

Why this is Indian IT industry's Kodak Moment

BY INVITATION

RAVI VENKATESAN



In 1996, Kodak reached the peak of its success. Revenues touched \$16 billion and market capitalisation crossed \$31 billion. With a 65% global share of film sales, Kodak became the fifth most valuable brand in the world employing 145,000 people. It was also the year when Kodak introduced the world's first digital camera — the DC20 with all of 0.2 megapixels. Despite helping invent digital photography, it never found a cash cow to replace film. Between 2003 and 2011, Kodak gradually cost-cut its way to oblivion shedding 47,000 jobs, 13 manufacturing plants and 130 processing labs. It never made a profit after 2004; by 2012, having run out of cash, Kodak declared bankruptcy and was delisted from the New York Stock Exchange.



HARD DRIVE: It's not enough to see the tsunami coming. Act forcefully

Once-great companies like Kodak, Digital and Nokia with capable CEOs and vast resources come to an ignominious end not because they don't see the tsunami coming — they die or fade into irrelevance because they are unable to respond forcefully. Kodak invented the digital camera as early as 1975. It had all the technology, resources, brand, and distribution to prevail. Yet it failed.

A major reason why once-dominant firms like Kodak fade away like old photos is culture. Culture trumps strategy. A combination of complacency and overconfidence ("this cannot happen to us") prevented Kodak from adapting quickly. Its leadership was indecisive and changed strategy many times. Despite having a venture capital arm, it took years to make its first acquisition and never made any bets big enough to create breakthroughs. Kodak offered the first service that allowed customers to post and share pictures online but failed to follow through forcefully to create what might have become Instagram or Snapchat. It diversified into chemicals and pharmaceuticals but without much conviction; these businesses fizzled and were sold off. Unlike Fuji, Kodak obsessed about its core developed markets and did not seize the opportunity in emerging markets, especially a rising China. Having failed to become a printing powerhouse, Kodak is now trying to license its rich portfolio of patents.

In contrast, Kodak's arch rival and perennial number 2, Fuji Film managed to successfully diversify into cosmetics, optical films and chemicals, and survives with a market cap of \$19 billion. Shigetaka Komori, the CEO of Fuji, saw the writing on the wall and did not dither. Over just 18 months, he restructured Fuji, slashing costs and jobs, shedding factories, development labs, distributors and employees to improve cash flow. Fuji then spent nearly \$10 billion acquiring 40 companies to diversify quickly into new areas. Acting fast and making big cuts to fund an acquisition spree was unprecedented in tradition-bound Japan. It was a particularly courageous act for Komori because it meant unwinding the work of his prede-

cessor who had handpicked him for the job.

There are a set of reasons that make it difficult for even well-managed companies to navigate industry disruptions the way Fuji did or Microsoft has. High on the list is complacency, even arrogance. When a company is sitting on lots of cash, fat margins and a good market share, it's hard to create a sense of urgency in the organisation and among its shareholders.

Another factor is the gravitational pull of the current or legacy business. The need to somehow deliver quarterly earnings, serve existing customers, maintain profit margins, manage the many daily operational challenges, all consume the majority of resources and senior management attention. Too little focus goes towards embracing the brewing disruption and resources are trapped in feeding the legacy business until it is too late. Essentially, companies drive off the cliff, one quarter at a time. The key here is to recalibrate expectations of investors, employees, customers and then execute predictably.

A third reason is the fear of cannibalisation. The future businesses are, at least initially, often less profitable than the current business or the profit comes in smaller, bite-size chunks and is, therefore, less attractive.

Fourth, the future business model usually requires a very different mindset and new capabilities. Building these capabilities is non-trivial and time-consuming. It requires hiring new talent with new mindsets and cultural values, setting off a clash of cultures that is difficult to manage. Acquiring capabilities by buying companies has a decidedly mixed success rate, and sometimes goes disastrously wrong.

Finally, there is governance. Though the boards of good companies are populated by accomplished leaders, few boards have independent directors with a visceral grasp of the magnitude of impending changes. It is all too easy then to remain focused on traditional financial metrics like revenue growth and earnings per share until it's too late.

