# Management
# ReThink

ISB

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future ready?

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# Management
# ReThink

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Management ReThink is published quarterly by the Centre for Learning and Management Practice, Indian School of Business (ISB).

We cover a wide range of topics including strategy, leadership, operations, innovation, decision making, marketing, finance, work-life balance, and practising management. We publish articles of varying lengths in both print and digital forms, besides featuring pieces based on infographics, podcasts, videos, slide presentations, and other multimedia formats that might help us share an idea effectively.

We encourage submissions and proposals for write-ups. We also welcome suggestions, comments and letters to the Editor. These should be sent with the writer's name, address, and contact number via email management_rethink@isb.edu.

# Editor's Note

At the Indian School of Business's Centre for Learning and Management Practice, our focus has been on driving engagement and interaction with the corporate world. In tune with the changing landscape of both industry and management philosophy, we are pleased to launch Management ReThink, an on-line management practice journal that would serve as a platform for stronger linkages and dialogue between practitioners and academia on new age ideas.

In this very first issue, timed when our world has been grappling with the worst health and economic crisis ever, we provide you the best business ideas from the leading minds in management, on resurrecting ourselves in a post COVID-19 business world. Presenting a practitioner's perspective, backed with data and real-world examples, we bring you these insights and prescriptive advice in an aggregated, easy to consume manner.

Sanjiv Puri, Chairman ITC, elaborates on how organisations can embed societal value creation at the core of their strategies and focus on building responsible

competitiveness. Leading business and strategy consultant, Harish Bijoor, shares insights on how businesses would have to manage the tussle between the physical and digital modes to keep the customer engaged once this crisis is over. Global leadership guru and author of several noted books, Jerry Connor provides indispensable leadership lessons on being ready for change.

For our *Case in Point*, framing the strategic alliance between NGO Pratham and the corporate ADP as the backdrop, we invite three practitioners to offer their views on engaging in cross-sector collaborations, particularly in these changing, turbulent times. Our *Data Story* brings you interesting contrasts on new age consumption behavior, comparing pre-COVID and post-lockdown data from KalaGato, an automated consumer and market insights platform focused on the internet. Listen to Japan based Chief Digital Officer of Nissan Motors, Swami TV in our *Podcast* as he throws light on the positive disruption taking place in the automotive industry with increasing utilisation of Artificial Intelligence.

Like seeds, even ideas need nurturing. They need time and perseverance to develop and flourish. Empowering our readers with intelligent, contemporary and interesting content through this platform, we are keen to initiate a knowledge dialogue and will look forward to your unwavering support and constructive feedback.

Happy Reading!

Saumya Sindhwani
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The Pandemic
Re-Wired
Consumer

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# The Pandemic Re-Wired Consumer

Tracking the pandemic, and more importantly tracking consumer behaviour in the tumultuous times we live in, has been an exciting process. All businesses, whether B2B or B2C, will need to change and re-leverage their abilities to cater to the needs, wants, desires and aspirations of the re-wired consumer. The top three changes are all above the water line of an 80% plus craving. These are aspects not to be ignored. You need to keep in mind the fact that it is not business as usual anymore. That was so pre-COVID!

The pandemic in our midst today, its tentative start in the early months of this year, the successive sets of lockdowns and now the slow and sure "unlock" process, has re-defined the way we live, the way we work and the way we think.

> ## It was the best of times,
> ## It was the worst of times.
>
> **-A Tale of Two Cities | Charles Dickens**

It was the best of times. How? It was the best of times for nature. It was the best of times for the birds and the bees. For our trees, for air quality in our cities, and for our waterbodies that saw less pollution being spewed into it.

And most certainly it was the worst of times for businesses. Most businesses. And it was the worst of times for man, woman, and child, all huddled into their homes. All caged and away from the hub-hub of normal life. The world was not our oyster anymore. Instead, the oyster was our world. And the home was the oyster. Everything had to come into it, be it food, grocery, clothing, entertainment or for that matter any service that made for a good life. Everything that was taken for granted suddenly looked all too important, and all too out of reach.

Businesses collapsed everywhere. The airline, hotel and restaurant businesses were the worst to be hit. Businesses and establishments

> I quote Charles Dickens for a start. A line that best describes the times we live in. **COVID-times, or " COVID Kaal" as I call it.**

wherever people had to congregate were decimated and cut down to size, cinema theatres and churches and temples alike.

The modern day consumer, particularly every one of us who took modern day living and its ease-factors as given, were suddenly jolted to sit up and smell the coffee and indeed the acrid smell of the pandemic and its many restrictions. Consumers therefore were the most shaken of them all. And this jolt is for real. And permanent too. A jolt that has changed the way consumers will live, work, play, entertain themselves and more.

Consumers and participants in the biggest and best of economies around the world congealed themselves into small, little comfort huddles. The world did not look flat anymore. Instead, the world looked pitted and divided into ghettos. More often than not, these were the homes we lived in. Society had suddenly concentrated into smaller units of families locked in with one another. Not by volition, but by force. We were in the midst of a fear economy. The celebratory economy was dead, if not on the stretcher.

Tracking the pandemic, and more importantly tracking consumer behaviour in the tumultuous times we live in, has been an exciting process in itself. A process that has used every item in the toolkit of contemporary market research to ratify emerging trends. The months of the pandemic have been busy months, therefore.

I have involved myself in the process of understanding consumers, and more importantly understanding change. Change as has been foisted on unwitting and even unwilling consumers in the great

Indian marketplace. So, we put together a recent consumer research exercise across 21 cities in India, covering all of eight Metros and 13 Tier-II towns. It had us touching as many as 23,460 consumers. Each living in an average family size of five. We asked them many questions as we found them with lots of time on hand and nothing much to do. And this was unique. More often than not, market researchers find it difficult to get a quality consumer in a captive mood. Not in this study.

