

Leadership for India Inc: Practical Concepts and Constructs
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Week - 12
Legendary Leadership
Lecture - 57
Timeless in Strategy, Tireless in Creativity

Hi Friends, welcome to the NPTEL course Leadership for India Inc: Practical Concepts and Constructs. We are in week 12 discussing Legendary Leadership. In this lecture, we will focus on Dr. C K Prahalad a strategy guru who was Timeless in Strategy and Tireless in Creativity.

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Dr C K Prahalad, a Noted Management Exponent

In the sudden demise of Dr CK Prahalad in San Diego USA in 2010, the world of strategy lost one of the most perceptive, innovative and influential strategic thinkers of all times.



Dr C K Prahalad (August 8, 1941 – April 17, 2010)

Strategy would not have been what it is today but for the several path-breaking conceptual and analytical constructs that Professor Prahalad developed and propagated over the years.

With indefatigable energy and passion he taught, wrote, consulted and mentored, on a global platform for over 44 years, leaving behind his unique and distinguished stamp on management thought and practice.



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Dr C K Prahalad – Early Foundations

C K Prahalad (CK or CKP as he is popularly called) represented the best of Indian intellect that found a global home. His early professional stint and the move into the management studies were the critical inflexion points for him.



The Beginnings	Early Work	Foray into Management	Global Home
Born into a large family of Sanskrit Brahmin scholars in the South Indian city of Coimbatore in August 1941. Coimbatore Krishnarao Prahalad obtained his B.Sc degree in Physics from Loyola College, University of Madras in 1960.	After graduation, he worked in Union Carbide as industrial engineer and later in India Pistons as training manager. Accounts speak of his creative and innovative approaches to workflow.	Setting sights on management education, he earned his PG diploma in Business Administration from the prestigious Indian Institute of Management, Ahmedabad, as a student of the first batch in 1966. He later went to Harvard Business School, USA where he earned his Doctor of Business Administration in 1975.	He thereafter joined University of Michigan, USA and made his mark as a foremost management teacher in the United States. He served as the Distinguished University Professor of Corporate Strategy at the Stephen M Ross School of Business in the University of Michigan.

Dr Prahalad, briefly returned to India to teach at his Alma Mater, IIMA during 1976-77. Honorary doctorate degrees from global universities and high-ranking civilian awards from the Government of India such as Padma Bhushan were part of the recognitions that were bestowed on Professor C K Prahalad.



Dr. C K Prahalad represented the best of Indian intellect that found a global home. His early professional stint and the move into the management studies were the critical inflection points for him. CKP was born into a large family of Sanskrit Brahmin scholars in the South Indian city of Coimbatore in August 1941. He was Coimbatore Krishna Rao Prahalad by name, he obtained his B.Sc. degree in physics from Loyola College University of Madras in 1960.

After his graduation, he worked in union carbide as industrial engineer and later in India pistons as training manager. Accounts speak of his creative and innovative approaches to workflow. Setting sites on management education, he earned his PG diploma in business administration from the prestigious Indian Institute of Management Ahmedabad, as a student of the first batch in 1966. He later went to Harvard Business School, USA where he earned his Doctor of Business Administration in 1975.

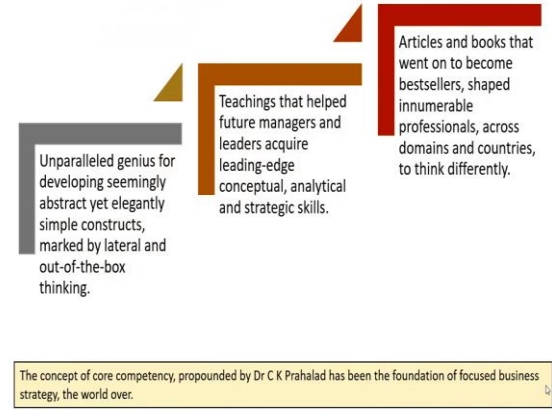

He thereafter joined University of Michigan, USA and made his mark as a foremost management teacher in the United States. He served as the distinguished university professor of corporate strategy at the Stephan M Ross School of Business in the University of Michigan. Dr. Prahalad briefly returned to India to teach at his Alma Mater IIM Ahmedabad during 1976-77.

Honorary Doctorate degrees from global universities and high-ranking civilian awards from the Government of India such as Padma Bhushan were part of the recognitions that were bestowed on Professor C K Prahalad.

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Sweeping in Canvas

Throughout his long distinguished career Professor Prahalad helped reshape strategy and set new directions for business strategy and execution. Dr Prahalad's research and writing focused on corporate strategy and the role and value added of top management in large, diversified, multinational corporations.




Unparalleled genius for developing seemingly abstract yet elegantly simple constructs, marked by lateral and out-of-the-box thinking.

Teachings that helped future managers and leaders acquire leading-edge conceptual, analytical and strategic skills.

Articles and books that went on to become bestsellers, shaped innumerable professionals, across domains and countries, to think differently.

The concept of core competency, propounded by Dr C K Prahalad has been the foundation of focused business strategy, the world over.



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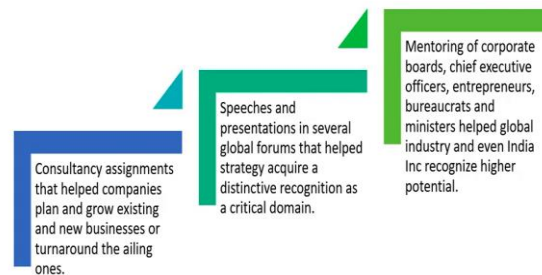
C K P had an unparalleled genius for developing seemingly abstract yet elegantly simple constructs, marked by lateral and out of the box thinking. His teachings helped future managers and leaders acquire leading edge conceptual, analytical and strategic skills. He wrote several articles and books that went on to become best sellers; they shaped innumerable professionals, across domains and countries, to think differently.

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Business Transformations

Throughout his long distinguished career Professor Prahalad helped industrialists reshape strategy and set new directions for business strategy and execution in their firms.



Dr Prahalad consulted with many multinational firms, including Eastman Kodak, AT&T, Cargill, Honeywell, Phillips, Motorola, Oracle, Colgate-Palmolive, TRW, Whirlpool, and Alstom.



He was also deeply associated with business transformations. He helped industrialists reshape strategy and set new directions for business strategy and execution in their firms. He had several consultancy assignments with companies, so that they could plan and grow their existing and new businesses as well as turn around the ailing ones.

