

# Mercuri Mail

The India Journal of Mercuri International: July - Sept 2014

Drucker wrote that purposeful innovation, results from analysis, systemic review & hard work and can be taught, replicated and learned.

Purposeful, systemic innovation begins with the analysis of opportunities. The search must be organized and conducted on a regular basis. It seems that we may be getting hung up on "the fuzzy front end" and other views that make innovation seem really obscure. Drucker identified seven sources of opportunities that will ultimately drive innovation:

1. The organization's own unexpected successes and failures, and also those of the competition.
2. Incongruities, especially those in a process, such as production, distribution, or incongruities in customer behaviour.
3. Process needs.
4. Changes in industry and market structures.
5. Changes in demographics.
6. Changes in meaning and perception.
7. New knowledge.

Innovation is both conceptual and perceptual. The imperative is to go out and look, to ask, to listen. Successful innovators use, both the left and right side of their brains. They look at figures and they look at people.

To be successful, Drucker wrote, that an innovation has to be simple and it has to be focused. It should only do one thing or it confuses people and won't work. All effective innovations are breathtakingly simple. It should focus on a specific need that is satisfied and on a specific end result that it produces. This makes innovation seem pretty straightforward, doesn't it?

Drucker indicated that effective innovations start small and they should not try to be clever. Innovations try to do one specific thing. Starting small allows for adjustments. Starting small keeps the requirements for people and money to be fairly modest. Innovations must be handled by ordinary human beings and if they are to achieve any size and importance at all, by morons or near morons.

Another key factor was to not try and innovate for the future, but innovate for the present. The innovation may have long term impact, but if you can't get it adopted now, there won't be any future.

According to Drucker, there are three conditions that must be met for an innovation to be successful, including:

1. Innovation is work. It requires knowledge, ingenuity, creativity, etc. Plus, innovators rarely work in more than one area, be it finance, healthcare, retail or whatever. This work requires diligence, perseverance and commitment.

2. To succeed, innovators must build on their own strengths. They must look at opportunities over a wide range, then ask which of the opportunities fits me, fits this company. There must be a temperamental fit with the practitioner and a link to business strategy.

3. Innovation is an effect in economy and society, a change in the behaviour of customers, of teachers, of farmers, of doctors, of people in general. Or, it is a change in a process, in how people work and produce something. Innovation must always be close to the market, focused on the market, and market driven.

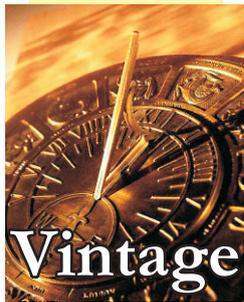
Drucker wrote that innovation by its nature is risky, as are all economic activities. But defending what was done yesterday is far more risky than making tomorrow.

Innovators define risks and seek to minimize them. Innovations are successful to the extent that they systematically analyze the sources of opportunity, pinpoint the opportunity, and then exploit it, whether an opportunity has small and definable risk, or larger but still definable risk. Successful innovators are conservative, they are not risk-focused, but rather are opportunity-focused.

While many articles, white papers and books have been written lately about innovation, Peter Drucker seems to have nailed it decades ago.



Drucker on Innovation



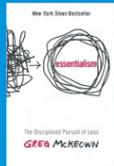
## Our Thoughts

Learn about Drucker's view on Innovation in [Vintage](#)

[Must Read](#) focuses on the essentials of life

Read about Welch's four types of managers in [Focus](#)

## Must Read



### ESSENTIALISM – The Disciplined Pursuit Of Less, by Greg McKeown

Publisher: Crown Business;  
Published: 15 April 2014;  
Format: Hardback 260 pages;  
Price: Rs.1049/-

This must be one of the best books I have read recently, in which the message is potentially life-changing. Once too often, we all feel overworked yet underutilized. Busy, though not necessarily productive..Stretched to the seams.

"Essentialism" speaks, not about getting done more, in less time. It implores us to get only the right things done. It talks about simplifying our life, our thinking, and our purpose. It asks us to trim all the extraneous flab that continually distracts us and focus on what's really important. It also makes a beautiful point, that "when we have 10 different priorities, we have no priorities". The process of essentialism constitutes Essence, Explore, Eliminate and Execute. The 4 E's. The disciplined pursuit of less, seems to be doing less but better. Somewhere in the book he writes, "If you don't prioritize your life, someone else will".