Over to the top three findings then - Consumer behaviour has certainly changed; however, does this signal a new tomorrow? Or, are these

changes in consumer behaviour patterns temporary blips that will go back to the pre-pandemic norm? Only time will tell.

Several things have happened in our lives during the pandemic. Several traumatic things. These traumatic happenings are likely to affect the way we behave in the future. Business ahead will therefore

have two facets, the unusual and the usual. While most businesses will fantasise for the status quo ante to return, it would be imprudent to hope for that to happen all across.

The fear of COVID looms large on everyone's mind. The consumer is going out that much less. Even when he/she steps out, the radius of that visit in terms of kilometre of travel is that much less. The distance travelled by the consumer on a buying visit is today a maximum of three kilometres (to and fro) as opposed to a 16 km (to and fro), which was the earlier norm of the shopping expedition.

The new consumer is therefore that much more comfortable shopping from nearby shops that offer both the basics and the non-essentials. The consumer is thus also making compromises on brands of choice. Brands therefore die in that buying moment and commodity options in the same categories thrive.

Yet another aspect is the fact that the consumer is going out less on these shopping jaunts. The accent is therefore on stocking up. The consumer is picking up larger Stock Keeping Units (SKUs) of products. The packet of biscuits that is a family pack is preferred to the single unit pack. The toothpaste that is of a larger unit size even. This demand is making marketers revive slow-moving larger unit family packs. The consumer is also switching brands in as many as 61.2% of cases per our study when there is lack of availability of the larger family pack choice in the normal brand that is bought. Marketers need to therefore get savvy and involve themselves in a carefully calibrated Big Scale Value Analysis exercise from the consumer perspective, rather than from the marketer perspective on this point of need.

Some things will change forever. And what are these? What are the three big changes we see ahead based on our exploration and what it threw up as macro-diagnostics? Let me list the top three out of the 21 aspects that came up as those that will change in usage, attitude and habit.

## 1. The Digital Life:

What Osama Bin Laden did to the security products and services industry, the corona pandemic has done to the digital products and services industry. Everyone has embraced the digital way. Even those who had sworn not to go digital, come what may.
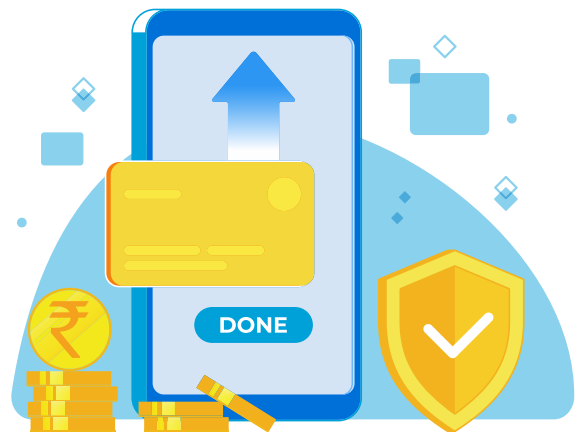
The digital life we talk about today is not only about entertainment, advertising and work-related digital life. It is all about payments as well. What demonetisation of high denomination notes could not achieve in 2016, the pandemic has achieved in no time. Cash has taken a back seat and the less-cash economy has made its way into millions of Indian homes. Today, even your Swiggy (Indian food ordering and delivery platform) delivery is pre-paid for, and there seems to be a higher degree of trust in e-payment formats.

Additionally, the digital life has made such deep inroads into our lives, that there is a blur when it comes to understand where the human body ends, and the digital software and device begins. The consumer's

propensity to go digital has received a nudge as never before. There is no going back from the domino effect of this nudge.

'Digitalism' is the new religion ahead in every sphere we dabble in. Every business needs to have a digital avatar and every human needs to have a digital avatar as well. Across the sample homes we scoured, this digital chase touched as many as 89.7% of homes. And that is a whopping number one trend to chase.

## 2. Small is Beautiful:

The pandemic had the big chain stores shut for a while. The big super-market, even for buying-in the essentials was not an option for a while.

Air-conditioned super-markets were not to be walked into. In the bargain, the local corner grocer, the 'kirana' outlet pulled together its act. As people got locked down and could only walk to buy their essentials, the corner grocer was rediscovered as an option. No air-conditioning here. Just a very functional way to buy what was needed for the day or the week.

Similarly, branded stores within malls remained closed and the walk-ins into outlets of the same brands on the high street were a better option to explore. Small is beautiful again.

As Paris explores the concept of a 15-minute city, where everything is available within a 15-minute walk or bike-ride, India with its mar-

ket-congestion metrics, is a three -minute city for sure. The small establishment is suddenly the beautiful establishment. And the radius of reach is a three-minute stretch!

This trend factoid was witnessed in as many as 87.4% of homes touched. This figures number two on my list of trends to run behind.

### 3. New Darwinism:

Survival of the fittest is certainly in effect, but with a twist. It is not survival of the wealthiest for a change. It is survival of the healthiest!

There is a clear accent towards better health among homes of every kind. There is a new-found enthusiasm to stay healthy. A pushback reaction even as consumers got pushed to the wall by the pandemic and its scare. There is a yen to invest in enhancing immunity. Anything that boosts it is seen as a real option to bite into. In the bargain, marketers are taking due and undue advantage, what with the "anti-corona" shirt that kills 99% of the virus, and bizarre offerings of every kind. Remember, this is the age of Chyavanprash (Ayurvedic health supplement) Ice-cream as well!
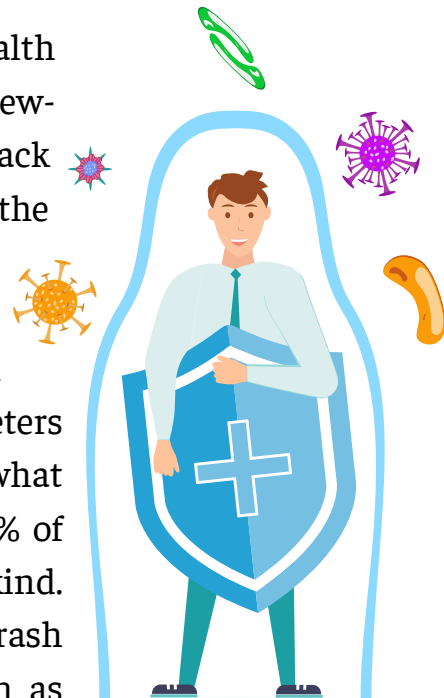
81.1% of the homes we touched tell us this is a permanent change in their lives and way of living.

