strategic goals.

To be successful, leadership development is firmly rooted in the business strategy, which dictates the style of leadership and the culture that will be most effective in achieving the strategic goals. There is need to develop with top teams a comprehensive understanding of the links between strategic achievement and their personal behavior, building with them a practical and pragmatic approach to the construction of changed personal and team behaviors, actions and communications, required to effect the sustained changes they desire within their organizations.

Getting Strategy to Work

It has become absolutely necessary for an enterprise to devise strategies, mechanisms and develop competencies to gear themselves and survive.

It is not easy to integrate an entire organization's elements – its people, technology and processes. For companies it is essential to develop a clear approach to operationalising business strategy. An integrated business strategy approach addresses issues in development and communication of business strategy, execution and monitoring and is encapsulated in three key management principles.

- The first principle is of rewriting the strategy in the form of organizational capabilities perceived by the customer. This principle is also the best way to communicate your strategy to everybody—starting with your customers.
- The second principle is focused on implementation. It is the creation of sharply defined organization sub-units sets out (see Figure 1).
- Processes to be adopted
- Technology capabilities needed and the infrastructure, facilities and layout, etc.
- Organization manning levels, skills, culture, customer attitude, etc.
- The third principle of Business Strategy is measurement of capability delivery.

The focus is on achieving consistent delivery of the stated capability. For the seasoned CEO, this is not a new topic and does not require new theory. Only, its implementation continues rather dismal and weak. There are attempts to draw balanced scorecards, operational performance metrics, and financial results, etc. Quite a lot of focus is on the results, which is good. But it would also be useful to add metrics to measure the controllable aspects of the processes- such as time taken, number of repetitions to achieve the result.

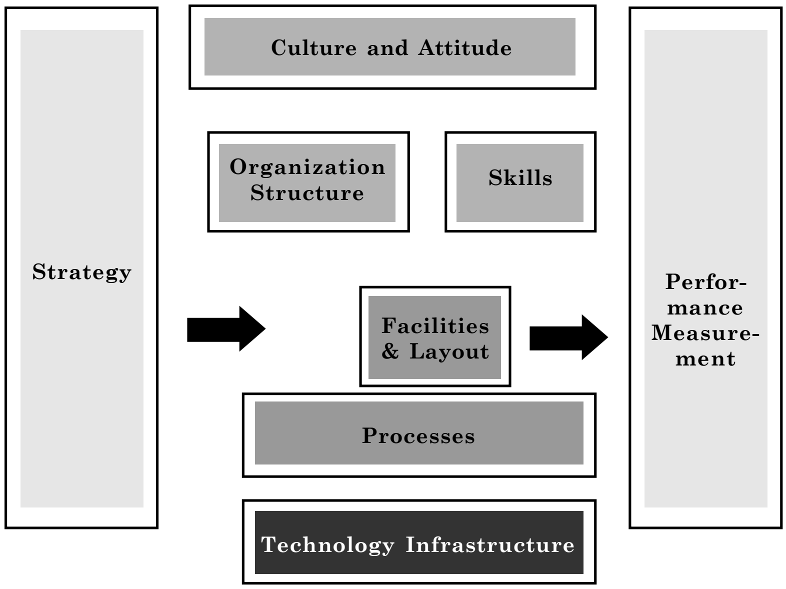

Figure 1

Source: ***Robertson (1997) The Global Context: Road to Success, p.23***

Achieve "Level-4 Learning" through Knowledge Management

As Senge (1990) puts it, "Learning organization is an organization where people continually expand their capacity to create the results they truly desire, where new and expansive patterns of thinking are nurtured, where collective aspiration is set free, and where people are continually learning to learn together." The learning organization is seen as a response to an increasingly unpredictable and dynamic business environment. Companies are seeking various measures to improve performance through initiatives such as TQM, BPR, etc. But they are finding that such programmes succeed or fail depending on human factors such as skills, attitudes and organizational culture.