He made several speeches and presentations in global forums that helped strategy acquire a distinctive recognition as a critical domain. He mentored corporate boards, chief executive officers, entrepreneurs, bureaucrats and ministers. He helped global industry and even India Inc recognize higher potential.

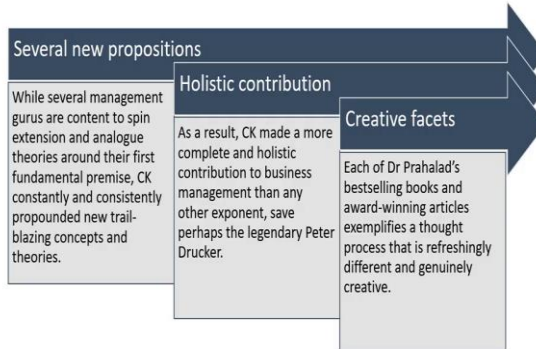
Some of the companies with whom Dr. Prahalad consulted are Eastman Kodak, AT&T, Cargill, Honeywell, Phillips, Motorola, Oracle, Colgate Palmolive, TRW, Whirlpool and Alstom to quote only a few.

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Trail-blazing



If there is one factor that characterized all of CK's contributions it is the unique trail-blazing nature, characterized by fresh thinking based on ground realities. Adaptive thinking and integrative thinking were both his forte.



The hallmark of creative thinking is in terms of bringing forth new ways of discovering latent issues or coming up with new solutions for the issues that are latent or known. Dr C K Prahalad excelled in that.



If there is one factor that characterized all of CK's contributions it is the unique trail-blazing nature, characterized by fresh thinking based on ground realities. Adaptive thinking as well as integrative thinking were both his forte. He had several new propositions, several management gurus were content to spin extension and analogue theories around their first fundamental premises; however, CK constantly and consistently propounded new trail-blazing concepts and theories.

As a result, CK made a more complete and holistic contribution to business management and business strategy than any other exponent, say perhaps the legendary Peter Drucker. Each of Dr. Prahalad's bestselling books and award-winning articles exemplifies a thought process that is refreshingly different and genuinely creative.

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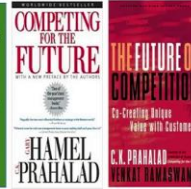
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Dr C K Prahalad, the Knowledge Fountain

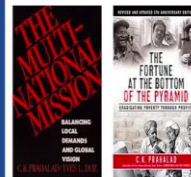


Dr CK Prahalad was a prolific writer, speaker, author and researcher, respected globally. A quintessential educator, CK was the creator of management concepts, such as dominant logic, strategic intent, and core competencies.

His notable works include "Competing for the Future", co-authored with Gary Hamel (1984), "Multinational Mission: Balancing Local Demands and Global Vision" (1987), "The Future of Competition: Co-Creating Unique Value with Customers", co-authored with Venkat Ramaswamy (2004), "The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits" (2004), and "The New Age of Innovation: Driving Co-Created Value through Global Networks" (2008), co-authored with MS Krishnan.



One of the best accounts of CK Prahalad's passions expressed as his reflections can be found in the paper "C.K. Prahalad's Passions: Reflections on His Scholarly Journey as a Researcher, Teacher and Management Guru" co-authored by Lynn Perry Wooten and Anne Parmigiani from University of Michigan and Nandini Lahiri from Indian School of Business (Journal of Management Inquiry, Vol. 14, No. 2, June 2005, pp 168-175).



Each of the books created a new strategy paradigm significantly different from the previous ones and laid new trails of strategic thinking.



He was verily a knowledge fountain. He was prolific writer, speaker, author and researcher respected globally. A quintessential educator, CK was the creator of management concepts such as dominant logic, strategic intent and core competencies. His notable works include Competing for the Future, co-authored with Gary Hamel in 1984, Multinational Mission; Balancing Local Demands and Global Vision 1987.

The Future of Competition: Co Creating Unique Value with Customers, co-authored with Venkat Ramaswamy 2004, The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits 2004, and The New Age of Innovation: Driving Co-Created Value through Global Networks 2008, co-authored with M S Krishnan. Some of the books are represented here.

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Sweeping in Canvas

Dr Prahalad's award-winning articles inevitably churned management thought and laid new pivots of strategic thinking, each time.

The Dominant Logic: A New Linkage between Diversity and Performance (1986), co-authored with Richard Bettis

Strategic Intent (1989), co-authored with Gary Hamel

The Core Competence of Corporation (1990), co-authored with Gary Hamel

A Strategy for Growth: The Role of Core Competence in the Corporation (1993)

Weak Signals Vs. Strong Paradigms (1995)

The End of Corporate Imperialism (1998)

Serving the Worlds' Poor, Profitably (2002), co-authored with Allan Hammond

The New Frontier of Experience Innovation(2003), co-authored with Hrishikesh Bhattacharyya

Twenty Hubs and No HQ (2008), co-authored with Hrishikesh Bhattacharyya

Dr C K Prahalad is notable for advocating establishment of a direct link between core competence and corporate performance. That was a pioneering proposition by him, ranking alongside a few others of similar standing.



Dr. Prahalad's award winning articles inevitably churned management thoughts and laid new pivots of strategic thinking each time. The Dominant Logic provided a new linkage between diversity and performance, it was co-authored with Richard Bettis in 1986. Strategic Intent which was co-authored with Gary Hamel in 1989, talked about leadership having a strategic rather than operational intent as the key transformer for an organization.

The Core Competence of Corporation was a path breaking concept developed in 1990, he coauthored a book also with Gary Hamel. A Strategy for Growth: the role of core competence in the corporation was a follow-on book in 1993.

Weak Signals versus Strong Paradigms, another very interesting and insightful book that appeared in 1995, The End of Corporate Imperialism was 1998 work, Serving the World's Poor Profitably 2002 was co-authored with Allan Hammond, The New Frontier of Experience Innovation 2003, co-authored with Hrishikesh Bhattacharyya.

And he again joined Hrishikesh Bhattacharyya to author Twenty Hubs and No Headquarter 2008. Dr. C K Prahalad is notable for advocating establishment of a direct link between core competence and corporate performance. That was a pioneering proposition by him ranking alongside a few others of similar standing.

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Sweeping in Canvas

Unlike many management gurus who preferred to plough their own lonely paths, Professor Prahalad believed strongly in collaborating with other management thinkers, including his students who evolved into independent thinkers in their own right.



The array of books and articles Dr Prahalad co-authored with such experts, some of them listed earlier, speaks for itself.



His cross-institutional, cross-border collaborative research and writing, often took years of dedicated work before a publication was made.



Quite often, however, it fell on his shoulders to present and communicate thoughts to several learned forums across the globe.