Now, is this list comprehensive? No, it is not. We have a total of 21 habits, usage patterns and attitudes that will change. And that's a lot. Simply means that the pandemic has shaken and stirred the consumer to good impact. Life will be different ahead in our consumer markets. Those businesses that see this change and cater to the changed needs of the post-pandemic consumer will do well. Those that don't will still need to wait for business as usual. Whenever that happens. Or not.

The point is simple. All businesses, whether B2B or B2C facing, will need to change and re-leverage their abilities to cater to the needs, wants, desires and aspirations of the re-wired consumer. The top three changes are all above the water line of an 80 % plus craving. These are aspects not to be ignored. They are simple and in- the-eye. Never mind whether you are a brand of tea or smartphone, you need to keep the fact that it is not business as usual anymore. That was so, so pre-COVID!

B2B

B2C

Post pandemic, firms will need to really re-think the entire system, process and order of doing business in the future. A lot has changed at the front-end of the consumer in terms of purchase pattern, distance of travel to buy, periodicity of purchase, brand choice metrics, attitude to the commodity option on offer, usage, and purchase and subsequent consumption behaviour. The marketer needs to understand these changes with a quick degree of sensitivity and act. If the front-end has changed, the back-end better change as well to meet the new demands of the new consumer.

Firms would require to be quick in assessing for their respective offers- the right quotient of being physical and being digital. Not getting it right could mean valuable loss of sales potential, volume and loss to competition of the commodity kind. This could further mean marketing regress, as the brands that enjoy dominant shares in the market today, have earned it with substantial investments in the brand building process. The superior end consumer price they command as opposed to commodity offerings, and indeed the superior margins they enjoy today, is a result of carefully planned investments in building brand premiums and choice.

Firms need to equally pay attention to the physical modes of selling and distribution, even as they attempt to get everything digital going. It is important to understand the fact that the consumer is speaking in twin-tongues today. At one end, the consumer is expressing a desire to buy online through the mode of e-commerce, and at another he is wanting to buy local. And physical. Within a close radius of reach. There is the tussle between the physical and the digital modes of buying. This tussle is going to cause for a dynamic process where the water of convenience and personal appeal will find its own level, basis the real nature of the consumer in question. The consumer will ultimately decide what to buy online and what to buy physically at a store close to him/her. And how much of each. That decision in itself is a complex one.

In the limited number of homes we studied, it was revealed that the physical-buy process is alive and kicking like never before. While e-commerce offers solutions of every kind and conveniences of every kind as well, the consumer out there in the great Indian market is yet to jump in with gusto. At least not with the equal gusto that the PR campaigns of these e-commerce companies seem to suggest.

# Reimagining Business in the New and Next Normal: An ITC Perspective

**SANJIV PURI,**
Chairman, ITC Limited

# Reimagining Business in the New and Next Normal: An ITC Perspective

Innovation is an elixir of growth that continuously builds competitiveness and strengthens resilience in times of crisis. It is one of the most critical factors for being future-ready and to enable quick response to emerging trends.

The untamed spread of COVID-19, a Black Swan event, over the past few months has precipitated an unprecedented crisis across the globe, impacting lives and livelihoods on a scale not witnessed since the Great Depression. The pandemic has since snowballed from a health crisis to a grave economic crisis. With world GDP in contraction and consumption shrinking, estimates say that around 200 million jobs[1] could be lost and close to 265 million people[2] could potentially face a serious hunger crisis.

The crisis also exacerbated the slowdown that the global economy was witnessing even prior to the pandemic. The World Economic Outlook report, published in October 2019[3], forecast global growth at three percent for 2019, the lowest since 2008–09. Societal challenges were no less daunting. Across the world, job creation was falling far short of requirement. Poverty, inequity, unemployment and hunger continued to be areas of extreme concern. Aggravating the social challenges was also the growing threat emerging from climate change. The World Economic Forum's 2020 Global Risks Report has listed climate change as one of the top five risks for the next decade. Already, the last few years have seen extreme and erratic weather events occurring at an alarming frequency. Depletion of natural resources, particularly water, plagues nations across the world. Providing water, food and livelihood security to the 10 billion people, set to inhabit the world in a few years, will be a herculean task.

It is evident that business cannot succeed in societies that fail. The pandemic has reinforced the imperative need for enterprises to respond to societal needs with compassion. As large economic organs of society, it is in the enlightened self-interest of businesses to embed societal value creation in their core strategies. Going forward,

[1]https://news.un.org/en/story/2020/04/1061322.
[2]https://time.com/5842424/hunger-coronavirus-world-food-programme.
[3]https://www.imf.org/en/Publications/WEO/Issues/2019/10/01/world-economic-outlook-october-2019.

consumers and markets will demand such purposeful action from corporates. In future, even access to capital will be influenced by a corporate's commitment to sustainability.

The universal question that today engages policy makers, businesses and civil society alike is: how do we reimagine the future not only to survive and revive, but also to thrive in the new normal? The journey is likely to encompass three distinct phases that will run concurrently. First, a 'Survival' phase where corporates will have to strive to manage the current crisis. Second, a 'Reboot' phase where businesses will need to align to the new normal where certain segments will experience demand destruction, some new trends will emerge while several pre-crisis trends will gain accelerated pace. Third, when the crisis ebbs, corporates will have to gear up for the 'next normal' with some pandemic trends moderating, some remaining at an elevated level, some segments recovering, whilst new opportunities and industry dynamics will get constantly redefined.

