

PRAHALAD TAUGHT THEM TO THINK OUTSIDE THE BOX

The India-born global management guru not only helped companies but also MBA students and faculty to think laterally

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Seventeen years ago, the 1993 batch of MBA students at the University of Michigan had concern written all over their faces. Their class was running the risk of becoming the first one to graduate without any courses by Indian management guru Coimbatore Krishnarao (Cia) Prahalad.

He (Pralhad) did not let that happen and, in the Spring of 1999, focused on being in Ann Arbor for seven weeks. He agreed to teach two MBA courses on strategy. The response was overwhelming and multiple sections were opened up with CK teaching from morning to evening. I registered for one course which was excellent and decided I must somehow attend the other course too.

"CK said it might not be possible since every section was filled to capacity. I persisted and attended the classes even though I had to stand. Finally after a couple of sessions, CK relented and I was able to enroll in the second course as well. Thus, my friendship with CK was born," recalls Samir Bagri. The persistence paid off for Bagri who is now founder of Bagri Global.

Similarly, in 2004 during Praveen Suthrum's first month at the University of Michigan, he and a friend casually walked up to Prahalad's office to get him to speak to the 'Emerging Markets Club'. "We thought we'd find a secretary but there was none. We were too nervous to just walk

in — heck, he was the most in-happen," recalls Suthrum who toed by him. His landmark strate-school students and faculty around many NextServices then it better fluenial figure on campus. After day is the founder and presidency courses would always bathe globe. For instance, during the doing that, Build for the future a minute of debate, we simply of NextServices — a health care part of the B-school curriculum," recent three-day visit to the Go regardless of whether you have walked in and introduced our-management company with 120 notes Bala Balachander, founder Institute of Management (GIM), resources or not now," Prahalad selves and asked him to speak to people in Ann Arbor, Michigan dean Great Lakes Management Prahalad interacted with the student him. "We did exactly that", and Mumbai, India. Institute.

"CK responded saying he was Bagri and Suthrum are not Bhavin Mehta and Rhitik time to interact with the students" Last year 2009, I decided once sure the club members would turn alone when singing paens to Pra Karande, both students of Jamnad faculty separately. He spoke again to go down the entrepreneurial path, setting up my own club. — write business cases whom Prahalad tutored and even that Prahalad's manager iabged the students on the impor again, it was time to seek out CK es for his book. Back in class, my those he didn't, besides his cophilosophies have shown the tance of thinking out of the box for his advice. I found him fellow students laughed skepti-leagues at Michigan university "the right way to redefine the and how it would help young man-speaking at a conference in cally when I told them that we and admirers from other uni- "thinking that is required for the agers survive the world econ Delhi. We continued our con- would write cases that would versities assert that his contribufuture". Prahalad's theories have downturn," recounts Peter F Xersation over breakfast the fol- published as a book byton to management strategy come up in many discussions ad Lima, Director of GIM, adding: "I was in Kolkata. CK CK Prahalad. across the globe is unparalleled JBIMS. His concept of 'Inclu- "Most of his (Pralhad's) theories istened to my entrepreneurial

"At the end of my MBA, I re- "B-schools across the world us advice Capitalism" has been on re taught in the marketing subidea gave me advice and remember sitting in the studenthis work extensively in class-which has aroused much interjects of the GIM curriculum." minded me to just do it!," says lounge and leafing through 'The rooms. His book — The Fortune est; be it in the field of marketing. "Closely following the philoso- Bagri adding with disappointment: Fortune at the Bottom of the Pyra at the Bottom of the Pyramid — finance, or general management phies of Prahalad, IILM strives to "Little did I know that would be mid" and smiling; it was the bests for Indian companies. The whole Prahalad was also known to be creative and innovative in its the last time I would see CK. He graduation gift ever. CK made that idea core competence was creahave regular interaction with B-teaching learning processes," cor was truly one of a kind."

curs Surabhi Goyal, Associate Professor (Market strategy and Consumer behaviour) at IILM.

The institute, says Goyal, is also inspired by the knowledge-building methods adopted by Prahalad at Ross Business School "which encourages an academic setting where learning is through discussion and practice rather than power point presentations". His strategic approach to target the bottom of the pyramid continues to be the underlying philosophy of modules taught at IILM namely Strategic management, Market planning strategy, Rural marketing and Entrepreneurial planning and innovation.

PK Gupta, Chancellor of Sharda University adds that at the management school of the university, "very often, we refer to various works on corporate strategy authored by Prahalad—prominent among them are 'The Core Competences of corporations (Harvard Business Review, May-June, 1990), 'The Future of competition' (with Venkat Ramaswamy), 2004'. Besides the students having completed academic assignments on the "iconic case studies of Prahalad — that is Aravind Eye Hospital and Bank of Madura", as part of our ongoing campus activity, Sharda University will be organising a lecture on the topic 'Management theories of Prahalad and its relevance in Indian context'.

Prahalad's former students point out that the mentoring went beyond B-school education. For instance, when Suthrum was starting his own company in late 2004, he consulted Prahalad over dinner. "If you are calling the company NextServices then it better be doing that, Build for the future regardless of whether you have walked in and introduced our-management company with 120 notes Bala Balachander, founder Institute of Management (GIM), resources or not now," Prahalad selves and asked him to speak to people in Ann Arbor, Michigan dean Great Lakes Management Prahalad interacted with the student him. "We did exactly that", and Mumbai, India. Institute.

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He gave us moral leadership lessons

Michigan's Ross School of Business. In 2007, I found myself in CK's classroom for the first time and quickly came to realise that his agenda for his students was much broader than teaching us about the "bottom of the pyramid." He was determined to give us enduring lessons about moral leadership, more compelling than anything I've ever heard in a business ethics course.