While there could be many effective class room teachers and public orators, Dr Prahalad had a unique capability to connect with the audience, influence listeners of varied mindsets, and instill a sense of purpose in each listener.

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Multinational Mission

The range of subjects that Dr C K Prahalad dealt with are amazingly diverse. His first two books were on healthcare management. His book on **Multinational Mission** set his strategy expertise onto both academic and business circles.

The work explored how multinational corporations need to keep the imperatives of global competitiveness in mind while at the same time taking into account how local governments and conditions modify those imperatives.

No “global vs. local, choose one” type of proposition was prescribed. The book also aimed to get past the much touted distinction between strategy formulation and implementation, in part by keeping a prescient focus on corporate capabilities.

The dominant theme of Dr Prahalad’s works has been what may be called “boundaryless aspiration,” or, more precisely, a summons to think beyond conventional boundaries, geographical or intellectual.



He had a multinational mission, the range of subjects that C K Prahalad dealt with are amazingly diverse. His first two books were on health care management. His book on **Multinational Mission** set his strategy expertise onto both academic and business circles. His work explored how multinational corporations need to keep the imperatives of global competitiveness in mind while at the same time taking into account how local governments and conditions modify those imperatives.

His passion for developing a bridge across the developed world and the developing world and also across different segments of the consumer pyramid were evident even at that point of time. No “global versus local, choose one” type of proposition was ever prescribed by him. That is where his integrative thinking came up very strongly. His book also aimed to get past the much-touted distinction between strategy formulation and implementation, in part by keeping a prescient focus on corporate capabilities.

The dominant theme of Dr. Prahalad’s works has been what may be called “boundaryless aspiration” or more precisely a summons to think beyond conventional boundaries geographical or intellectual.

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Pioneering in Theory and Practice

Amongst the many conceptual contributions of Prahalad, 'strategic intent', 'core competence' and 'fortune at the bottom of the pyramid' have been the truly game-changing ones.

The collage features several elements: three book covers at the top (Harvard Business Review, 'The Core Competence of the Corporation', and 'The Fortune at the Bottom of the Pyramid'); three vertical text boxes below them defining 'Strategic Intent', 'Core Competence', and 'Bottom of the Pyramid'; two quote cards with photos of Prahalad; and a video thumbnail of Prahalad at the bottom right. A caption at the bottom states: 'Though these were initially proposed by Dr Prahalad as case based theoretical constructs and caused intellectual upheavals in management thought when they were first presented, all of these have now become viable practices.'



Amongst the many conceptual contributions of Prahalad, 'strategic intent', 'core competence' and 'fortune at the bottom of the pyramid' have been the truly game changing ones. Some of the quotes are very interesting, "If we stop thinking of the poor as victims or as a burden and start recognizing them as resilient and creative entrepreneurs and value conscious consumers a whole new world of opportunity will open up".

Another quote, "When the poor at the bottom of pyramid are treated as consumers, they can reap the benefits of respect, choice, and self-esteem and have an opportunity to climb out of the poverty trap".

His book on strategic intent was also framed in an article in Harvard business review a much acclaimed one at that. A long-term intent incorporating stretch targets and featuring innovative ways of attending it. Similarly, the core competence of the corporation appeared as a HBR article. A harmonized combination of multiple resources and skills that distinguish a firm in the market place is termed as core competence by him.

The bottom of the pyramid concept is that the poor represent a huge market to be tapped as partners in progress rather than customers waiting to buy products or services. He said, top managers are like astronauts to perform well they need the intelligence that is back on the ground.

Though these were initially proposed by Dr. Prahalad as case based theoretical constructs and caused intellectual upheavals in management thought when they were presented when they were first presented, all of these have now become visible and viable practices.

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Strategic Intent

The construct of strategic intent comprised three attributes of direction, discovery and destiny for a company's sustainable competitive position.

Strategic Intent

Strategic Intent as proposed by Dr Prahalad required a company to think of a long term and differentiated competitive position that a firm must seek over a decade or so.

New Terrain

A long term strategic intent, Dr Prahalad argued, would in turn motivate the employees explore the new terrain with a sense of purpose.

Idea Bubbles

Prahalad advocated upward movement of new ideas from all across the organization to help the company chart out a competitive future.

Dr Prahalad considers that a company's strategic orthodoxies would prove to be more dangerous than its well-financed rivals. The prime message was one of doing things differently to achieve desired differentiated outcomes.

NPTEL

The construct of strategic intent comprised three attributes of direction, discovery, and destiny for a company's sustainable competitive position. He required a company to think of a long term and differentiated competitive position and he said that every firm must seek that over a decade or so.

A long term strategic intent Dr. Prahalad argued would in turn motivate the employees to explore the new terrain with a sense of purpose. He also advocated the concept of idea bubbles that is upward movement of new ideas from all across the organization to help the company chart out a competitive future. So, his strategic intent was long term, new spaces based, and also inclusive in its concept and execution.

Dr. Prahalad considers that a company's strategic orthodoxies would prove to be more dangerous than its well-financed rivals. He saw the competition to a company not from the competitors, but from the obduracy of the organization per se. The prime message was one of doing things differently to achieve desired differentiated outcomes.

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Core Competence



The concept of core competencies made fundamental departure from the established concepts of strategic business units and outside-in models of competitive strategy.

Core driver	Difficult to replicate	Next-generation core competencies
Dr Prahalad argues that only the core competency of a firm could truly drive its strategy and business. Each firm could have its own core competency or a portfolio of core competencies.	A true core competency would be one that remained difficult to replicate by the competitors. The theory advocated building of core competencies that support a strategic intent.	It proposed a core competency mind-set that would unchain talent from the imprisonment of business units, identify projects and people who embody core competencies and a game plan to identify next-generation competencies.

Core competence has been a transformational construct that became the gold standard in differentiating high performers from others.



The concept of core competencies made fundamental departure from the established concepts of strategic business units and outside in models of competitive strategy. He argues that only the core competency of a firm could truly drive its strategy and business. Each firm according to him would have its own core competency or a portfolio of core competencies.

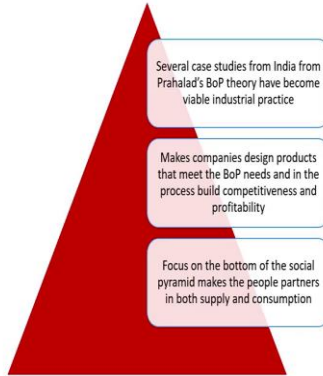
A true core competency is one that is difficult to replicate by others. It would be the one that remain difficult to replicate by the competitors and he advocated that building of core competencies that support a strategic intent is even more beneficial. He also said that a core competency mindset would ensure that talent will be unchanged to keep generating every now and then new core competencies.