To create value and tap intellectual capital, companies have to develop, a framework that associates specific knowledge management strategies with specific challenges. Much of the problem with knowledge management today lies in the way the subject has been approached by vendors and the press. Knowledge management is still a young field, with new concepts emerging constantly. Often, it is portrayed simplistically; discussions typically revolve around blanket principles that are intended to work across the organization. For example, companies are urged to emulate knowledge-management leaders such as British Petroleum and Skandia. And most knowledge-management initiatives have focused almost entirely on changes in tools and technologies, such as Intranets and Lotus Notes.

These approaches have little relevance for executives contending with the day-to day reality of running a company. Knowledge management is complex and multifaceted; it encompasses everything the organization does to make knowledge available to the business, such as embedding key information in systems and processes, applying incentives to motivate employees and forging alliances to infuse business with new knowledge. Effective knowledge management requires a combination of many organizational elements – technology, human resources practices, and organizational structure and culture – in order to ensure that the right knowledge is brought to bear at the right time.

Many companies, worldwide, have implemented sophisticated Intranets, common repositories and other systems, largely ignoring the complex cultural issues that influence the way people behave around knowledge. By and large, those companies have seen little improvement in their ability to manage knowledge. Too often, companies implement state-of-the-art technology and then discover, that culture and behavior are slow to change.

In India, the creation and implementation of knowledge management strategies is almost absent. In short, simplistic solutions and "one-size-fits-all" approaches leave executives with little in a way of practical advice about how to transform the entire knowledge-management system. What's more, this fuzziness makes it difficult for executives to see a clear link between their knowledge-management investments and business value.

In the present economic scenario, new Knowledge Management Framework must focus on the way knowledge is used to build the critical capabilities a company needs in order to succeed – on the core processes and activities that enable it to compete. New framework as given in Figure 2 begins by assessing and categorizing the way work is done in the core process. Work can be evaluated along two dimensions. First is the level of interdependence involved – that is, the degree to which individuals and organizations need to collaborate and interact. Second is the complexity of work involved – the degree to which employee needs to apply their judgement and interpret a variety of information. Using these two factors, the company has identified four distinct categories of work, "work models":

- Transaction model, in which there is a low degree of both interdependence and complexity. Work is typically routine, highly reliant on formal rules, procedures and training, and depends on a workforce that exercises little discretion.
- Integration model, in which there is high degree of interdependence and a low degree of complexity. Work is systematic and repeatable, relies on formal processes, methodologies and standards, and depends on tight integration across functional boundaries.
- Expert model, in which there is low interdependence and high complexity. Work involves improvising and learning by doing, and relies on deep expertise across functions and the use of flexible teams

Knowledge Management Frame Work Models

The characteristics of the type of work will help determine which model works best

Collaborative Groups ↕ Individual Actors	**Integration model**	**Collaboration Model**
	- Systematic, repeatable work - Highly reliant on formal processes, Methodologies or standards - Dependent on tight integration across functional boundaries	- Improvisational work - Highly reliant on deep expertise across multiple functions - Dependent on fluid deployment of flexible team
	Transaction model	**Expert Model**
	- Routine work - Highly reliant on formal rules procedures and training - Dependent on low-discretion workforce or automation	- Judgement-oriented work - Highly reliant on individual expertise and experience - Dependent on star performers

Routine ⟷ Interpretation/Judgement

Complexity of Work

Figure 2

Source: ***Sudarshan Sampathkumar "Knowledge Management Strategies that create Value"***

Achieving Supply Chain Excellence

The twenty-first century stipulates a pressing need for clear strategies. Unless companies have a clear vision about how they are going to be distinctly different and unique, offering something different from their rivals to some different group of customers, they run the risk of losing out in this competitive marketplace. Organizations everywhere have been rushing to implement the latest ideas on management, sometimes to the extent of overuse. Generally most of them have been struggling to fit all the pieces together. TQM, TPM, Reengineering, Time-based Competition, Benchmarking, Restructuring, Downsizing, Cost Reduction, ERP Implementation and so on. All these improvements are necessary just to stay in the game. But staying in the game is just not sufficient because if everybody is competing on the same set of variables, then the standards gets higher but no company get ahead. And getting ahead – and then staying ahead is the basis for creating a distinctive competitive advantage. It is not just a matter of being better at what one does but a matter of being different at what one does. The supply chain excellence would enable manufacturing companies to respond to these imperatives. Where is Indian business today with respect to supply chain excellence and what are the key challenges ahead of most Indian manufacturing companies. A good strategy is concerned with the structural evolution of the industry as well as with the company's own unique position within that industry. Increasingly, the companies which will be true leaders will be those which don't just optimize within an industry, but those which actually reshape and redefine their industry. The second important point is that good strategy makes the company unique in terms of delivering a particular mix of value to some array of customers, which represent a subset of the industry. Third, it's not good enough to be just different in ways that involve trade-off with other ways of being different. If not, the position is easy to imitate or replicate.