These factors collectively create an "innovators' dilemma" where, like Kodak, management sees the impending tsunami but the responses are anaemic and create a delusion of progress until it is too late. The reality is that companies caught in an industry transition must realise that there are two kinds of risk: the risk of omission, or doing nothing versus the risk of commission, or trying something different. The risk of commission has slightly better odds and the urgency and consequences of failure are such that there should be no half-measures. To succeed, companies have to be 'all-in' or utterly committed to the shift. This may mean making significant acquisitions, bringing in very different talent, and radically shifting resources towards the future even though these moves are risky and can blow up too.

Today, India's IT companies are struggling to navigate a tectonic industry shift. Its leaders have seen the technological and regulatory shifts coming for the last decade. They have recognised the limits of wage arbitrage and understood the need to shift from renting IQ to creating IP, and becoming more global. They see the giant new opportunities afforded by the digital revolution. But as the story of Kodak shows, seeing is not enough. Acting decisively and forcefully is crucial. More than ever, India's IT companies need the same calibre of courageous and entrepreneurial leadership that created them in the first place.

"The snake that cannot shed its skin must die" — Friedrich Nietzsche.

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I'm not powerful. If I was, I would produce more results

Pullela Gopichand was only the second Indian to win the prestigious All England title (2001), two decades after Prakash Padukone. But the 44-year-old's coaching feats have overshadowed his playing career. From Saina Nehwal to the latest sensation Kidambi Srikanth, the 'Super Coach' has produced several star shuttlers. He talks to Ratnakar Manne about his players and the coaching system he has put in place

Everyone has been talking about his jump smashes. Was he a natural or did he need to work on those? His attack is natural, he is an aggressive player. But the break in between to recover from injury gave him some time off to work on building strength. And what we see is the power behind his smashes.

Your coaching academy has become a champing factory. What's the winning formula? It's years of work, religious work. Today we have a culture where everybody believes that winning at the highest level in the world is possible.

Now you have a batch of boys who are doing well. Can they replicate the success that Saina Nehwal and P V Sindhu have achieved? Are the conditions in men's singles different? When Saina started, the field was very tough with several dominant players. But the men's field is quite open. There are so many players at more or less the same level. So I think our boys have the ability to win many more titles in future. It is very important we start producing results at the World Championships and Olympics.

You've been the coach for 11 years and one day you will move out. Do you think your successor can continue this legacy? We are in the process of creating a system that produces good players. Many good coaches are coming and the system will take care of everything. I am confident that this good work will continue.

FOR THE RECORD
Kidambi's feat got more attention from the media because India lost the Champions Trophy. Does it bother you that sports like hockey and badminton still take second place to cricket? Well, I do understand that cricket is the biggest sport in our country. But I am happy that there is a segment of population in our country which has started watching badminton. I am also happy that the government is looking at sport in a different way and doing a lot to promote it. I wish the media would respond in the same way so that the players are not disappointed when they win a tournament and don't see the coverage they expect.

What has been the turning point for Kidambi's career? I think he's always been successful. If you look at the results he got in 2014, winning the China Open where he beat Lin Dan, or at the Rio Olympics in 2016 when he beat the World No. 5 Jan O Jorgensen to reach the quarterfinals, there is no doubt that his game had the potential to beat the best players in the world. What has helped is the maturity that has come, and the loss of the Olympics (he lost a medal by two points) has spurred him to do well. Also, Sindhu's win has worked as an inspiration. You don't know how much these small things contribute but at the end of the day a lot of effort was put in by the coaches and support staff, and he responded by grabbing the opportunity and winning at the highest stage.

There are reports that Badminton Association of India (BAI) will do away with the position of national coach and introduce a panel of coaches, as you are seen by some as having become too powerful. What do you say to that? I think the BAI and its president Himanta Biswa Sarma are very supportive and the statement that I am powerful is not right. I wish I had power because if I did, I am sure I would produce more results.

What are the powers you want? Today, it's the sheer effort and hard work of players that has got us results at the highest level. But for a sport to be successful, we need our

own coaches and support staff. We need the policies to be better, and this would mean things like restructuring tournament and the coaching framework so that we consistently keep producing the best players.



The liberals flaunting 'Not In My Name' placards got it wrong

RIGHT & WRONG

SWAPAN DASGUPTA



In John Le Carre's Tinker, Tailor, Soldier, Spy, a sombre George Smiley asked Bill Haydon, a former colleague at MI6 why he betrayed his country and became a Soviet mole. "It was," Haydon replied unhesitatingly, "an aesthetic choice as much as a moral one. The West has become so ugly."

