

International Marketing
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Lecture - 31
Learning Session by Practicing Manager - Continued

So, students, we are now in the next module and Mr. Nikhil will continue with his experience of handling the new business of ASP of Fortive and how what are the challenges he faced when this large organization when it came out of this large organization JNJ and now it is of its own and now, he has just said few minutes ago how he was facing problem at All India Institute Medical Science being a government institute.

They used to get an invoice from JNJ and to all investor medical science. Now there is a new invoice different invoice from ASP to All India Institute of Medical Science. End of the day the surgeon does not understand at the OT he requires the cartridges there for sterilization. If the sterilization does not happen, he cannot treat, he cannot sterilize his surgical instruments. If he cannot sterilize the surgical instruments, he cannot carry out the surgery. So, it is a chain reaction.

So, now please hear from Nikhil how challenging it was when and when from a very large corporation like Johnson and Johnson, a division which serves the critical health care service in operation theatres has got was acquired by a different company and how critical it was for the country head to manage the business and to keep the business. Going from day one he has a tremendous pressure on revenue.

As he said apart from the capital there is a consumable business and he has to ensure the supply of consumer business along with the capital. Because consumer business is also bread and butter is a continuing relationship with the customer. So, that is extremely critical for Mr. Nikhil to run that. And the top of that all uncertainty is the Covid 19 as you know how the Covid 19 was during 2020 during September, October when he was transiting the business.

So, business transition in the operation theatre the surgeon does not know what is happening at the outside. He is not aware absolutely he is not aware, am I correct Nikhil? He is not a yes, he wants the cartridges for the sterilization. So, he does not and he does he gives a big damn basically, I do not care, I need. And he is no way connected with these the department the procurement department. Procurement department is the in between the ASP and the surgeon.

So, though there are challenges in and the sales people as he said some of them were little bit of demotivated if I can say I do not know whether it is a word or not. So, demotivated coming from a very large organization like Johnson and Johnson and then the Johnson Johnson recruits mostly from the top institutes and the career path is very good career path and lot of them are the star performers.

And then suddenly the company got acquired by another company which is though it is an around 4-billion-dollar company but it is not that brand like Johnson and Johnson. And on the top of that the country head the leader is not able to communicate meet face to face, you know you understand the situation, the face-to-face meeting versus meeting with the digital platform, it is a totally different. There is no, eye-to-eye contacts and all those it is very difficult for communication.

So, Mr. Nikhil has faced all those challenges during those years, last year and I pass on this stage to Nikhil to carry it on from here. Thanks for not taking please.

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Thanks sir, I mean thanks for transitioning. So, like I said, one more challenge that happened was you know this transition started happening in April 2020 and to make matters worse the leader of ASP at that time did not come over from JNJ to Fortive. Obviously, that is why I got the job so, in one ways it worked for me personally but for the team if you think about it they were leaderless from April all the way to you know November.

So, that is like four or five months of trying to figure it all by themselves and you have to give them credit where it is due, they managed it. They managed it for those four and five months. Now I do not know if I can call this good news but you know in those four months the country was on a lockdown. So, the activity had gone down quite a bit. So, it worked in their favour but when it came back still a couple of months without somebody making decisions for them was very tough.

Again, you know I am trying to you know give you the all-round view of things and people do not think about this next bullet as much. When you go from JNJ and establish your own legal entity ASP is now ASP India private limited. So, its own legal entity there is so much paperwork you have to do with regulatory and compliance. You have to file all kinds of filings; you have to be compliant with the company law and all of that stuff.

So, this was one more thing that was added on top I would say branding issues again very subtle if you think about it but very prominent in the market space. I mentioned the example of an invoice where you do not see JNJ and you suddenly see ASP. Now think about a product, a dealer, a distributor, a nursing home, a clinic is gotten used to a box which prominently says Johnson and Johnson.

By the way you know there is a transition agreement with JNJ where we are allowed to use their branding for some time. But we were also changing our products the fact he was also changing the branding as we went along and suddenly on some products not all the branding went from JNJ to ASP. And funny story though I mean it hurt at that time we distributed a batch of products with the new branding to a distributor and the distributor got it.

And the distributor was a great guy did not you know **mind** anything just accepted the product. Now the distributor goes that takes that product and tries to sell it to a clinic. And the clinic guy says hey this bottle looks different; this is not what you sold me when you are J and J. It does not have that red JNJ label this bottle looks green, it has purple colour which are ASP colours by the way. So, what about this, I think this is a fake product.