He said the talent must be unleashed from the imprisonment of business units, projects should be identified and people who embody core competencies must be given the space and freedom to work. He said that a game plan to identify next generation competencies should always be at play in an organization. Core competence that way has been a transformational construct that became the gold standard in differentiating high performers from others.

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Fortune at the Bottom of the Pyramid

The paradigm of "fortune at the bottom of the pyramid", was a path-breaking India-centric theory with truly global implications. It argued that by developing low cost products and services that serve the poorest of the poor, corporations would actually earn profits with a social purpose.



Low priced cars of India, Nokia's and Samsung's USD 20 mobile phones and Yunus's Grameen Bank demonstrate how profits get generated by focusing on, rather than shirking away, from poverty.



Fortune at the bottom of the pyramid; the paradigm of fortune at the bottom of the pyramid was a path breaking and transformational India centric theory with truly global implications. It argued that by developing low-cost products and services that serve the poorest of the poor corporations would actually earn profits with a social purpose.

He said, companies should focus on the bottom of the social pyramid to make the people partners in both supply and consumption not only markets for receiving goods, they should be made as suppliers as well. He also said, companies should design products that meet the BoP needs and, in the process, build competitiveness and profitability, because the bottom of pyramid market segments cannot afford high prices. So, you need to be very competitive.

At the same time when you make them the partners in your progress you understand that you need to offer the kind of technologies and solutions that they can make use of which means the entire product design paradigm has to be completely different to cater to the BoP needs.

Several case studies from India from Prahalad's BoP theory have become viable industry practice. Low priced cars of India, Nokia's and Samsung's USD 20 mobile phones and Muhammad Yunus's Grameen Bank demonstrate how profits get generated by focusing on rather than shirking away from poverty.

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Competition and Collaboration

Equally path-breaking have been Dr Prahalad's other concepts that reprised the concepts of competition and collaboration.

For example, that the consumer and the firm are intimately involved in jointly creating value that is unique to the individual consumer and sustainable to the firm

Or that the emerging markets can be a source of innovation, which can be captured by accessing global resources and talent to create customized co-created experiences for consumers

The interest of global automobile firms and innovator pharmaceutical firms to collaborate with Indian partners from the 1990s, and the successful alliances indicate that Prahalad's propositions were futuristic as always.



Equally path breaking have been Dr. Prahalad's other concepts that reprised the concepts of competition and collaboration. For example, his concept that the consumer and the firm are intimately involved in jointly creating value that is unique to the individual consumer and sustainable to the firm that is one great concept.

Another concept was that the emerging markets can be a source of innovation which can be captured by accessing global resources and talent to create customized co created experiences for consumers. He felt that the next generation of product development for the developed markets would actually come from the developing markets or the emerging markets provided somebody put their heart, mind, and soul to it.

The interest of global automobile firms and innovator pharmaceutical firms to collaborate with Indian partners from the 1990's and the successful alliances thereafter indicate that Prahalad's propositions were futuristic as always.

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Passion for India as a global force

CK Prahalad was perhaps the only Western management thinker who believed that India would be a global leader. That India is now on the path to become a USD 25 trillion economy by 2025 reflects his foresight.

Had phenomenal insights on global competitive dynamics and formulated dynamic corporate strategies for individual firms and national industries.

Believed that leadership at firm level is all about the future, about hope and change. Consistently articulated positivity in all his conferences.

Dr Prahalad always encouraged 'group think' of positivity not only in the firms and the industry associations he consulted or interacted with but also in friendly and family get-togethers he was a part of.



He had a passion for India as a global force. He was perhaps the only western management thinker who believed that India would be a global leader. That India is now on a path to become a USD 25 trillion economy by 2025 reflects his foresight. Dr. Prahalad had phenomenal insights on global competitive dynamics and formulated dynamic corporate strategies for individual firms and national industries.

He believed that leadership at the firm level is all about the future, about hope, and about change. He consistently articulated positivity in all his conferences. He also advocated the 'group think' of positivity not only in the firms and the industry associations he consulted or interacted with, but also in friendly and family get-togethers.

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Passion for India as a global force



In 1994 Dr Prahalad addressed a select group of CEOs of India, Inc in Windsor Club, Bengaluru. Those were the days of economic liberalization in India, that dramatically dismantled the 'License Raj' and opened up India's economy and industry for globalization, and entry of multinationals into India.

Aspiration of Indian MNCs

Some Indian industrialists were apprehensive then. Dr Prahalad suggested to them that they must build multinational firms from India (Indian MNCs) rather than be paralyzed by the entry of multinationals into the Indian market.

Multinational Mindset

Very few of the assembled CEOs thought then that it could happen. Probably saddened by this reaction he started working with Indian corporations and individual CEOs to prompt a multinational mindset.

Dream Realized

Surely to Prahalad's satisfaction, he saw in his lifetime the concept of Indian MNCs becoming a reality. And, a few years later, globalization is now a regular mantra for businesses in India.

Today virtually all industrial sectors of India are significantly globalized while several top Indian corporations have made major global acquisitions.



As I said, he had great passion for India as a global force. In 1994, Dr. Prahalad addressed a select group of CEOs of India Inc in Windsor Club Bangalore. Those were the times when economic liberalization started making its way and that dramatically dismantled the license raj and opened up India's economy and industry for globalization and for the entry of multinationals into India. At that point of time some Indian industrialists were apprehensive.

Dr. Prahalad suggested to them that they must build multinational firms from India that is Indian MNCs rather than be paralyzed by the worry of the entry of multinational into the Indian market. He also advocated development of a multinational mindset on the part of India Inc and the Indian industrialists. Actually, very few of the assembled CEOs at that point of time thought that it could happen.

Probably saddened by this reaction, he started working with Indian corporations and individual CEOs to prompt a multi-national mindset and he actually saw the dream getting realized. Surely to Prahalad's satisfaction, he saw in his lifetime the concept of Indian MNCs becoming a reality. And, a few years later, globalization is now a regular mantra for businesses in India.

We have seen in the previous lectures how several Indian companies have gone abroad and acquired businesses and marquee brands. Today, virtually all industrial sectors of

India are significantly globalized while several top Indian corporations have made major global acquisitions.

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Passion for India as a global force

In 2007-08, as the celebrations of India@60 wound down, he formulated a new vision for India@75, ie., India by 2022.