In the end, most of life's choices are aesthetic, whether we call it so or prefer the label 'lifestyle'. The thousand or so individuals — educated, articulate, aware and well-off — who assembled in various cities last Wednesday evening determinedly flaunting 'Not In My Name' placards were convinced they were there with a mission: to rescue India from ugliness.

Their concern was understandable. The past

week witnessed an ugly incident that led to a young Muslim boy being subjected to a murderous assault in a commuter train in Haryana. Clearly the boy was picked on, not merely because a gang of bullies was in search of targets but because he was visibly a Muslim. It was, without any doubt, a hate crime.

There is a streak of underlying violence in India's public culture. It has always existed and politics has often fuelled it. The 1857 revolt was horribly brutal, as was the repression that followed its defeat. Mahatma Gandhi bravely tried to reinvent this bloody inheritance and surprised the world with his success. After Independence, political violence has been supplemented by flashes of mob violence aimed at either settling scores or securing justice. From robbers who have been routinely lynched, suspected witches bludgeoned to death and road rage expressed through knife and gun attacks, India remains a violent place, made even more so by the callousness and ineptitude of law-enforcing agencies.

Sadly, human life is very cheap in India.

Undeniably, the grisly lynching in a train could have been averted had the railway police been alert and fellow passengers shown better sense. The incident points to weaknesses in state institutions and the shortcomings of our civic culture. These issues should concern both the political class and citizens. To that extent, the outrage over the incident is heartening and exemplary action could even serve as a future deterrent.

However, at last Wednesday's protests people came with a baggage that could prove self-defeating for the larger cause of amity and justice.

For a start, the protests were marked by selective indignation. Although the killing in Haryana had no hint of politics — and although it revealed popular mentalities — it was used to suggest that somehow the Modi government created the environment of anti-Muslim hysteria. The beef controversy was repeatedly invoked. Yet, there was a studied silence on the lynching, the very same day, of a policeman

(also a Muslim) in Srinagar by separatists milling outside a mosque. The failure of the protest organisers to put the Haryana and Kashmir killings on par revealed a clear and deliberate agenda: to kick Modi and brush aside related issues that didn't quite fit the narrative of Hindu self-flagellation.

Secondly, the protests were tinged with a generous measure of social condescension that was apparent from the chatter on social media. It is one thing to extend the outrage to cow protection vigilantism — an ugly phenomenon that invited harsh comments by Modi — but the real irritation seemed to be over the denial of food freedom. What the protesters seemed unwilling to grasp was that — some states of India apart — the prohibition on beef carries a large measure of social sanction. The attempted use of the Constitution to facilitate a more permissive policy on beef seemed an affront to common decencies and made the protests seem an extravagant display of rootless cosmopolitanism.

To develop a critique of the Modi government

is legitimate. However, this exercise has degenerated into a show of social disdain for both Modi and the 'Hindu' trappings of the BJP. The more the liberal brigade paints Modi and his 'bhakts' as crude, neo-literate, insular vegetarians preoccupied with Ram, Hanuman and gau mata, the more will be its disconnect from a popular culture firmly centred on Hindu symbolism.

In the past three years there has been a shift in social and political attitudes: the killing of an innocent Muslim boy by a mob remains as unacceptable today as it was yesterday, but the ban on cow slaughter has become non-negotiable and no longer subject to the pulls of 'modernity'. Equating the more evolved sense of rootedness with a corresponding loss of humanity is a wrong number. India may be imperfect, but it isn't so ugly as to warrant emotional treachery.

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Romeos to rakshaks: How violence became normal

BY INVITATION

PANKAJ BUTALIA



Three years after he became Prime Minister, Modi made his second statement against the vigilante violence unleashed by cow hoodlums in different parts of the country. The speech, welcome though it was, lacked conviction primarily because Modi heads a government in which ministers have openly lauded such 'gau rakshaks', and given them state financial assistance. Just a week ago, home secretary Rajiv Mehriishi said hate crime was not new in India and that the only thing new was its over-reporting. This kind of casual dismissal of targeted brutality over the past three years flies in the face of the Prime Minister's claim to have finally taken a stand against such crimes.