So, that is what he tells the distributor and the distributor keeps telling him boss nothing has changed. Same place we are getting the same product, same factory do not worry about this, you know it is good product. But the customer a few customers got convinced, few customers were not ready to listen and they return the product. So, the distributor comes back to us and says you guys need to do something about it.

Now think about it and I will tell you what we did but think about it with everything going on this becomes one more thing to solve for. And then like I said all this in the middle of Covid 19 pandemic was I do not know how do you call this adding insult to the injury that is the saying. So, these were the things that me and my team were faced with. And when I go into the next page, we will talk about you know how we got through this by the way look.

The ending of the story is good. So, the movie is good. So, we got out of all of this but there were certain things we needed to do and it was a lot of hard work and we could not have done it alone. So, I will walk you through a few of these things.

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What works?

- Put the customers and employees as centre of your decision making
- Transparency
- Communication
 - Set a clear direction, even if short term and ensure it gets trickled down
 - Form a core group who influence in the team and use them to communicate to larger team
 - Keep customers updated about the change ... use crises points to communicate
 - Celebrate small wins and milestones
 - Embrace the RED
- Time-out from the frenzy to "think" your next week, month and year
- Right people in the right spots

ANYTHING IS POSSIBLE

So, what works? I joined on November 9th, 2020 like I said and the first thing that we did was I realized and this is not a fault of anybody, not a fault of employees, not a fault of the operators, not of all of the distributors. When you are in such a situation where you do not have a leader and you are faced with a transition, most of us think about ourselves first and make a decision. It is up to you as a leader to come in and basically change that behaviour.

And say put the customer first employee probably I do not even want to call it second, maybe first as well, both put employees and customers at the centre of your decision making. So, let me pause there for a second and explain what I am saying. I told you in the first bullet of the previous page that all of these guys like before I pointed it out were a bit demotivated coming from a big organization going to a small organization.

But that was not the problem, the problem was not knowing what the future is. So, what do you do as a leader? First of all, and these are very practical answers, first of all I spoke to my management and I said we need to put out a communication immediately which says you know

what all the employees will be taken care of. It is finally when you lead a team when you lead a company you will quickly realize your influence on the team is very high.

But your influence on the team is on the day-to-day happenings is very low because you can only advise and guide it is the employees who are actually doing the work. So, they need to be at that 100% for you to be able to achieve anything. So, I had a discussion with my management, we came to a certain agreement, we made those decisions and very next day I had a call with all of my leadership team and all the employees, a monthly all-employee call if you will.

And first thing that I did was I basically said look we have spoken **to** Fortive we are going to take care of you all. We may not know the answers to all your questions but trust us whatever we know we are sharing with you and we are telling you right as it happens and we are going to come out of this. The first conversation when I had I would not say it had a dramatic effect but it had a good effect. Suddenly a lot of people kinds of you know it calmed their nerves.

What I personally did I will tell you is I had a couple of them I quickly identified like about two or three employees who were very large influencers. So, you will realize in every company the rest of the folks look up to one, two or three, maybe four people as a beacon as somebody who they reach out to guide for guidance, who they reach out for some advice and all of that. So, their behaviour is guiding you know their own perception of how the company is doing.

So, I mean we knew who those three or four employees. In our case there were three employees and I basically called them in the room. You know they were one of them was in Kerala, one of them was in, one of them was in Mumbai, I was in Bangalore. But I did make that effort even during Covid and I met them in person. Because there were a lot of there was no vaccination at that time. But I met them in person and I communicated my decision saying that you guys need to make sure.

That all of your employees or all of your folks who look up to you to pass that message that you will be taken care of. So, first that happened. Then what did, this was November then immediately that very month I started a rhythm called a monthly connect. First, it was a weekly

connect then I shifted to monthly connect which I have not yet stopped. So, all my monthly connects are scheduled on a calendar and I do not miss them whether it is hell or high water like they say, I do not miss my monthly connects.

That way your all your employees know that they have to come to that meeting that particular day and the leader is going to tell you what he is thinking. So, you set that expectation. I can tell you by the second monthly connect that we did in December, a lot of things fell into place. I could see that the employees had calmed down much more, I would not say all 100% but probably 70 to 80%.

So, that is putting employees as a centre of your focus of your decision making. Once that happens whatever additional agenda that you want to push with respect to the customers becomes twice as easy. Now suddenly employees are will are you know willing to listen in a mood to listen. They are also thinking now, you know they are getting creative so on and so forth. So, that was first thing.