Dr Prahalad argued that India's success in this endeavor would depend on economic strength, technological vitality and moral leadership. He set several exciting goals for India.

Urged the central and state governments to convert the huge population base into a distinct advantage through quality education

Believed that India had the ability to account for 10 percent of global trade

Exhorted India Inc to get 30 of its firms onto Fortune 100 list.

Wanted India to have 10 Nobel Prize winners based on research conducted in India

Stated that India's unique manufacturing and R&D paradigms could provide cost-effective breakthrough innovations

While quantitatively India may not have met Dr Prahalad's vision in totality, the country is certainly moving towards becoming a global economic powerhouse, albeit more on macroeconomic parameters such as GDP.



The passion for India as a global force had certain ambitions for him. In 2007-08 as the celebrations of India at 60 wound down, he formulated a new vision for India at 75 that is India by 2022. So, we are somewhere near that. So, let us assess what he said and what is currently going on. Dr. Prahalad argued that India's success in this endeavor would depend on economic strength, technological vitality, and moral leadership.

He sets several exciting goals for India, urged the central and state governments to convert the huge population base into a distinct advantage through quality education. We have now a new education policy, we have now several IITs, IIMs, IIITs and various other specialized institutions.

The governments now believe that India must rank up higher in the higher education paradigm. He believed that India had the ability to account for 10 percent of global trade. We are not there yet but still that is a feasible proposition. He exhorted India to get at least 30 of its firms onto fortune 100 list.

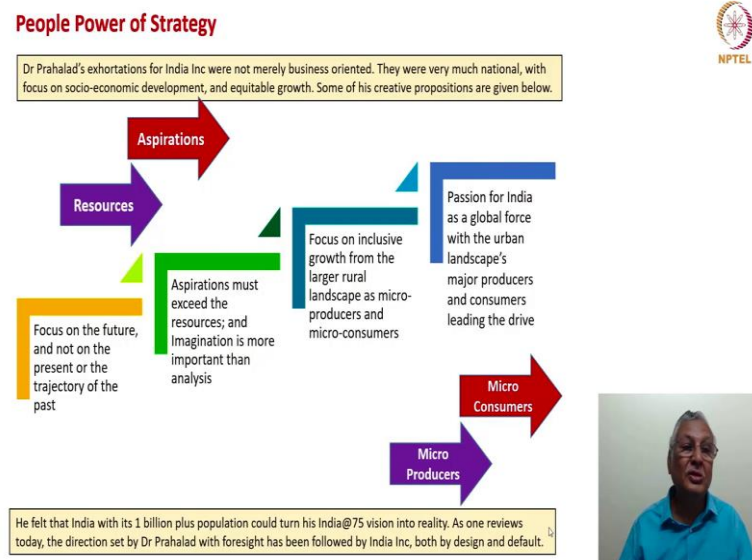
These are highly aspirational of course. Wanted India to have 10 Nobel Prize winners based on research conducted in India again, another great aspirational goal. Stated that

India's unique manufacturing and R&D paradigms could provide cost effective break through innovations.

Within these five passions which he advocated certainly the passion of getting 30 of the firms into fortune 100 list and getting at list 10 Nobel laureates from the Indian research institutions speak of his passion for knowledge. While quantitatively India may not have met Dr. Prahalad's vision in totality, the country is certainly moving towards becoming a global economic as well as knowledge powerhouse.

Of course, more of that is happening on the macroeconomic parameters such as GDP and more needs to happen on the quality of life parameters as well.

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He also believed in the people power of strategy Dr. Prahalad's exhortations for India Inc were not merely business oriented they were very much national with focus on socio economic development and equitable growth amongst the whole spread of strategy gurus, Dr. Prahalad is the only one who focuses on the people issues, the equity issues, and broader socio economic development.

Some of his creative propositions are given below. He says that aspirations must always be ahead of resources. He says focus on the future and not on the present or the trajectory of the past. He always maintained that aspirations must exceed the resources and imagination should be considered more important than analysis.

Similarly, he felt that the people particularly the rural consumers and the bottom of the pyramid consumers are not merely micro consumers, they are also micro producers. He advocated a focus on inclusive growth from the larger rural landscape as micro producers as well as micro consumers and his passion for India as a global force with the urban landscapes major producers and consumers leading the drive was also very explicit.

He felt that India with its 1 billion plus population at that time now, we are 1.35 billion. Could turn his India at 75 vision into reality as one reviews today the direction set by Dr. Prahalad with foresight has been followed by India Inc both by design as well as by default.

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People Power of Strategy

Prahalad's works are characterized by an unflinching faith in people as shapers of strategy and drivers of growth.



Prahalad never looked at strategy as an impersonal corporate construct, a milestone based roadmap or as a mere structural enabler.

He viewed strategy as an outcome of leaders' thinking process (strategic intent) and the firm's aggregation of core competencies of its people.

While even his earliest works integrated people as the essential component of strategy development, Dr Prahalad's last and lasting contributions were in terms of an explicit focus on consumers as the co-creators of value.



The people power of strategy is something he passionately advocated at all industry fora. His works are characterized by an unflinching faith in people as shapers of strategy and drivers of growth. He never looked at strategy as an impersonal corporate construct or as a milestone-based road map or even as a mere structural enabler.

He viewed strategy as an outcome of leaders thinking process that is the strategic intent and the firm's aggregation of core competencies of its people while even his earliest works integrated people as the essential component of strategy development. Dr. Prahalad's last and lasting contributions were in terms of an explicit focus on consumers as the co-creators of value.

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People, the Primary Constituency



In Prahalad's framework, people emerge as the primary constituency, either as generators of demand or creators of products, with his strategy prescriptions linking both.

For example, in Strategic Intent	focusing the organization's attention on the essence of winning,
Prahalad dwelt with an active management process that would include:	motivating people by communicating the value of the target,
	leaving room for individual and team contributions,
	sustaining enthusiasm by providing course corrections, and
	using the intent consistently to guide resource allocations.

For Dr Prahalad, strategy is a connecting bridge between the leader and the people as much as it is between the firm and the environment. In his construct, the latter is expressed through the former.



For him people were the primary constituency. In his framework people emerge as the essential generators of demand or creators of product and with his strategic prescriptions linking both. For example, in strategic intent Prahalad dwelt with an active management process that would include the following.

Focusing the organizations attention on the essence of winning. Motivating people by communicating the value of the target, not just the target the value of the target. Leaving room for individual and team contributions, not everything needs to be contributed by the leaders and managers', individuals and teams must be allowed to contribute by providing spaces.