Under each of the four E's of Essence, Explore, Eliminate and Execute, the author lists mind sets and actions. For example in Execute, he outlines:

- \* Buffering - Prepare for contingencies and expect the unexpected.
- \* Subtracting – Bringing forth more by removing obstacles.
- \* Progress - The power of small wins, which harnesses the power of steadiness and repetition.
- \* Flow - The genius of the best routines.
- \* Focus - Figure out what's important now.

The aim is to have more clarity, control and joy.

The book has some very simple measures for us to avoid wasting time:

1. Explore More & Commit Less. The book says, its perfect to be curious about many things but selective about what we commit to. According to the book, for Steve Jobs, almost all of the ideas were crazy until, as the author puts it, "an idea was so great it took the air out of the room".
2. Negotiate The Non-Essentials. For most of us, its almost impossible to imagine saying "No!" to a Senior. To believe that "either I have to say yes to everything or I have to say no and be seen as insubordinate" is not right. "When we believe nonessentials are nonnegotiable, we lose a lot of power".
3. Conduct A Career Offsite. "Sometimes we spend more time planning our vacation than planning our careers" according to the book. We need to ask ourselves, "If I can only achieve three things over the next three months what should they be?" "Where do I want to be five years from now?"
4. Come Back To Your Purpose. Our clarity of purpose enables us to achieve the impossible. So when we are exhausted or getting pulled in a million directions, we need to come back to our purpose.

5. Give Up The Idea That Success Means Pleasing Everyone. We almost always believe that we can keep everyone happy simply by saying yes to everyone. Don't try to straddle every request. As In the end, it is this idea of choosing to be different, that can be so powerful.

6. Celebrate the reality of tradeoffs. Michael Porter has written, "Strategy is about making choices and trade-offs. It's about deliberately choosing to be different." Instead of asking, "How can I make it all work?" the book wants us to ask, "What are the tradeoffs I want to make?" Make them deliberate and strategic.

One very apt sentence I found in the book, and that is: "**Distinguishing between the trivial many and the vital few**".

It is full of real-life examples, so very relevant in today's times. Of individuals who live by the principles and actions described in this book.

\* Warren Buffet seems to practice "Essentialism", in his approach towards investing. He is quoted as saying, humorously: "Our investment philosophy borders on lethargy." "Doing more by doing less".

\* Business-guru, Peter Drucker, who is quoted forecasting: "In a few hundred years, when the history of our time will be written from a long-term perspective, it is likely that the most important event, historians will see is not technology, not the Internet, not e-commerce. It is an unprecedented change in the human condition. For the first time - literally - substantial and rapidly growing numbers of people have choices. For the first time they will have to manage themselves. And society is totally unprepared for it".

The underlying theme of this book, according to me is, "Clarity equals Success". Throughout, it talks about removing the unwanted and keeping the required. About priority and not priorities. The book suggests that we need to learn to say NO. In order for you to get the things done that you should, you need to say no to many, if not most, things.

Apple had, at one point in time, 330 different products. When Steve Jobs took over, he trimmed the basket down to just 10. Apple focused on what they needed to focus on. And today the world can only marvel at how that has worked out for them.

This one example summarizes the entire gist of the book for me.

*Happy Reading!*



# JACK WELCH'S FOUR TYPES OF MANAGERS

## Four Types of Managers

Jack Welch, Chairman and CEO of General Electric from 1981 to 2001, described four categories of managers in General Electric's year 2000 annual report.

Type 1: Shares our values; makes the numbers — sky's the limit!

Type 2: Shares the values; misses the numbers — typically, another chance, or two.

Type 3: Doesn't share the values; doesn't make the numbers — gone.

Type 4 is the toughest call of all: The manager who doesn't share the values, but delivers the numbers. This type is the toughest to part with because organizations always want to deliver and to let someone go who gets the job done is yet another unnatural act. But we have to remove these Type 4s because they have the power, by themselves, to destroy the open, informal, trust-based culture we need to win today and tomorrow.

We made our leap forward when we began removing our Type 4 managers and making it clear to the entire company why they were asked to leave — not for the usual "personal reasons" or "to pursue other opportunities," but for not sharing our values. Until an organization develops the courage to do this, people will never have full confidence that these soft values are truly real.