Competitive price and consistent quality are the price of entry into the market today. Figure 3 depicts the differentiating factors amongst competitors in the past and the expectations in future. In future, companies shall strive to add value through innovation, R&D and structural changes.

Competitive price and consistent quality are the "price of entry" into most markets today.

As business environment world over is moving towards greater unpredictability, pressures are coming from all directions – both internal and external. New products, new markets, new channels, new competitors, and new service delivery challenges are all straining/challenging the existing supply chain consumer and shareholder value. It is clear that a company's major source of competitive differentiation would squarely depend upon its ability to integrate seamlessly all the internal business processes as well the external stakeholders such as suppliers, intermediaries and customers/end-users. This would require implementing state-of-the art technologies, synchronizing the activities of all the internal and external entities and above all, would need to be supported by very superior human performance. The results of such an effort can simply be outstanding. Thus the emerging winners are taking an integrated view of their supply chain with a clear understanding integrating and synchronizing the supply chain from end-to-end and beyond – cannot only create immediate financial benefits but significantly improve relationships with the trading partners. This includes leveraging on the opportunities created through the recent emergence of eCommerce/Internet Technology. The following graph (Figure 4) depicts that almost US $ 1 trillion worth of business is projected to be electronically transacted in another five years time frame through Internet.

This trend is already manifested in eProcurement, eCustomer Relationship Management, Collaborative Planning Forecasting and Replenishment, consumer Direct Shopping- all fostering the growth of extended supply chain. Some companies by linking these solutions with key internal business systems are discovering that they can create the E-Synchronized Supply Chain leading to significant competitive advantage. Figure 5 depicts a typical extended supply chain for a manufacturing company. With the advent of B2B and B2C opportunities, the future business model can be depicted as in Figure 6.

Why Should Indian Companies Adopt the Internet?

The Internet is not just another technology wave. We are at the beginning of the new era where the opportunities are real. Companies which ignore the possibilities and/or the impact of the Internet will do so at their own peril. Surely dot-coms will occupy their rightful place in the economy, however traditional companies will continue to play the major role.