Now what neither the Prime Minister nor Mehriishi will acknowledge is that hatred in human beings needs only a small trigger to turn violent — and the most effective violence is often self-

and cost him the prime ministership. Advani, Joshi and others then decided to become 'moderates' or 'elder statesmen' to be more acceptable in an era of coalition politics. Today, we do not see Advani as an aggressive politician — just as a gentle old man who wouldn't hurt a fly.

In 2002 this mantle of leadership through violence was taken up by the broad-shouldered Narendra Modi. By then he was a state chief minister and answerable to no one. He didn't seem to have national ambitions and didn't really care what the world thought of him as long as his core, aggressively Hindu-centric community didn't desert him. This changed once large corporate houses decided to back him as a 'development man' in 2011-12. Today, Modi is a statesman, above violence, and a man with a vision for the country. His image has a makeover. All violence is normalised.

However, those who stood by him this entire period are still around and violence initiated for electoral purposes still pays dividends. This makes Modi a willing prisoner of his past, in which he cannot even bring himself to say that the rapes and killings that took place in Gujarat 2002 were criminal acts and all those involved in such crimes should get the harshest punishment.

In 2013, a year before the general elections, Muzaffarnagar in UP became the keg that was lit. Rich dividends came the way of BJP's Sangeet Singh Som, Sanjeev Baliyan, Suresh Rana, Virender Singh, who were rewarded with political posts including ministerial ones once the party came to power in 2014. As these gentlemen acquired respectability, on the sidelines appeared people like Sakshi Maharaj and Yogi Adityanath — spewing hatred against minorities. They were next in line, and having done their bit, clamouring for promotion.

In 2017, Yogi Adityanath was made UP chief minister. The first month of Adityanath's rule was a period of terror for the minorities with his outfits like Romeo Squads and Hindu Yuva Vahini running amok. Yet, a few months later, the process of normalisation was on, and the media was full of celebration of a hundred days of his rule. The process of Adityanath's gentrification had begun.

Meanwhile, the Parishads, the Dals, the Vahinis, the Senas, the mustached Generals, the Romeo Squads and, of course, the Gau Rakshaks wait their turn. They need to be noticed. They need to be upgraded when the next opportunity arises. Who can ask them to hold back and not partake of a model that assures success? They are savvy enough to know the Prime Minister has to make occasional noises every now and then. They will ride this out as did 'their fathers before them'.

Butalia is a Delhi-based filmmaker who recently initiated an online petition. No lynch mobs, please

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NO COWING DOWN: Let's not dismiss hate crimes

righteous. So all the provocateur needs to do is provide a platform — it could be the train in 2002 or the cow in 2014. Once set in motion the instigator can easily disown his role in the affair.

A casual look at the emergence of new leaders of Bharatiya Janata Party over the past three decades reveals that violence has been the most effective stepping stone for many of them. There seems to be a pattern here whereby violence against disadvantaged groups, normally minorities, helps bring the individual to the notice of the party. Once the goal is achieved, overt violence is renounced by the individual and we start to see the individual as a 'normal politician'. The violence doesn't end, however. It just gets outsourced to those lower in the hierarchy.

During the Babri Masjid agitation in the early nineties, a few of its more impatient leaders like L K Advani, Uma Bharti and M M Joshi stepped outside the boundaries of the law. Unfortunately for Advani the tag of aggressive Hindutva stuck to him

RHYME & REASON
AMIT VARMA

NOT IN MY NAME
When the country is torn, bit by bit, Those who are silent are complicit. If it fills you with shame, Then shout: "Not in my name!" Shake your apathy. Do not submit.

SMRITI MANDHANA
Indian cricket's got a new face, A left-hander with timing and grace. Her strokeplay, by and by, Makes me wonder why I Thought women's cricket was commonplace.

INBOX

Bahubali Bhavan

Shobhaa De is right in saying that all political parties are trying to out-Dalit each other in the presidential elections (ATM, June 25). Can we not take a cue from the great Sikh religion (their holy Granth is their Guru, and not a living person, as per the decree of the tenth and last Guru, Guru Gobind Singhji) and simply abolish this ornamental post? It will save the nation a huge amount of money and pre-election embarrassment. Rashtrapati Bhavan is spacious enough to be converted into a useful institution for the common weal. It's a money-guzzling 'Bahubali' that needs to serve more than just one person.