**Black swan events like the pandemic provide opportunities for organisations to reimagine the future – to rewire thought, strategy and action to build a path to a safer, healthier and secure tomorrow. While such events test the very resilience and adaptive capacity of organisations, they also have the potential to unleash forces of innovation and creativity to rebuild a better future.**

## REIMAGINING BUSINESS - BUILDING COMPETITIVENESS WITH RESILIENCE, AGILITY & COMPASSION

The future will certainly belong to purposeful enterprises that constantly build competitiveness with agility and innovation to respond swiftly to shocks and emerge even stronger. They must embrace a new paradigm of growth that enables them to remain competitive, while at the same time address the needs of society and sustainability. At ITC, this paradigm of growth is called responsible competitiveness.

The current pandemic has reinforced the need for resilience, which is manifested in the robustness of an organisation's ecosystem. This is demonstrated not only by an enterprise's agility to deal with the immediate context, but in its ability to spot future opportunities and leverage institutional strengths to design, develop and deliver relevant products and services to consumers ahead of time. Going forward, markets will continue to witness rapid changes. It is imperative that enterprises are agile to adapt to the fast-changing environment swiftly by realigning supply chains and repurposing offerings. Unique partnerships must be forged, as they bring to the table capabilities that may not be internally resident.

ITC's commitment to create a robust and future-ready organisation that serves the needs of the nation and its stakeholders is manifest in its organisational vitality which enabled the Company to respond to the crisis with speed, agility and compassion. Within days of the pandemic breakout, ITC set up a contingency fund of ₹2.15 billion to help the vulnerable and distressed. To ensure liquidity in the hands of

programme, ITC facilitated creation of 0.76 million person days of work in just 45 days. To ensure business continuity, extreme focus was provided to sweat assets and get more out of less. Timely partnerships were orchestrated, and supply chains realigned. Critical infrastructure and relationships, nurtured across the value chain, were repurposed to sharpen the company's competitive advantage. Strict measures and protocols were put in place to address the health and safety concerns of not only its employees, but those of its supply chain partners as well.

The ability of a company to orchestrate such interventions with agility depends on several critical factors. The most important aspect is the relationship of the enterprise with its stakeholders. A relation of trust and mutual respect builds confidence and expedites alignment among stakeholders. Equally critical is the robustness of the Company's infrastructure. There has been a debate whether to implement centralised infrastructure that provides economies of scale or distributed infrastructure which provides agility as well as scale. ITC's model of distributed infrastructure, which reduces layers in the supply chain, has lent the Company structural advantages during the pandemic. ITC's investments in local supply chains as well as its institutional capability of cutting-edge research and development have also enabled the Company to launch differentiated products in record time. Yet another important factor in driving agility is an enterprise's governance model that is reflected through its strategy of organisation and processes, including the clarity of vision, objectives, roles and empowerment of the distributed leadership and the vitality of its talent. Business disruptions and discontinuities must also be cognised for and managed by a robust de-risking mechanism.

**FOCUS FOR THE FUTURE**

As companies transition to the new and next normal, there are five broad areas that will help build momentum and foster future-readiness. Some initiatives from ITC are also presented below as an illustration of the areas highlighted.

## 1. Purposeful Innovation

Innovation is an elixir of growth that continuously builds competitiveness and strengthens resilience in times of crisis. Being able to innovate is one of the most critical factors for being future-ready and to enable quick response to emerging trends. Extensive scenario planning is essential to identify possible opportunities so as to be in a state of readiness when such occasions emerge in the future. The pandemic has led to increasing consumer demand for products and services focusing on health, wellness, safety and hygiene. Preference for trusted brands is on the rise. Discretionary spends are down, and there is evidence of value-seeking behaviour. Digital shopping has surged exponentially even as local grocery stores have emerged as lifelines for essential supplies. These trends need to be addressed not only through innovative products and services that are relevant, but also require deep innovative capability to realign supply chains, sourcing, ramp-up manufacturing and find newer ways of reaching people confined at home.

The advanced scientific platforms of the ITC Life Sciences and

Technology Centre in health, hygiene and immunity enabled an accelerated response to the pandemic. ITC's innovation engine is at work 24x7 to develop future-ready products. This was leveraged to rapidly introduce over 40 high quality, first-to-market products and variants during the pandemic to meet emerging consumer demand. These science-led innovations are witnessing encouraging consumer response. To reach millions of consumers restricted to their homes, ITC also innovated by entering into collaborations with companies such as Dominos, Swiggy, Zomato, Dunzo and Amway to leverage their direct-to-home reach. An innovative 'ITC Store on Wheels' initiative was also launched to directly service residential complexes.

## 2. Accelerated Digitalisation

The pandemic has also expedited the adoption of digital technology- be it in e-commerce; digital entertainment; work-from-home conferencing; or even online learning. Progressively, the entire gamut of economic activities will witness an accelerated pace of digitalisation – from agriculture to manufacturing to distribution, as well as in consumer engagement, contextual communications and so on. This will certainly call for significant focus and investments going forward.

Accelerated digital transformation is integral to ITC's future-ready strategy and is increasingly being harnessed to enhance competitive advantage. New technologies such as Industry 4.0, Artificial Intelligence, Big Data, Industrial Internet of Things (IIoT) and Machine Learning are being deployed by all businesses, including its supply

chain and logistics to enhance operational effectiveness. Substantial investments have been made in the creation of a digital ecosystem to drive smart manufacturing, product quality, traceability and supply chain agility, amongst others. ITC's Marketing Command Centre 'Sixth Sense' - leverages cloud-technology, cutting-edge social-media engagement tools and a digital marketing and analytics platform to drive contextual communication and product development rapidly. In agriculture, ITC e-Choupal, the world's largest rural digital infrastructure, was conceptualised at a time when the internet was in its infancy. Leveraging emerging digital technologies, e-Choupal 4.0 will bring in a fresh dimension for next generation agriculture and farmers with a provision of end-to-end, personalised services on weather and markets on a real-time basis.