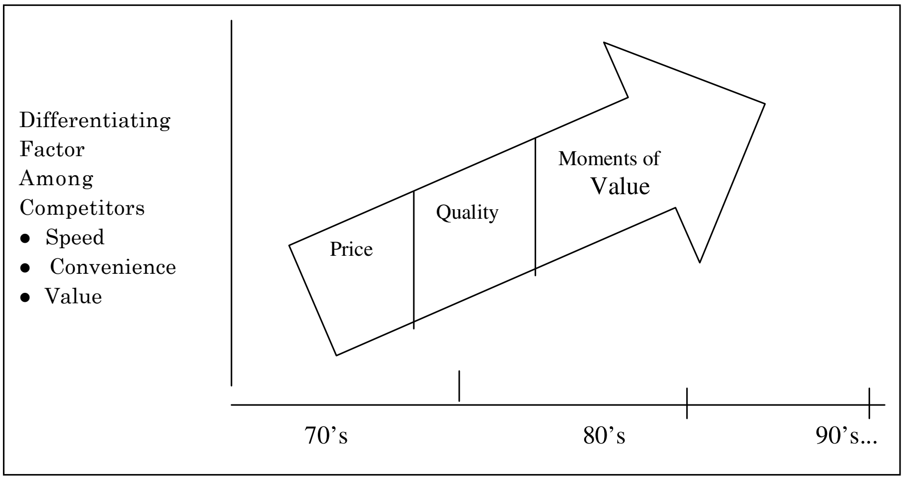

Figure 3

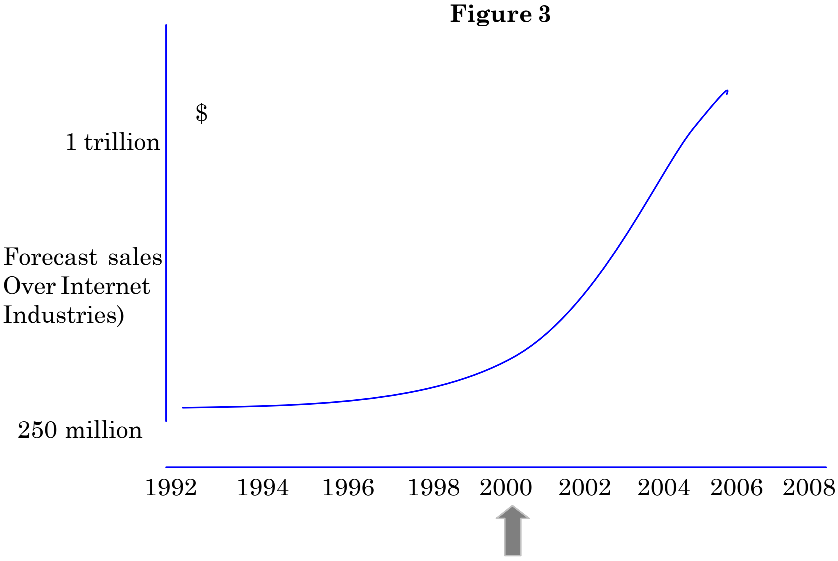

Figure 4

Source: ***Satyabir Bhattacharyya; "Achieving Supply Chain Excellence".***

Supply Chain Management

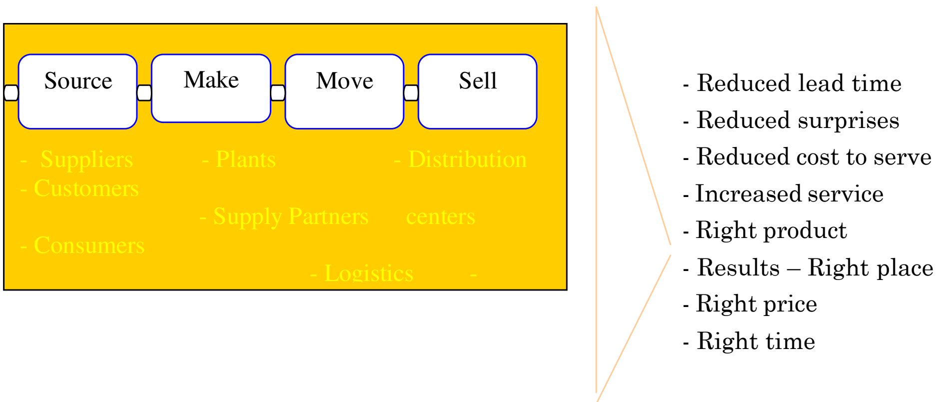

Figure 5

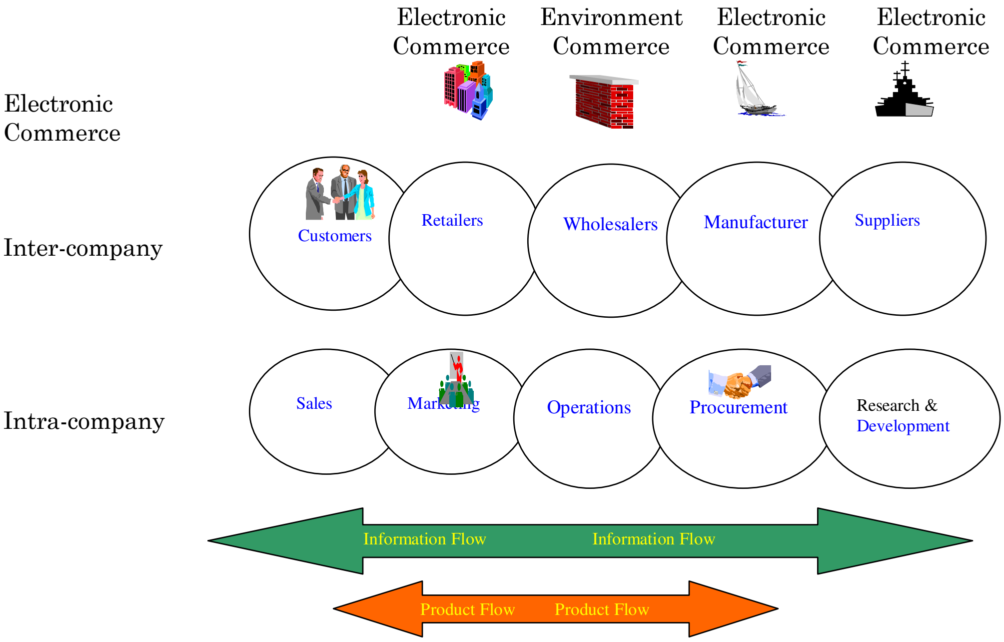

Figure 6: Future Business Models for B2B and B2C Opportunities

Source: ***Satyabir Bhattacharyya, "Achieving Supply Chain Excellence"***

The Internet is irreversibly changing the economic landscape and the fundamental assumptions on which businesses are based. It has transformed the Industrial Economy into an Electronic Economy where the buzzword is e-Commerce. As a result, the rules of the game are changing. Figure 7 depicts some of these changes:

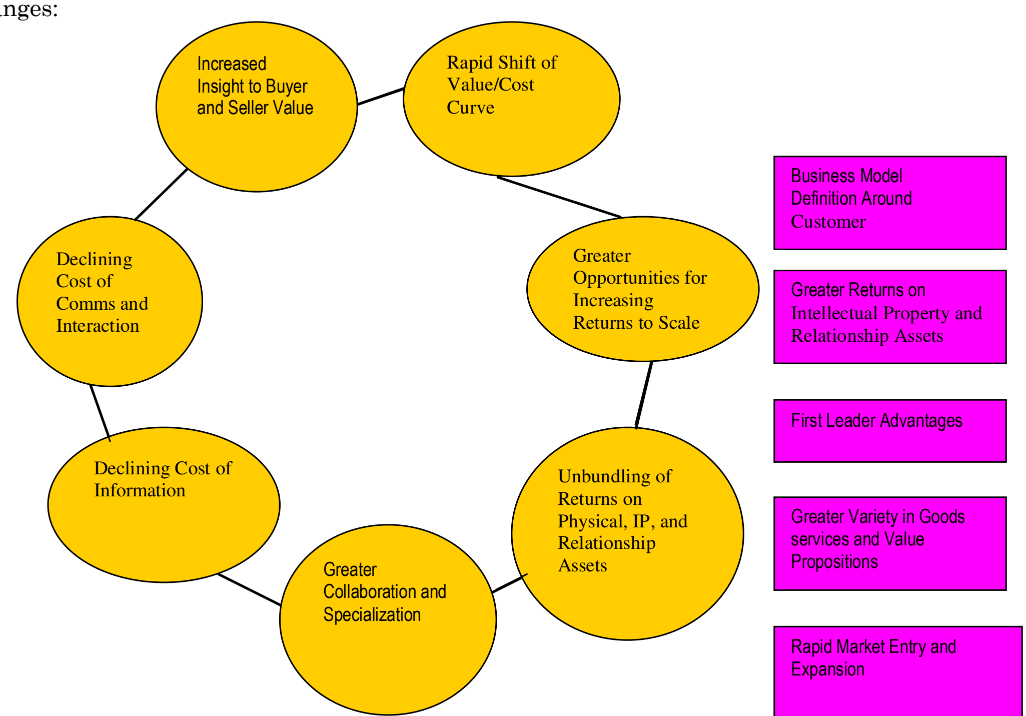

Figure 7

Source: ***Amrish Bhatia: "Why Indian Companies adopt the internet?"***

Value Drivers

At a very macro level, there are two primary reasons for traditional companies to adopt the Internet:

- Economic gain
- Competitive pressure

From an economic gain perspective, there are three primary sources of benefit. Figure 4 sets these out:

- **Revenue Enhancement:** The internet enables companies to reach new markets and offer new products/services, all in a very cost effective manner. No longer do companies have to be restricted by physical presence or their own products/services. Innovative combinations and delivery mechanisms tailored to the specific requirements of a customer can deliver significant top line growth. Revenue growth of 10-20% is feasible, the only constraint being innovation.