Avinash Godbole, Dewas

The political fraternity has reduced the presidential election to a caste-based affair — a pathetic situation after 70 years of Independence. It's said that the American President governs but doesn't reign, the British queen reigns but doesn't govern and the French president neither reigns nor governs. The Indian President is only as good as his French counterpart.

C V Aravind, Bengaluru

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BJP summoned the gau raksha genie, now it must bottle it

AAKARVANI

AAKAR PATEL



It is warming to see Indians rally against violence but why 'not in my name'? Is it the case that the murder of Indian Muslims by protectors of cattle is being done in our name? Let's examine the matter. For those readers who may not know of the rallies across India, these were spontaneous gatherings of Indians, many young, calling on the government to end the violence.

The answer to the question is: yes. The killings are directly linked to government policy. I would hold the government personally responsible for these murders and any reasonable person would. The data journalism website Indiaspend has reported that 97% of lynching murders by gau rakshaks have come after 2014. They are the gift to us of the Modi government and of the state BJP governments (Haryana and Maharashtra in particular but they are not alone) which lit the fuse on gau raksha through legislation and rhetoric on cow slaughter. Almost no violence was happening before this on the matter of cattle, as the data proves.

'Not in my name' contains another message. The great linguist and dissident activist Noam Chomsky is often asked why he focuses on American atrocities around the world. Why not write books and campaign against, say, the barbarism of ISIS or ISI or, indeed, of Hindutva? Chomsky's response is that he opposes all such violence but you stop what you can. It is his citizenship of America that makes him assume responsibility for the actions of the American government. Those wonderful people who gathered in Delhi, Mumbai and elsewhere were in similar fashion owing the fallout of the actions of their country's government.

A friend from Delhi sent this message: "How beautiful is the sight and sound of the Indian people standing up for the values that we believe define us and in opposition to the dark influences threatening to take over." Very true. And to this we should add another aspect.

Democracies are often self-correcting only under public pressure and activism. America performed criminal acts in Vietnam and Korea and Cuba and Nicaragua and Iran and Iraq. Chomsky says if the Nuremberg standards were applied to the crimes of post-war American presidents, all of them from Eisenhower to Bush would be hanged. I believe him. But this sorry record has one silver lining: the not-in-my-name activism and protests of Americans, particularly the young, which ended the Vietnam war and blighted the one in Iraq from the beginning.

The protesters and activists did the job that others should really have done. The media in America, as is the media in our parts, was totally compromised. It bought or enthusiastically subscribed to whatever version of nationalist/anti-national hokum was being served up. What we think of today as 'liberal' media, like the New

York Times, Chomsky proves was actually cheerleading the establishment on.

'Not in my name' tells us that the participation of citizens in democracy does not end with voting. We cannot hand over our country to the BJP or the Congress or whoever else for them to do what they will for five years once elected. We are citizens and not subjects. We have a say and we must resist the criminal actions of the Indian state because we can influence it.

Awful things are done in our name. The eyes of Kashmiris are being put out by shotguns fired in our name. And the murder of public transportation systems for the poor (the BJP again taking the lead in MP and Chhattisgarh by shutting down 'unprofitable' state bus services) while billions are pumped into projects for the wealthy like bullet trains. And the relentless purchase of weapons systems, more warplanes, more drones, at the expense of health and education in an India half of whose citizens, by any honest estimate, are poor and illiterate. Many things in India are waiting to be resisted.

After the barbarism in Una last year, the PM gal-



PEOPLE'S PROTEST: Awful things are done in our name, and as citizens we have the right to resist

lantly asked the cattle mob to not murder Dalits but shoot him instead (How? Why? To what end? These details he omitted to provide). The mob's response to this theatrical act was not reported. But they have of course continued their slaughter — 2017 is on track to be their finest year — so one presumes they have already answered.

My view on this is boring: no Indian needs to die over cattle, whether as victim or martyr. The PM can reduce the violence if not put an end to it by ordering his party to stop pushing the cattle slaughter issue. That's it. His party summoned the genie out, the data is absolutely transparent here, and it is directly responsible for bottling it up again. If he refuses to do this, he should remember that the killings are happening, whether he sees it that way or not, in his name.

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