## Living by Values

Organizations face the challenge of developing and sustaining a culture that is both values-centered and performance-driven. They begin by developing mission and value statements that, in due course, become little more than wall decorations because the organization's leaders and managers fail to uphold these values.



Nothing hurts morale more than when leaders tolerate employees who deliver results, but exhibit behaviour that are incongruent to values of the company. For instance, an organization that thrives on teamwork will suffer, over the long term, if a manager

habitually claims all credit for his team's accomplishments.

## Call for Action

As a manager, drive accountability. Hold employees responsible for their behaviour. Reward employees for proper behaviour and publicly discourage behaviour that do not uphold values. Do not make exceptions — exceptions signify your own indifference to the upholding of values.

As an employee, understand that an essential requirement for your success in your organization is your fit. Your behaviour must be congruent with the character and needs of your organization. Even if you are talented, you will not fare well if your behaviour are inconsistent with the values of your organization. Reflect on your behaviour. On a regular basis, collect feedback from your managers, peers and employees. Seek change.

## Ravi's Corner

### The Gift

The Stork Came A Calling!

A fragrant bundle of joy

Soft as rose petals

Eyes seeking the mother

Tiny fingers curling yours

Swinging socked toes

Warm and cuddly in his blanket

A gentle smile hovering on the lips

Eyes twinkling with mischief

A tiny miracle

All praise to GOD!





## Notes from all over

"We become what we think about all day long."  
- **Ralph Waldo Emerson**

"The key to successful leadership today is influence, not authority."  
- **Ken Blanchard**

"If you don't have a competitive advantage, don't compete."  
- **Jack Welch**

"A corporation is a living organism; it has to continue to shed its skin. Methods have to change. Focus has to change. Values have to change. The sum total of those changes is transformation."  
- **Andrew Grove**

"The future you see is the future you get."  
- **Robert G. Allen**

"The bitterness of poor quality is remembered long after the sweetness of low price has faded from memory."  
- **Aldo Gucci**

"The price of greatness is responsibility."  
- **Sir Winston Churchill**

"You will either step forward into growth or you will step back into safety."  
- **Abraham Maslow**

"Real competitive advantage is your people using their ingenuity to save your customers time or money, solve a problem, or make them feel good."  
- **Anne C. Graham**

"Too many people today know the price of everything and the value of nothing."  
- **Ann Landers**

## The blind man and the advertising story

An old blind man was sitting on a busy street corner in the rush-hour begging for money. On a cardboard sign, next to an empty tin cup, he had written: 'Blind - Please help'.

No-one was giving him any money.

A young advertising writer walked past and saw the blind man with his sign and empty cup and also saw people passing by completely unmoved, let alone stopping to give money.

The advertising writer took a thick marker-pen from her pocket, turned the cardboard sheet back-to-front and re-wrote the sign, then went her way.

Immediately, people began putting money into the tin cup.

After a while, when the cup was overflowing, the blind man asked a stranger to tell him what the sign now said.

"It says," said the stranger, "It's a beautiful day. You can see it. I cannot."



**Mercuri**  
INTERNATIONAL

### Mercuri Goldmann (India) Pvt. Ltd.

No. 2 & 3, First Floor, Jeevan Bima Nagar Main Road, HAL 3rd Stage, Bangalore 560 075, India.

**Bangalore:** Ph: 080-2526 0192, 2529 6568, 2526 2053. Fax: 080-2527 8492.

**Pune:** Ph: 020-2567 4395, 2567 1235, 2567 4505. Fax: 020-2567 5054.

**Chennai:** Telefax: 044-2489 9852.

**Mumbai:** 022-2613 9744 / 2613 9309, Fax No.022-2613 9755.

Website: [www.mercuriindia.com](http://www.mercuriindia.com)

Email : [mary@mercuri-india.com](mailto:mary@mercuri-india.com) ; [icd@mercuri-india.com](mailto:icd@mercuri-india.com)

Edited by Malathy Sethuram, Mercuri Goldmann (India) Pvt. Ltd. This publication is meant for private circulation only. Design & Artwork by Ravi Shankar De.

Please mail us the details of the person, whom you recommend to receive a copy of the Mercuri Mail, to the above email ids. Please send his / her name, address, phone and mobile number and email id. **"THANK YOU"**