Now transparency again goes hand in hand with the first bullet, I literally other than some personal decisions we made. Other than those I literally 99.9% told them what I knew or what I was thinking through these connects programs. Literally everyone I told them if I believed the sky was blue it was blue. If I believe the sky was turning pink, I told them the sky was turning pink. And they could see it, if I said blue, it was blue, if it was pink, it was pink, by second or third connect you know I want to believe.

And by the way proven by the engagement scores there was a trust developed between them and the management. So, transparency is very important especially in a transition. People do not mind if you tell them boss, I do not know the answer to your question they do not mind that. They said okay you do not know, no problem maybe you will answer me in another week or another month. So, but what they do not like is you say something else happens.

They hear from something somebody else that something else is going to happen and it turns out that what you said was not true. So, those things people do not like and I would say that is kind

of the key. Now put these two bullets together. Customers become important. Now this is November, we were coming out of the first wave we were entering into what we call that period between January and March where India basically forgot that there was Covid.

Everybody, I do not know why stopped wearing masks. You know the whole story. It led to the second wave and we had probably the worst May and probably June in the history of our lifetimes at least from what I can recall. But we were in that January to February time frame. But at that time with a lot of precaution whether I can tell you one thing about Fortive it is a great company in terms of employees.

My boss called me one day and he said no matter what you do, never compromise on the safety of your employees. So, with all those precautions in place immediately I got the whole team together my leadership team not the whole team sorry I got a whole team together I met them in Bangalore. I still remember what I told was look I know it is very easy to travel. But you guys come in the morning, land in a plane.

I am in Bangalore, there is a hotel right outside of Bangalore. Bangalore very clean very well-maintained hotel. You come in, we will sit in the room; we will all wear masks so on and so forth. Let us discuss and you go back the same evening. I just want four or five hours with you. Everybody did that all of them came. They were all meeting each other after one year. So, they were very excited obviously we were very excited.

We did wonders, people met each other you know, I could communicate with a lot of them one-on-one and tell them do not worry, do not worry everything is going fine this is what I have thought for you so on and so forth. And they appreciated the transparency, they appreciated that they were being thought of and like I said I could see a market change after that thing happened. In fact, January, February, March our business boom like that is another thing.

Till that point we are not thought of customers to be very honest. We were thinking about how to solve the fire which is coming next and how to take care of employees which is coming next. Now customers we were just serving what was needed. If a doctor yelled in Bombay, we used to

serve him, if a doctor yelled in Delhi, we used to serve him. So, in January we put a plan and we basically made a very detailed communication and I am going to talk a lot about this.

Because this is a very critical part of a leader and we set a clear direction. We set a clear direction of what we are going to do in next six months. Obviously, I did not know that the second wave was coming, nobody in this world knew or in India knew that the second wave was coming, forget me. But I started it, I set a plan from January to June and said this is what is going to happen and I ensure it got trickled down.

Meaning no matter how you are how good your intentions are you tell somebody to tell something to his team. But that guy does not do, some guys do a good job and they actually relay your information but some guys do not. So, just pointing this out to you what I did in that particular month was I had 70 employees. I had 70 one on ones half an hour. So, that was 35 hours of my time in one week. I had 70 one on ones one after another.

And I mean I am not joking I literally repeated the same message one by one. By the time I got done I mean I was speaking in my sleep because I had repeated that message so many times. But trust me this worked like magic, people first of all appreciated that MD was actually talking to them one and one and then the message got trickled. Second, I formed a core group. I told you about those three guys. I added two or three more people who I knew did a fantastic job of influencing the team.

And communicating the team and then we basically said go communicate. Third point keep customers updated about the change. Now November happens, September happens, December happens, January, February we are somewhere in between and I basically decided it was time to you know focus majorly on customers and I knew there were still issues that were happening in the marketplace.

So, every crisis point that happened I turned it on meeting Mr. Manipal , Mr. Apollo. This is the problem if somebody is telling you that you are going to get your spare part in two days, he is basically afraid of telling you the real truth. It is taking about seven to eight days and so he yelled

at me as like why is it taking eight days. I said sir, there is Covid out there the customs officials are also facing Covid, it is not only you and me.