Sustaining enthusiasm by providing course corrections and finally, using the intent that is the strategic intent consistently to guide resource allocations. For Dr. Prahalad strategy is a connecting bridge between the leader and the people as much as it is between the firm and the environment. In his construct the latter is expressed through the former. This is the very interesting and important observation for you.

Many times, leader sees strategy as a plan, as a construct, as something which guides the rest of the organization to work on. And strategies also seen as the way in which the firm can adapt itself to the environment; however, he said strategy is a connecting bridge between the leader and the people as much as it is between the firm and the environment. In his construct the latter is expressed through the former.

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Intellectual Competencies

Needless to say, his work on core competencies is completely people focused. Here, however, he focused on the intellectual competencies of people.



According to Prahalad, core competencies are the collective learning in the organization

Core competencies were seen as signifying a unique ability to coordinate diverse skills and integrate multiple technologies

He argued, correctly so, that several individualized skills would not lead to the competitiveness of an organization

The individual skills needed to be woven into a core competency that was distinctive to the organization

In his view, core competence would cover many levels of people and all functions, with top management looking at the company as an amalgam of skills and not as a collection of departments or products.



He also had strong intellectual competencies being at the top of leadership agenda. His work on core competence itself is completely intellect based, it is people focused; however, here he focused on the intellectual competencies of people. According to Prahalad core competencies are the collective learning in the organization. Core competencies were seen as signifying a unique ability to coordinate diverse skills and integrate multiple technologies.

He argued correctly so that several individualized skills would not lead to the competitiveness of an organization. He said that core competence is a cluster; cluster of skills that exist in an organization, so that others cannot replicate there is no point in one individual of an organization having certain core competencies. The entire competency set of an organization must be the core competency of the organization which cannot be replicated by others.

The individual skills needed to be woven into a core competency that was distinctive to the organization. In his view, core competence would cover many levels of people and all functions with top management looking at the company as an amalgam of skills and not as a collection of departments or products. We see the organizational structure as well as a business or a company in terms of departments and products.

His advocacy of looking at the organization as an amalgam of skills is definitely a path breaker.

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The Bottom of the Pyramid Dimension

It is, however, in his book "Fortune at the Bottom of the Pyramid" that an entirely new human and socio-economic dimension of CK Prahalad emerged.



By all accounts, no management guru (or any corporate honcho) until then considered the poverty-stricken sections of the society as one deserving of any mention in strategy formulation.

In an era where consulting organizations and corporate strategists encouraged companies to focus on advanced markets to drive revenues, Prahalad in his landmark book advocated creation of fortune by focusing on poor people in emerging markets.

In his work, Prahalad provides many examples of products and services that underline his hypothesis. The tag line "enabling dignity and choice through markets" is evocative.

Post-publication of this book, creation and delivery of low cost but high quality products for customized applications became a board room topic, finally.



Another point, which is The Bottom of the Pyramid Dimension. It is; however, in his book Fortune at the Bottom of the Pyramid that are entirely new human and socio-economic dimension of Dr. CK Prahalad emerged. By all accounts, no management guru or any corporate honcho until then considered the poverty-stricken sections of the society as one deserving of any mention in strategy formulation.

Economics professors might have written about them, then theologian's might have written about poverty-stricken people, philosophers must have written about them, but no strategy guru or no management guru has written about the poverty-stricken sections of the society as one deserving of any mention in their strategy formulation works and the credit goes to Dr. CK Prahalad for that.

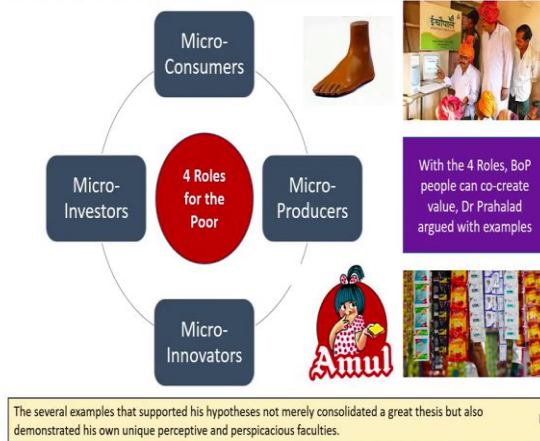
In an era where consulting organizations and corporate strategists encouraged companies to focus on advanced markets to drive revenues, Prahalad in his landmark book advocated creation of fortune by focusing on poor people in emerging markets, and that to not in an exploitive sense at all, it is in a sense of making them partners in economic progress.

In his work Prahalad provides many examples of products and services that underline his hypothesis. The tag line enabling dignity and choice through markets is evocative. Post publication of this book creation and delivery of low cost, but high-quality products, customized applications became a boardroom topic finally.

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The Macro View of Micro

Dr Prahalad considered that bottom of the pyramid is not about market. It is about people who can be energized by providing attention on to them. Much before the Poor Economics theories of recent times, Prahalad presented a nuanced understanding of income generation and consumption at the bottom of the pyramid.



The macro view of micro; Dr. Prahalad considered that Bottom of the Pyramid is not about market. It is about people who can be energized by providing attention on to them. Much before the poor economic theories of recent times which won Nobel Prizes. Prahalad presented a nuanced understanding of income generation and consumption at the bottom of the pyramid.

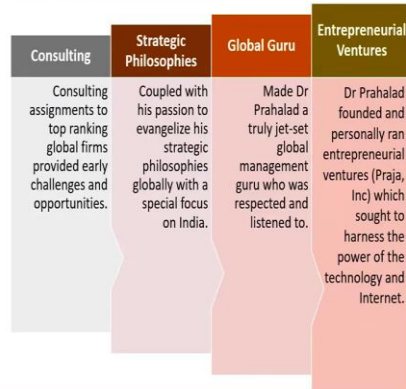
He envisaged four roles for the poor; of course, everybody thinks of them as consumers, but he positioned them as micro consumers, but he said they are also micro producers and micro innovators and finally, micro investors. With the four roles BoP people can co create value Dr. Prahalad argued with examples.

You look at the e-choupal, you look at the kirana stores in the rural landscape, you look at the way Amul grew based on the individual dairy farmers. The several examples that supported his hypothesis not merely consolidated a great thesis, but also demonstrated his own unique perspective and perspicacious faculties, that is his macro view of micro which was very distinguished and differentiated for a strategy guru lecturing and developing research in the western world.

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Creating New Zones of Comfort

Typically, Prahalad never stayed in a zone of comfort. Diverse geographies, differentiated firms, complex demographics, emotive socio-economic segments, and several other zones less travelled by others became zones of contribution for him.



As with the philosophy he advocated for others, he set aspirations higher than resources and aimed to push the boundary farther, ever often.