- **Cost Reduction:** The Internet is primarily a means of facilitating interaction. Consequently, significant reduction is possible in the costs associated with dealing with customers and suppliers. Taking a US example, on the customer interaction front, the cost of serving a customer through a sale force ranges from $40- $ 400 per visit. On the Internet, the cost could be reduced over 100 times- to $400 per visit. On the Internet, the cost could be reduced over 100 times- to $ 0.10- $ 0.40. Overall, cost reduction of 20-45% is achievable, based on the kinds of initiatives undertaken and the current level of efficiency.

- **Asset Intensity Reduction:** Physical infrastructure and presence requirements can be cut down drastically. This includes sales offers through better supply chain management and customer interaction, ability to start operations in new markets without local physical facilities etc. Reduction in assets deployed can range from 20-60%, depending upon the nature of business.

In the present scenario, companies should embark upon e-enabling themselves after taking a close look at various opportunities for economic gains, and setting targets. Adopting the Internet just because everyone else is also doing so makes no sense, unless real value can be derived. From a competitive point of view, situation varies by industry. Some industries like media/ entertainment, retailing, travel, equities trading, etc., have witnessed significant upheaval, while others have been impacted to a lesser extent. Nevertheless, almost all industries will see some kind of change. One of the most dramatic examples is that of equity trading. Charles Schwab, rechristened as eSchwab, stole a lead over its more renowned competitor Merrill Lynch in introducing net trading. Merrill eventually followed suit, but lost precious time and an opportunity. Who is to say the same thing cannot happen in India.

The essence of the matter is that the internet will impact everyone – early adopters/learners with innovative and definitive strategies will gain market share at the expense of their less nimble footed competitors. This itself is reason enough for companies to take the Internet seriously.

Branding Strategy For Indian Products In International Market

Brand management is the continuous process through which the marketer relates with the customers. This relationship, in the ultimate analysis becomes the most significant switching barrier in the market place. Look at it any way, brand is the most important asset that any company, product or country carries with itself. But, unfortunately, Indian business has failed most miserably in this crucial area of branding in the international markets. There is not a single Indian brand in the list of the top 200 brands in the world. Besides losing commerce due to this lack of brand strength, India also loses on trade stability, bargaining powers, national image and ease of entry in the international markets. Brands reside in the minds of customers and other relevant parities whose decisions influence the business of the marketer. But brands are actually shaped by what the managers do to them. Therefore, they are very much manageable and profitably exploitable. Therein lies India's hopes in claiming its due returns on the efforts in the international market and come out of the mould of commodity supplier.

International Brand Evolution Model

Dynamics of international branding is conceptually similar to what happens at local or national levels. But, the complexity of factors, naturally, make it slightly more exciting and intriguing. Put simply and graphically, the model looks like the following:

The products and brands are initially more associated with the countries of their origin. Historically, due to various kinds of specializations, countries tend to acquire expertise for producing and marketing certain categories of products. Thus, France is perceived to be particularly good in producing wines, Australia for wool and Switzerland for watches. Brands from such countries ride on the prior associations and claim their natural heritages. Over time, specific brands tend to dominate over their nationalities' images.

The transition from the country of origin association to brand specific features occurs through Unique Selling Propositions (USPs) of the product. These USPs evolve with marketers' continuous interactions with the market and their own creative brand building efforts. If the brand acquires a good fit with market expectations, the country of origin cue to the brand becomes even stronger. The association with the country of origin can be further leveraged with newer products and brands. Over time, however, the brand features become so strong that they themselves can support the brand. Once customers get used to the delivery of desired product features and service levels they evolve to higher levels. At the very next level, they look forward to achieve their deep-rooted values through products and brands. The examples of such higher level values may be ecological conservation, honesty, brotherhood and materialism etc. The brands or products that associate well with these cherished values click best. Jeans as the vehicles of freedom value may be an example here.