## 3. Reinforcing Sustainability

The pandemic has reinforced the imperative need for sustainability to take centre stage. Given the need to address the colossal problems of social inequity, poverty and environmental degradation, with compassion and urgency, it is imperative that businesses embed sustainability in their core strategy and play a transformative role in securing the future of generations to come. The creation of large-scale livelihoods, ensuring environmental replenishment and addressing climate change through adoption of a low carbon growth path, among others, will be some of the core issues that will increasingly call for business models that deliver heightened triple bottom line performance. While there is discernible consensus today that corporate strategic objective

must go beyond creating shareholder value alone to enabling a larger purpose of societal value creation, the challenge lies in creating the right business model to pursue this synergistically.

ITC's experience demonstrates that it is possible to simultaneously create economic, environmental and social value whilst building an enterprise that is extremely competitive. It would be pertinent here to mention one example of such an innovative approach. Two decades ago, ITC's paper and paperboards business was challenged due to lack of cost competitive access to pulp in India for making paper. Despite a regime of low import duties, ITC chose a path less travelled and made a strategic decision to create a fibre source by implementing a large-scale afforestation programme by mobilising tribals and marginalised farmers to plant trees on their wastelands. Through extensive R&D, ITC developed fast growing saplings that were given to farmers. Over time, farmers were also assisted in growing crops together with plantations, thereby giving them an additional source of annual income, with the plantations yielding them income every four years. Today, the programme has led to greening of over 8,00,000 acres, generating 147 million person-days of employment. In addition, it provides a unique, renewable and competitive source of pulp to the paperboards business, making it a market leader in its segment.

The conscious choice to create societal capital in the context of its businesses has made ITC a global exemplar in sustainability. ITC is the only company in the world to be carbon, water and solid waste recycling positive for over a decade. More than 41% of ITC's energy consumption is from renewable sources. ITC's solid waste management programme,

'Wellbeing out of waste', which reaches out to over 12 million citizens, creates a sustainable source of recycled waste as an input for its paper and paperboards business. All ITC prefixed hotels are 'Leadership in Energy and Environmental Design' (LEED) Platinum certified green buildings. ITC's businesses generate sustainable livelihoods for more than six million people, many of whom represent the weakest in society.

## 4. Intellectual Capital

The creation and ownership of intellectual property is critical for a country's progress. When such intellectual capital is manifest in successful Indian trademarks that can win against globally reputed brands, it serves as a force multiplier for larger value creation for the country apart from being a badge of national honour. Ownership of intellectual property also enables the creation of surpluses required to spur additional economic activity.
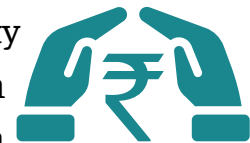
ITC's endeavour to create winning Indian trademarks aims to build such intellectual capital. A vibrant portfolio of more than 25 homegrown world-class Indian brands anchors domestic value chains making them more competitive, thereby also creating and retaining larger value in India. Several competitive agri value chains have been assiduously built over time to benefit farmers. The wheat and spices value chain is anchored by the Aashirvaad brand as well as exports. The potato value chain is driven by ITC's Bingo! snacks, the fruits and vegetables value chain is powered by ITC's B Natural juices, Farmland

and ITC Master Chef Frozen Foods and the dairy value chain leverages Aashirvaad Svasti dairy products and Sunfeast Wonderz milk-based beverages. These vibrant value-chains provide consumers high quality products whilst generating substantial livelihoods.

## 5. People

Times of crisis bring to the fore the critical role that inspired talent plays in building resilience of enterprises that are built to last. ITC has always believed in nurturing a talented pool of 'proneurs' – entrepreneurial professionals who operate with a start-up mindset but with the crucial advantage of ITC's institutional resources. This pool of distributed leaders with wide experience across businesses are supported by a culture of continuous learning that provides cutting-edge development support to create the 'proneurs' of the future. Such a mindset and adaptive capacity, together with the deep inspiration to serve a larger national purpose forms a critical fulcrum of the organisation's resilience and a provides a source of immense strength in sustaining competitive edge in the market. It has been ITC's continuous endeavour to provide its dedicated and inspired talent pool a wide spectrum of opportunities in learning at work, given the belief that 85% of learning comes from real experiences. Indeed, in times to come, people and talent will remain the critical differentiator of enterprises that are agile, resilient and ready to meet every challenge and crisis.

# The Final Word

The future will undoubtedly belong to resilient enterprises that constantly build responsible competitiveness and are thus able to respond comprehensively to an ever-changing context and emerge even stronger from every volatility.

"It has never been more important than now not only for enterprises but also for all of us who are fortunate to have the opportunity to transform society to be more compassionate and embed sustainability in all our thoughts, strategy and action. That is the only way to build a future that will be more secure and sustainable." As it has been said long ago,

> We do not inherit the Earth from our ancestors, we borrow it from our children.

The writeup is based on a talk delivered by Sanjiv Puri on "Doing Business in the COVID-19 Era" as a part of ISB's Distinguished Speaker Series.

# Leadership Lessons from COVID-19: Building Future Ready Leaders

**JERRY CONNOR,**
Global Practice Head for
BTS Coach - a global
leadership consultancy
with over 500 professionals
in 33 offices worldwide

# Leadership Lessons from COVID-19: Building Future Ready Leaders

❝ In a volatile and dynamic world, be ready for change. Always look at it as an opportunity to learn rather than resisting it due to fear of failure. ❞

- Jerry Connor

COVID-19 has turned the world upside down and how! Globally, a majority of the workforce is working from home and that is the 'new normal.' According to a study[1] at the Stanford Institute for Economic Policy Research (SIEPR), in the United States alone, 42 percent workers are now working from home full time, accounting for more than two-thirds of economic activity.