So, they are checking everything. It is half the team working. So, it is going to be very slow clearing these goods out of things. So, you need to appreciate this. And when you do this in a nice way and you know like with honesty using the crisis point, they see it, they understand it. And again, I do not blame the employee at that point because he has always served his customer, the customer is god for him and he wants to please that customer.

And he says where is the spare sir, it will come in two days. When he knows deep down it will not come in two days, it will come in seven days. Now if I ask him to tell the customer that it will come in seven days, he is not going to do that. He is never going to upset his customer. You should know that one thing about sales guys. So, it is only in your power to do it. So, you go and tell him, do not worry about it, let me communicate you go piggyback on me and save the rest of the stuff.

So, classic mentality you say seven days and then you deliver the same square in five days. Now the customer is suddenly be instead of being upset is happy. So, those things happen, I would say celebrate small wins and milestones very important. We have stopped this in 2020. So, in transition we had this timeline that was drawn and every time we said okay. What is the first thing that we need to do when we transition from JNJ to blah blah blah.

Let us establish a warehouse in Chennai that is the best place to establish, took a lot of paperwork, a lot of communication, lot of everything. But when the warehouse actually came and got established and we signed the contract let us say with DHL or whoever it was a humongous effort and we treated everybody we sent online gifts and all of that. But those people who are actually working you know felt good and with my messaging about hey, we are going to take care of you and by celebrating that one.

They put these two and two together and they understand you know what the company is in right direction. And last one embrace the red, in Fortive we have this whole operating system where

we put excel chart and we mark everything that is going well as green and everything that is going wrong as red. And my point about embrace the red is this is CEO's, my CEO is saying to me basically whatever on that excel or on that PowerPoint.

Or whatever shows up as red a metric which is not working well you embraced it meaning you look at it and you solve it. A lot of people do not do that, they run away from it or they punt it down into future. So, that you know somebody else takes care of it or it takes care of it by itself. Every human being has a tendency but you have to make a conscious effort to embrace the red and we did that. Time off from frenzy to think about your next week month and year.

Even in all of this if there is one bullet, I want you guys to take away there is a lot of stuff. I would say this is the one along with transparency. I mean those two works all the time for me and I would highly recommend those. No matter how busy you are how many meetings you are attending, I told you about the 70 one and ones, I did one after another, one after another, one after another. You have to still find 15 minutes to 30 minutes in your day, week or month.

Whatever your practices, every human being is different, we have to find those 15, 20 minutes to think what you are doing and completely disassociate yourself from all the tactical actions that you are doing that day or that month. You are only thinking okay, this is what happened, this is what is coming forward. Am I on the track today, am I on the track for the next week, am I on the track for the next month?

If you think, trust me your planning becomes better, your week becomes more productive, your month becomes greater. And obviously when you come in a normal course of business now it is not a crisis mode but it is a normal mode like today, I am a normal course of business I am thinking three years ahead. I am definitely thinking about next year. In fact, I thought of what I want to do, 2023 I know what I am going to do you know 50%.

And I am thinking about what should I do in 2024. It comes with the territory. If you are going to become a leader you cannot think of today alone. You have to think of today. I mean the system will force you to think of today. But you have to think of today, tomorrow, next year, next two

years, next three years, keep that in mind. And that helped and finally this is a very obvious management principle you cannot do everything yourself.

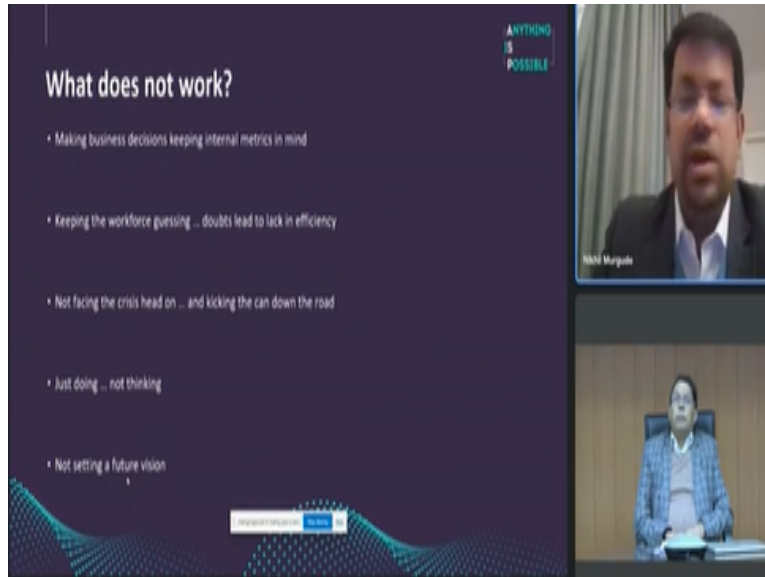
So, very quickly you need to move the people in the spots which is what we did, within the team we did not fire anybody or anything like that. But we hired a couple of people. But you need to put your best horses in the most tight spots. I am a big cricket fan as probably most of you there is always this debate about when to send Virat Kohli to bat. Is it opener, is it one down, is it two down, you know in Twenty 20 why should he come? In test where should he come.