The current Indian experience is not in line with the international trends. Internationally, particularly in the developed world, quality of virtually all the brands in any product category meets the minimum standards. As result, the issue there is that of how many premiums should be paid for that something extra above those minimum quality standards. This is giving push to private brands, distributor brands or low level of branding there. We may take some time before we may reach this phase of branding cycle.

On the export front, India had predominately been a commodity supplier. The primary motivation had been to increase the foreign funds flow to finance the import bills. As a result, the exports were led more by macro economic and financial compulsions rather than being marketing oriented. Therefore, investments on marketing assets like brands got less priority compared to the immediate cash realizations. Indian products, therefore, were pushed more and more towards the faceless unbranded categories of commodities in the world markets. In such a scenario, it is hard to find good case histories of Indian branding successes. Darjeeling tea and the erstwhile Maharaja logo of Air India are arguably the most outstanding examples of brands from India in international markets. Unfortunately, both of the above brands from India have diluted over time. Darjeeling tea has been allowed to become generic for quality tea. Today, for example, Kenya markets more of "Darjeeling" tea than India! In a similar way, matching its equity with customer sensitive services or features has not strengthened Maharaja image. Consequently, Air India is differentiated very little from so many other airlines in the world. Both of the above illustrations confirm that building of brands require strategizing the basic rationale for the brands within their specific market environments. Further, leveraging from even powerful brands require focussed attention and continuos nurturing.

Strategies for Indian Brands Abroad

For exploring some of the strategic directions for India's brand building efforts, some specific ground may be laid down as following:

i. The strategy should capitalize on the key Indian resources, which are preferably, internationally known and generally acknowledged as superior.

ii. The strategy should be in consonance with the mega trends in the world market in the sense that the opportunity should be sufficiently large as well as enduring.

iii. The strategy should not be heavily dependent on the major outflows.

In addition to these, few secondary considerations may also be made as following:

i. The strategy should synergise with Indian domestic market.

ii. The strategy should be politically sustainable within the country.

Looking at the above, instead of starting from "Made in India" we may start capitalizing on Indian resources or ingredients which are internationally accepted or whose superiority are more readily acknowledged. At this strategic level of thinking, we may consider resources in more general terms and particularly those resources, which are available in relative abundance.

Among the physical resources, India is more blessed with minerals and livestock. However, their qualities and the indigenous capabilities to add profitable values for the international markets are still question marks. But, if we look at India's skilled manpower resource then a major opportunity is clearly visible. The skill set of Indian manpower is very much in tune with the requirements of the knowledge industry of the world. The knowledge industry is the booming industry of today and is certain to be so in the foreseeable future.

Conclusion

Companies in present economic scenario need to be much more fast and aggressive. They need to review strategies in the global context and integrate these with India's competitive strengths. While a few Indian companies have already created an impact on the world stage, larger number of organizations still have an important role to play in the global economy. It is therefore the belief of several political and business leaders that the country has a significant amount of untapped potential and Indian companies have the capability to be globally competitive. If Indian organizations have to succeed, they need to be operationally strong by developing effectively operationalising business strategy- whether this is corporate planning, knowledge management, supply chain management or eCommerce related. Finally for any strategy to be operationally successful or for any organization to be internationally competitive, strong and successful leadership and change management are important components.

References

Laccocca and W. Novak (1995) "Iacocca – An autobiography, Bantam Books, N.Y. p.61.

Prahalad, C.K. and Gary Hamel (1990) The Core competence of the Corporation", Harvard Business Review (May/June), p.79-91.

Robertson, Alastair (1997) "Developing Executive Leadership" Industry Leader Forum; The Global Content: Road to Success: p.53.

Senge, Peter, Ross, Richard, Smith, Bryan and Roberts, Charlotte (1990) Art Kleiner, "The Fifth Discipline Fieldbooks".

Whitney, John O. (1996) "Strategic Renewal for Business Units", Harvard Business Review, (July-August).