Nearly four-in-ten people in the EU began working from home as a result of the COVID-19 pandemic, a new Eurofound survey[2] has found.

Economies are rapidly changing. Markets are shifting by the hour. Majority of business houses are going through a massive downturn. At the same time, many business houses are making efforts to salvage the situation and are being diligent in rapid resource allocation. Consequently, business leaders and executives have been pushed into a dark arena they know little about. As leaders, however, they are expected to move ahead with the times and deal with the uncertainty to evaluate the situation, evolve with it and take decisions, putting aside their own fears.
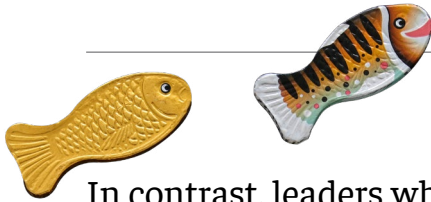
It is during these critical circumstances that they are required to come up with novel strategies. Business leaders and management practitioners can either take this pandemic as an opportunity to develop new managerial skills and establish effective management practices for their peers to emulate or not do anything and await the waves that will be coming to pass.

One of the greatest challenges facing leaders is that most of them may have a limited understanding of how to deal with such a dire global economic crisis and have naturally been caught unawares. Leaders who can reorient themselves and their activities manage to deal with the hard times and navigate their companies through the disruption.

[1]Bloom, N.,2020. How working from home works out. Stanford Institue for Economic Policy Research. Policy Brief. Retrieved from  https://siepr.stanford.edu/research/publications/how-working-home-works-out

[2]https://ec.europa.eu/jrc/en/news/coronavirus-pandemic-reveals-large-differences-prevalence-tele-work-across-eu

In contrast, leaders who do not reinvent some of their time-tested leadership skills tend to become anxious and stay away from taking action and barely survive the crunch.

So how should leaders prepare themselves to face a crisis, manage through it and come out of it successfully? To find out, we spent the last couple of months talking to top Human Resource (HR) leaders in 40 of the world's best companies. Primarily in Chief Talent Officer (CTO) or Chief Learning Officer (CLO) roles, these individuals provided fascinating insights into what organisations themselves are identifying as critical capabilities in dealing with the COVID crisis.

Based on our work with leaders across organisations over the years, some key attributes and skills that future leaders need to develop in themselves to sustain through any crisis include accepting change as is, being empathetic and thoughtful leaders and being able to foster a growth-oriented mindset besides developing mature leadership skills.

The McKinsey Global Institute workforce surveyed[3] 3,031 business leaders in Canada, France, Germany, Italy, Spain, the United Kingdom and the United States to understand the skills that would be most in-demand by 2030. They found that the demand for higher cognitive, technological, social and emotional skills will grow, while the need for physical, manual and basic cognitive skills will decline.

From our recent studies of organisations during the pandemic, here are four key skills that leaders need to acquire to emerge out of a crisis successfully:

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[3]Bughin, J., Subramaniam, A. & others, 2018.Skill Shift: Automation and the future of the Workforce. Discussion Paper. McKinsey Global Institute. Retrieved from https://www.mckinsey.com/featured-insights/future-of-work/skill-shift-automation-and-the-future-of-the-workforce

## 1. SEIZING MOMENTUM

One of the most common characteristics of leaders who struggle during crisis is an overreliance on processes. During such extraordinary circumstances, leaders need to step out of the processes-based rigmarole and seize the opportunity to lead their teams. Leaders who cannot work around weekly meetings, annual budgeting, decision making processes and so on will find it difficult to carry on. Leaders who thrive in an unpredictable environment focus less on process and more on outcomes. Exceptional leaders listen and sense the moments that have the biggest impact. People need direction and that is where the role of a leader becomes crucial in making the right decisions in times like these. The same is true of change. For several years we have been talking about and equipping leaders to 'manage change'. It has become a staple of leadership development to learn the 'change curve' and think about the leaders' role in helping people let go of the old and embrace the new. The old view of change encompassed a beginning, a middle and an end. The unstated assumption was that there was a 'new normal' after the change. However, leaders are increasingly experiencing a world in which change is constant. The most responsive leaders, therefore, expect this and rather than starting with a mindset of 'how do we get through this change', they start with an expectation that change is constant and with change comes opportunity.

This means we need to accept that many of the models that we have relied on to understand change, such as the Kubler-Ross Change Curve,[4] are not going to be of much help anymore.

[4] The 'change curve', derived from the work of Kubler-Ross, describes the internal emotional journey that individuals typically experience when dealing with change and transition. This journey consists of several stages that people go through: shock and denial, anger, bargaining, depression, and acceptance.

## 2. EMPATHY

Empathy is one of the most significant skills that a leader should possess and is even more crucial in times of crisis. The outbreak of COVID-19 has set in motion a period of slow growth. Layoffs, delayed projects and cost cuts have become a global pattern. With remote working, the workforce is juggling multiple roles- that of parents to young children, caregivers to elderly at home and of community members supporting each other in rough times. The level of exhaustion is naturally much more as workers are constantly getting on and off virtual meetings. The fatigue of home and work melding together is slowly taking a toll. A survey[5] by Blind, an anonymous professional network with users from companies like Amazon, Facebook, Google and Bloomberg collected data from 12,737 responders about fears of being laid off, and beliefs about how long it will take for things to return to normal. 57% feared being laid off while 40.6% believed it will take six months to one year for life to go back to normal. Pre COVID, a similar survey[6] by Blind conducted in 2019 had 35.9 % responders expressing fears of being laid off.