And that is not a wrong discussion everybody knows if your best player is at the best spot, you get the best result and so with that kind of analogy you have to work this out. And this by the way this people in the spot comes from this time out to from frenzy to thing. This is what you are thinking at this point in time. So, if you ask me today from a normal course of business, my people who are in certain spots today.

May not be there, they may get promoted, they may get a lateral move; they may get something else. But what the structure that is available today is not going to or is working today is not going to work two years from now three years from. Now depending on what your aim or goal or ambition is. So, you have to keep thinking about organization, the people are they in the spots? Are they doing justice to that spot?

Is he the guy who is based in Bangalore actually the guy to be in Bangalore? Is he the guy who is based in Bangladesh actually the guy to be based in Bangladesh? That thought process has to go in your head, is the operations guy the right guy? Can you do more? Is he doing less? All of those questions you have asked and when you do that you know things normally tend to work most of the time.

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I will also say what does not work and I will go through this very, very quickly. Basically, it is opposite of the last page, do not make decisions only with internal metrics in mind that is a recipe for disaster. It may help you short term but eventually the customer and employees are going to realize that you do not care about them and you are basically going to lose out on the market. I told about the second one do not ever keep your workforce guessing on your strategy, on your action plan or any big initiative that you are taking.

Doubts leads to lack in efficiency, the worst thing that you have is a guy who you are paying a lot of money and he is not clear about what to do next or where to go next. So, do not keep the workforce guessing. If there is a problem that is not solved, share that with him but if there is a problem which is solved be clear about it. In fact, as a one of the practices that I do I formulate a strategy, let us say but I talk to all the people and I almost take a test like a friendly test and say.

Do you understand what the strategy is and when I am comfortable that they do understand what I am thinking then you know I am at peace of mind. Because they know now and I do not have to worry about it. But if I see that they are a little bit confused about whether to go left or right then then I jump in and I tackle it away. I spoke about embrace the red, it never works and I spoke about time out and this is exactly opposite of that.

We all specifically people in India, I would say there is a big tendency for us to be very action oriented. We want results, we want the next thing you know, we like to do things and see a result and be gratified about it and by doing that we postpone the thinking part. And that is why I said as a discipline you have to set up 15 minutes 20 minutes one hour whatever works for you to think about what you are doing.

Most of the high paid jobs or you know high the pay is for a guy who thinks not only who does, just my view on it. And I spoke about not setting a future vision. I mean obvious you know opposites to the page that is out there you know before this page. Look I have two more minutes but in conclusion I will say this. As you can probably guess from my voice last one year has been an amazing year for me.

I said the end of the movie is good so the movie is good. What happened in the middle was tough but the end of the movie has been good so the movie is you know overall good. So, that is what has happened we have grown well we have done well in our business. We are very close to our customers obviously not all of them are happy. It will never be most likely but most of our customers are happy with us and we have brought this business to a steady state now.

And you know brought forward there is no third wave and if things go on well **knock on wood** I think India is in the right space as far as health care is concerned with the government investment almost you know going up 50% or doubling and I think like I said we are positioned in the place at the time and we can really take this business to a good height. And what do we achieve with this? Obviously, we grow the business, we all make money, all the tangible benefits are there.

But with ASP specifically I believe we work to elevate the standard of care that is currently available to the patients and only the patients in metros and good going to good government hospitals and we would like to for that standard of care to be available to all the Indians as much as possible. So, that is a big vision that we have, we want to reduce the hospital acquired infections like I said and make sure that we are present in the most critical moments that matter to the patients.

So, that is in nutshell a little bit of my experience which I thought would be helpful for someone like hopefully coming off this course in a year or two and taking on the real-world challenges. I am always available to answer your questions and would love to have a discussion on any of these topics. And Biswarup, I think that is it from my side and I will end my presentation here. Thank you.