I had the good fortune of returning to CK's classroom as his teaching assistant in 2008, and the few minutes of time that I spent with him before each class allowed me to get to know a little bit more about CK than he had time to share in the classroom - about his devotion to his family, his incredibly demanding travel schedule and work ethic, and some of the issues that were near and dear to his heart in the final years of his career and life, including the role of environmental sustainability as a key driver of innovation and his passion for shaping a successful path forward for India's economy.

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Had the makings of a great teacher

His work and the ideas he proposed reflect the confluence of the orient and Occident.

In the last several years, the gift of his oratory skills would be on display almost every year when he would come back to Ahmedabad and deliver a public lecture at the famous Louis Kahn plaza at DMA. The plaza would be packed with an appreciative audience on such occasions. Prahalad left India when the country was going through a phase of narcissism. Multinational companies (MNCs) were being forced out of the country. He passed away in an era when MNCs are flocking back to India. He was a staunch believer that India would have a significant place as a major economy in the world of tomorrow. His interactions with the captains of industry and government of India were based on this firm belief.

I still remember the early winter morning in 1976 when I ran into Prahalad and Gayatri (his wife) taking a morning walk on the campus. He was trying to photograph a kite that was sitting atop a tree, surveying the world beneath. The kite took off and soared up and away as did Prahalad to take his place in the sun.

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M S Krishnan

Professor of Business IT,
Ross School of Business

Reuben Abraham

Executive Director,
Indian School of Business

CK had foresight

I first saw CK in 1997 at a public presentation he was delivering in Ann Arbor on the emerging economies, primarily India and China.

Although I was sitting in one of the last rows of a big auditorium at the Michigan Business School with 400 people in it, I still remember his last slide in that presentation. It was a picture of a family of five in India travelling in a two-wheeler with the mother holding a baby in her hand balancing herself in the rear seat.

CK concluded by saying that "you don't need market research and a team of analysts to find out whether there is a big market for affordable cars in these countries." He added, "But you cannot design products for those markets sitting here in Detroit. You need to be there to deeply understand the requirements and need for affordability."

That was 13 years back. The world celebrated the Tata Nano innovation last year. All the major global auto firms now have the small car category as an integral part of their competitive strategy. That is CK for you.

Learnings for ISB

CK Prahalad and Stuart Hart published 'The Fortune at the Bottom of the Pyramid (BOP)', which provided a construct with which one could argue that the opening up of markets to the poor was a good idea, as with mobile phones.

Prahalad made a powerful case for the use of market-based solutions, rather than development aid, as a means to ending poverty. He also argued in favour of technology and innovation to reinvent cost structures, a pre-requisite for doing business at the BOP.

Critics, however, said Prahalad's thesis was too focused on consumption rather than production; was too focused on MNCs rather than SMEs which are the engines of job creation in an economy; and there were definition issues with both poverty and BOP and how to measure them.

In 2006, the ISB set up the Base of the Pyramid Learning Lab with Stuart Hart's group at Cornell University. We later expanded our mandate from being BOP-focused to being more holistic and set up the Centre for Emerging Markets Solutions. I think Prahalad would have approved the idea.

TOP MANAGEMENT GURUS: 'THINKERS 50' 2009]

CK PRAHALAD RANKED NO. 1: The Ross School, where he late management guru and Indian-born was awarded an MBA in 1965 and doctorate in 1967. Before becoming the second time in a row in 2009, by the 'Thinkers 50' ranking. He was Professor of Strategy at the Ross School of Business at the University of Michigan.

RATAN TATA CHIEF EXECUTIVE OF TATA INDUSTRIES, WAS RANKED NO. 12: Currently Chairman of Tata Sons, he has taken the Tata Group to new heights. Under him Tata Consultancy Services (TCS) went public and Tata Motors was listed on the New York Stock Exchange. In 1998, Tata Motors came up with Tata Indica, the first truly Indian car, and later with Nano that was the world's lowest-priced car.

S (KRIS) GOPALAKRISHNAN, CO-FOUNDER OF INFOSYS, WAS RANKED NO. 15: He co-founded Infosys Technologies which is now India's second-largest IT services provider, and has been its CEO & MD since June 22, 2007 and President since August 21, 2006. He received an M Tech in Physics and an M Tech in Computer Science from IIT Madras.

RAM CHARAN, EXECUTIVE COACH, WAS RANKED NO. 13: A business consultant, speaker, and writer, he worked in his family's shoe shop in northern India's JAY GOVINDAIRAJAN, OF TUCK SCHOOL OF BUSINESS, WAS RANKED NO. 24: Known as 'The Earl of Management', he is the author of 1924 Prof: sator of International charismatic leadership.

Business at the Tuck School of Business and founding director of Tuck's Center for Global Leadership. He is also the faculty co-director for Global Leadership 2020, Tuck's executive education programme that focuses on global management and is taught on three continents. Companies such as GE, KLM, and Bank of America.

RAKESH KHURANA OF HARVARD BUSINESS SCHOOL STOOD AT NO. 44: He is a professor of organisational behavior at Harvard Business School. Rakesh received his degrees in organisational behavior from Harvard's Ph.D programme in 1998, a M (Sociology) from Harvard in 1997, and his bachelor's degree from Cornell University in 1990.

an M S in Physics and an M Tech in Computer Science from IIT Madras. He is probably best known for his book, 'Searching for a Corporate Savior: The Irrational Quest for Charismatic CEOs' and related academic and managerial articles on the pitfalls of charismatic leadership.