He also created new zones of comfort. He typically never stayed in a particular zone of comfort diverse geographies, differentiated firms, complex demographics, emotive socio-economic segments and several other zones less travelled by others became zones of contribution for him.

In consulting, he consulted to top ranking global firms as well as to smaller mid-sized firms. He consulted to great companies in the US and also to smaller mid-scale companies in India. Of course, the consultations to the top-ranking global firms provided him early challenges as well as great opportunities to showcase his strategic talent.

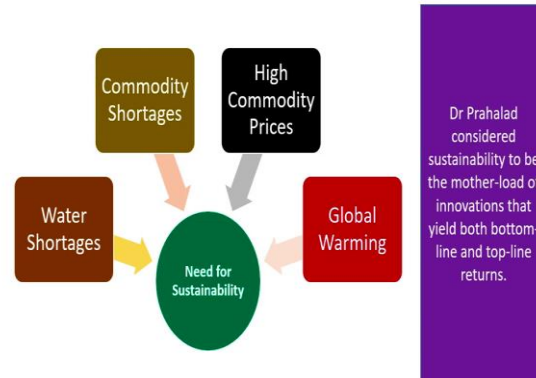
Coupled with his passion to evangelize his strategic philosophies globally with a special focus on India, Dr. Prahalad quickly became a management mainstream thinker and consultant in his own right. And that made Dr. Prahalad a truly jet-set global management guru who was respected and listened to in any part of the world, and he also founded many entrepreneurial ventures.

He personally ran entrepreneurial ventures such as Praja Inc which sought to harness the power of technology and the internet. As with the philosophy advocated for others, he set aspirations higher than resources and aimed to push the boundary farther ever often.

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Sustainability

Dr Prahalad started advocating sustainability from 2009 onwards, long before it became a widely shared concept.



Dr Prahalad advocated with examples that sustainable development is good business because it conserves resources for both producers and consumers while being gentle on the environment.



He also advocated sustainability from 2009 onward, sustainability was a big theme in his works and it; obviously, was long before it became a widely shared concept. He said that the following four factors demonstrate and dictate the need for sustainability; water shortages, commodity shortages, high commodity prices and global warming. Dr. Prahalad considered sustainability to be the mother-load of innovations and inventions that would yield both bottom line and top line returns.

He advocated with examples that sustainable development is good business, because it conserves resources for both producers and consumers while being gentle on the environment.

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Sustainability-Quality Parallel

In 2009, Dr Prahalad argued that sustainability then was like Quality movement thirty years ago. The similarities of arguments against, and the outcomes that disproved the arguments are as below.



Dr Prahalad advocated that companies which develop sustainable technologies (ie., technologies which lead to sustainability) will secure competitive advantage, quite apart from reputational advantage.



He also had a sustainability quality parallel for India Inc as well as the global industrial world to take note of. In 2009 Dr. Prahalad argued that sustainability at that point of time was like quality movement 30 years ago. The similarity of arguments against and the outcomes that disproved the arguments are as below. In respect of quality movement that is 30 years prior to 2009 when he propagated the sustainability movement, was thought to increase cost when launched.

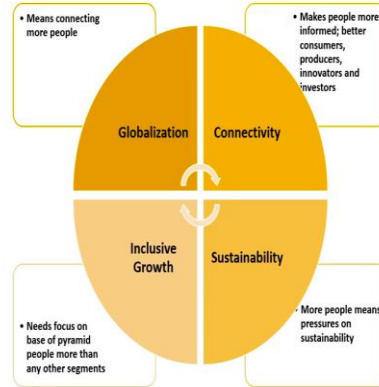
The quality movement people felt would increase the cost of production at the time of its lunch. But with quality understood and processes in place cost actually came down and businesses improved, that is true from Japan to US. As for as sustainability movement was concerned, people thought that it would require significant investments and people also thought sustainability movement requires extension of product life cycles and not product change overs.

However, he proved that sustainability works with break through innovation which will both conserve resources and reduce cost, and product will be appreciated for the contributions it makes on the cost as well as the value front. Dr. Prahalad advocated that companies which develop sustainable technologies that is, technologies which lead to sustainability will secure competitive advantage, quite apart from reputational advantage.

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Dr Prahalad's Unfinished Work

Dr Prahalad desired to take forward the core concepts of his four books, connecting the concepts with appropriate linkages. Dr Prahalad saw the intersection of the four as the biggest opportunity for management and humanity.



Dr Prahalad's series of works can be described as one of the more holistic approaches to strategy and development, connecting countries and people through a few but powerful constructs.



He had lot of unfinished work though. destiny took Dr. Prahalad early from us, he had lots of ideas and lots of concepts to work on and he had outlined his own unfinished work as of that time. He desired to take forward the core concepts of his four books, connecting the concepts with appropriate linkages. He saw the intersection of the four as the biggest opportunity for management and humanity.

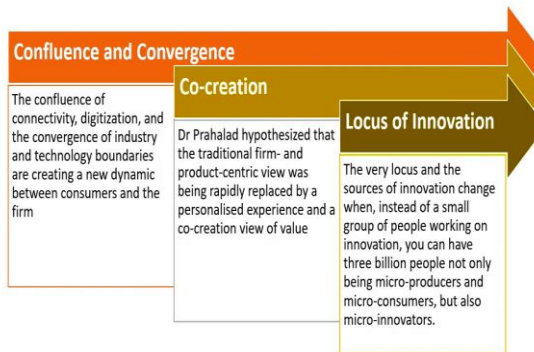
As we have seen globalization, connectivity, inclusive growth and sustainability are his four broad themes. Globalization means connecting more people. Connectivity makes more people better informed; he makes better consumers, producers, innovators and investors of people irrespective of their financial situation. Inclusive growth needs focus on the base of pyramid people more than any other segments.

And sustainability is a necessity, because more people on this planet means pressures on sustainability. Dr. Prahalad's series of works can be described as one of the more holistic approaches to strategy and development, connecting countries and people through a few, but powerful constructs.

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Dr Prahalad on Innovation

Dr Prahalad had a unique take on innovation. He held: "If you are not profitable, you cannot afford the future, and if you are not innovative, you have no future". In his book *The New Age of Innovation*, co-authored with professor M S Krishnan, he makes many interesting propositions.



Through his works, Dr Prahalad looked at the worlds of business and society segmentally but also simultaneously integrated them seamlessly and elegantly as few could conceptualize and articulate.