Another study by Blind captured emotional well-being due to social distancing in terms of loneliness, anxiety and productivity levels from 10,107 responses. 52.9% answered affirmative to increased loneliness during work from home while 56.4% reported experiencing increased feelings of anxiety during work from home.

[5]Robinson, B. 2020. What Studies Reveal About Social Distancing And Remote Working During Coronavirus. Forbes. Retrievd from https://www.forbes.com/sites/bryanrobinson/2020/04/04/what-7-studies-show-about-social-distancing-and-remote-working-during-covid-19/#141fe0e6757e
[6]https://www.teamblind.com/blog/index.php/2019/02/11/worried-about-layoffs-tech-employees-weigh-in-about-layoff-anxiety/

Given this situation, only an empathetic leader will be able to handle team members with understanding and sensitivity. For working from home to be sustainable, leaders need to set the required boundaries such as communicating on a quick phone call instead of a videoconference, setting up office hours for specific groups, sharing tips on time management, and establishing that it is understandable if emails are not being answered after a certain hour.

Over the years, working with leaders at the helm, we have found that being an empathetic leader also gives one a chance to have a bigger sense of purpose. Let your workers voice their apprehensions. Keep in touch with colleagues and co-workers, check in on them often. Ask
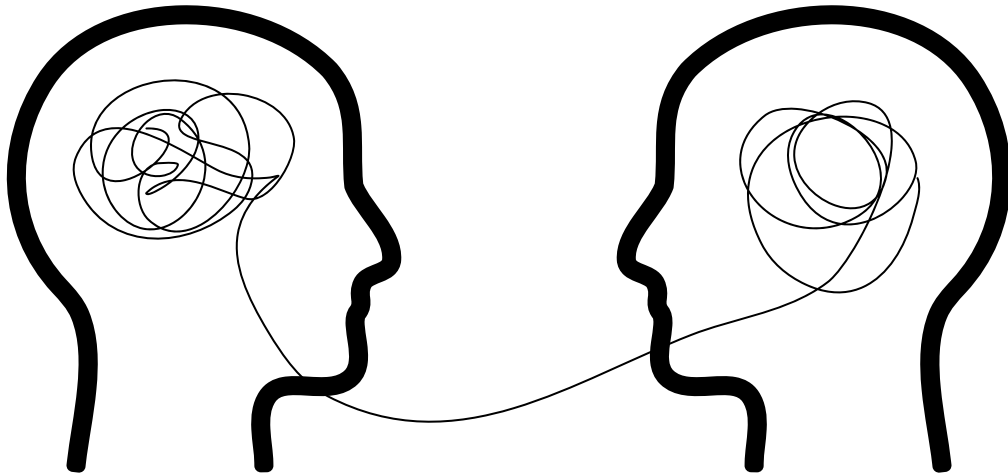
them if they are feeling overwhelmed at the end of the day or if they have too much to deal with. Commemorate little achievements of the team members to engender camaraderie and foster teamwork, despite being only virtually connected. Even 15-minute teleconferencing breaks or virtual watercooler chats allow for vital, healthy informal connections.

Not being able to foster connections in a non-traditional office set up is

a struggle for many leaders. During one of the interviews, we found, "It may entail having to give up control and authority over the workforce".

Technology plays a key role in our lives and so the human connection can still be encouraged over and above the usage of technology. It is not a hindrance in forging human bonds. Various social distancing norms in place have helped us realise that one does not always need to meet someone in person to communicate effectively. Active listening and open discussions that voice encouragement and reassurance can help build morale in the team.

## 3. LEADERSHIP MATURITY

To be a mature leader, one needs to build on an emotional development path from early on. Often, adults go through various maturity shifts - some in the way they see the world and can relate to others easily, while some still grapple with problems at hand not knowing which direction to head towards. Emotionally mature leaders embark upon a path of holistic development from early on. It is a path of simultaneous growth, where a leader continues to grow on their own, becomes a role model for others, and at the same time handles crises at work.

Leaders need to have that growth mindset, which is essentially about a willingness to make mistakes and learn from them. A true leader is one who not only notices when someone makes a mistake but is also there for them, asking all the right questions and discussing viable options to rectify the error in an attempt to develop better decision processes. Being empathetic towards others is a sign of emotional and leadership maturity. Leaders need not shy away from asking for help. It should be normalised for leaders in big institutional setups to

seek help from their peers or teammates instead of being looked down upon as a feeble leader. Asking for advice does not make you weak or undermine your leadership.

Most leaders operate in a success-driven paradigm. They are constantly under pressure to lead from the front and stay on top of things. At times, a leader cannot do all this without facing exhaustion and saturation. So, stop trying to be a leader all the time. Be a follower and let others take the lead sometimes. Try not to micromanage everything and do not always assert your superiority. One can be a leader and yet be vulnerable. A leader is allowed to break the mould and seek answers. Create space for others to solve problems at hand.

## 4. PURPOSEFUL STRATEGY

The year 2020 is a curveball stronger than anyone could have imagined. Nevertheless, a leader needs to be a North Star - leading the way in spite of adversities and is able to move towards a larger social purpose even in turbulent times. Many of the business houses we studied as part of the interview series were proud of how they had responded