On innovation, he had a unique take. He held, if you are not profitable you cannot afford the future, and if you are not innovative, you have no future, very interesting statement. If you are not profitable you cannot afford the future, and if you are not innovative you have no future. In his book *The New Age of Innovation*, co-authored with Professor M S Krishnan, he makes many interesting propositions. He talks about confluence and convergence.

The confluence of connectivity, digitization, and the convergence of industry and technology boundaries are creating a new dynamic between consumers and the firm he held. He also talked about co-creation in a significant manner in that book. Dr. Prahalad hypothesized that the traditional firm and product centric view of the firm was being rapidly replaced by a personalized experience and a co-creation view of value which can be generated along with the customer by the firm, and the locus of innovation he said has moved away from the firm.

The very locus and the sources of innovation change when, instead of a small group of people working on innovation, you can have 3 billion people not only being micro producers and micro consumers, but also micro innovators. He was talking about the bottom of the pyramid across the world.

Through his works Dr. Prahalad looked at the worlds of business and society segmentally, but also simultaneously integrated them seamlessly and elegantly which very few could even conceptualize and articulate from a strategy point of view.

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The Intellectual Collaborator



Dr C K Prahalad has been a collaborator in developing his themes. He never tried to appropriate the thoughts and constructs to himself. Exemplifying what he fervently believed in, he co-created intellectual value with other great professors and researchers.



Dr Prahalad had a unique ability to expound his thoughts and constructs in multiple settings; he was equally insightful and articulate in relating to audiences in New York or New Delhi or contextualizing to listeners, from CEOs to students.



He was also an outstanding intellectual collaborator. Dr. C K Prahalad has been a great collaborator in developing his themes. He never tried to appropriate the thoughts and constructs to himself. Exemplifying what he fervently believed in, he co-created intellectual value with other great professors and researchers. His combination with Gary Hamel was legendary.

He also did many good works with Venkat Ramaswamy and M S Krishnan as we have seen here. And he collaborated with R A Mashelkar, the famed head of CSIR, India's top most scientific research institutions conglomerate, and he authored innovations holy grail. Then of course, The Fortune at the Bottom of the Pyramid and the Multinational Mission one of the earliest books of his.

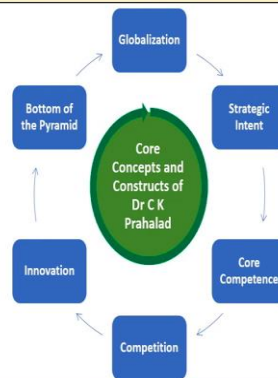
From the Multinational Mission which started his major book writing journey to the Fortune at the Bottom of the Pyramid which is a transformational conclusion in a way of speaking of his book journey, represented the kind of strategy continuum that he travelled over his illustrious career. He had a unique ability to expound his thoughts and constructs in multiple settings.

He was equally insightful and articulate in relating to audiences in New York or New Delhi or contextualizing to listeners, from the CEOs to students, and that was his versatility and also his ability to have universal concepts brought out and articulated in a manner that was logical and also conceptually elegant.

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From Day 1, the Serial Strategist

Dr Prahalad admits that from Day 1 his work had been in the broad domain of strategy. However, he took one concept at a time and built a strategy construct around it. Each subsequent concept and construct was built on the previous one, thus building a continuously expanding paradigm of strategy.



The distinctiveness of Dr C K Prahalad's works is that they are great on a standalone basis and greater together. No other management guru has connected competence with competitiveness, poverty with affluence, emerging economies with developed economies, people with strategies, and firms with consumers as he has done.



From day 1, he was a serious strategist so to say. Dr. Prahalad admits that from day 1 his work had been in the broad domain of strategy. However, he took one concept at a time and built a strategy construct around it.

Each subsequent concept and construct was built on the previous one, thus building a continuously expanding paradigm of strategy, started with globalization, the multinational mission, then went on to strategic intent then came to core competence, then talked about competition, brought about the theme of innovation and finally, concluded with the concept of Bottom of the Pyramid.

These core concepts and constructs of Dr. C K Prahalad talk about his capabilities a lot; intellectual as well as thoughtful capabilities. The distinctiveness of Dr. C K Prahalad's work is that they are great on a standalone basis and greater together. No other management guru has connected competence with competitiveness, poverty with affluence, emerging economies with developed economies, people with strategies and firms with consumers has, as he has done.

Dr. C K Prahalad's life and works offer us several instructive leadership insights and leadership guidance. He was a great academic leader without any doubt, he was a knowledge authority, he was a strategy guru, he was a management exponent, his advice was accepted and welcomed by corporations in the US as well as in India. Whatever he said was universal in its approach and he grew in an environment which was highly competitive and which had several other academic professors of high standing.

Yet, he came up with very distinguished and very differentiated constructs and paradigms that put him on a completely different pedestal. Secondly, he was the only strategy guru or management exponent who brought the poor people on to the center stage of strategy and management.

His demonstration of the bottom of the pyramid concept as being capable of generating micro consumers, micro producers, micro innovators and micro investors, is not merely thought provoking it is game changing. One would wish that many corporations would embrace this concept and develop products and services on the lines which he has propounded.

Another thing was that he was always very futuristic whatever he thought about whether it was globalization, the core competence or the bottom of the pyramid or later on connectivity and sustainability concepts, were years ahead relative to where he was at the time of presenting them in the time frame.

Also, he brought out concepts which were almost like the first time ever concepts; the concepts of core competence, strategic intent and the bottom of the pyramid certainly were foundational concepts. No other author brought out those concepts.

And the humanistic approach in his works trying to connect the developed world and the developing world, the rich and the poor, contextualizing to every country, trying to cater to the largest corporation as well as the smallest corporation articulating and advocating his viewpoints not merely in the boardrooms, but also in the industry associations and even in the family get together.

He comes across as someone who is passionate about what he has thought about, what he has been conceptualizing and what he has been presenting as validated constructs. So, that is the leadership personality that Dr. C K Prahalad had, and he was a luminary an

outstanding luminary at that in the world of strategy. And anyone who wants to work on an intellectual leadership model for example, can take several lessons from him in terms of fresh thinking, differentiated thinking and also developing a concept after concept kind of construct.

So, that he does not get bogged down with the legacy of the past. He always moved on, but that movement has been in a particularly logical fashion, in a particularly reinforcing fashion and together all the concepts he made or he constructed were timeless in terms of their implementation capability and that is his greatness.

All the concepts he made were timeless in terms of their lasting value. With that I would say that we have understood Dr. Prahalad's leadership in a manner that we can incorporate his capabilities and his learning, as well as his teachings into our own understanding of the leadership domain.

Thank you we will meet in the next lecture.