to the recent crises, both in looking after their people and in supporting the communities they serve. For example, an African agri-business described how its belief that purpose needs to come before profit had helped them through the crisis. Their operations had to be kept running and they were reliant on local communities and the communities were reliant on them. So the business quickly pivoted from making alcohol out of sugarcane to making hand sanitiser. Not only was this a profitable innovation but it also was a way to contribute to the health needs of the community in challenging times.
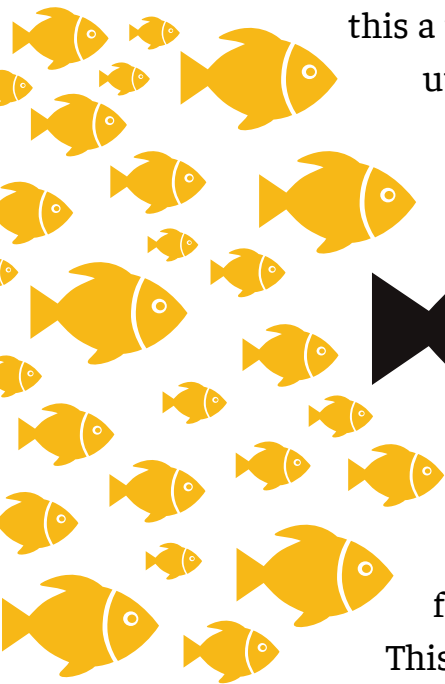
Effective leadership is being able to see connections and interdependencies. Being able to see the larger picture enables leaders to take sharp decisions with minimal repercussions.

Post a crisis, leaders tend to look at it in two ways, either as a temporary disruption or a fundamental change to the way they thought and led. This frame of mind impacts the way leaders deal with the future. For example, leaders who struggled tended to think in terms of classic planning processes, taking current trends and projecting them forward to create a plan. But when the future has so many diverse and difficult possibilities, the accuracy of predictions is severely compromised. Consider this, the oil prices have fallen through the floor. As a CEO from a global energy company pointed out, "no-one in their wildest dreams could have predicted the drop off in demand for oil that we just experienced."

Successful leaders took a different approach. Instead of looking at current trends, they envisioned future scenarios and looked back. They looked for 'weak' signals in the market and imagined the different ways in which they would evolve. These leaders then adopted specific courses of action with these in mind, constantly adjusting their picture as new data emerged. For instance, retailers that used to do 25% online sales are now relying on e-commerce to drive their sales which account for almost 70 % of their total business.

Mounting work pressure coupled with a complete change in the workplace scenario has brought back the missing purpose to leadership while also appealing to the humanitarian side of leaders.

## Final Thoughts

In a volatile and dynamic world where things may get disruptive, it is vital to be ready for change. Always look at change as an opportunity to learn rather than resisting it due to fear of failure. As you grapple with the uncertainity, do not get stuck in linear thinking which can be constrictive; instead explore multiple ways of approaching the same problem.
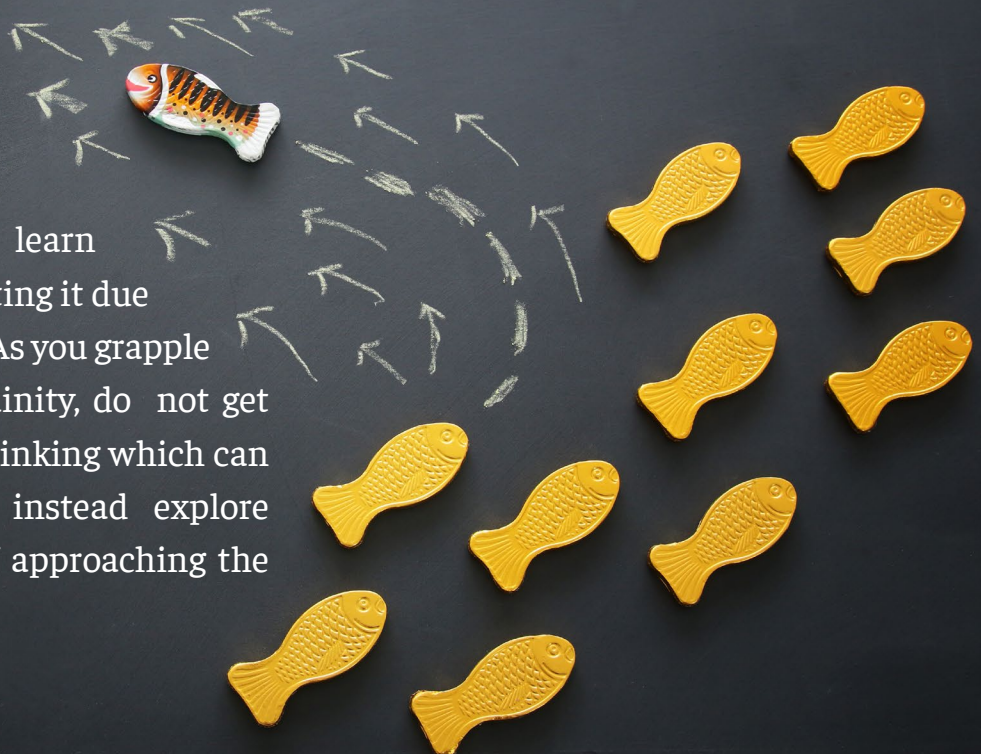
Creating Impact through Shared Purpose: Pratham's ADP India CSR Programme

# Creating Impact through Shared Purpose: Pratham's ADP India CSR Programme

This case-in-point, revolving around the strategic alliance between education sector-based NGO Pratham and the HR technology corporate ADP, discusses the dynamics leading to the success of the partnership. Practitioners from three diverse fields offer their views on engaging cross-sector collaboration and seeking new partners particularly in these changing, turbulent times.

It was a sweltering May morning in the city of Hyderabad, Telangana, India, and Sunita Burra was doing her best to manage in a world that had suddenly gone upside down. The year 2020 had spelt nothing but worry and danger for everyone with the onset of the global Coronavirus pandemic, COVID-19. An extremely contagious respiratory disease that could prove fatal if unchecked, COVID-19 had forced numerous nations, including India, into a lockdown since the month of March, and working remotely from home had become the new norm. However, for

Sunita's organisation and in the Indian context in particular, working remotely was proving extremely challenging, if not unfeasible in certain aspects. Sunita was a member of the Central Leadership Group at Pratham, a globally renowned non-governmental organisation that worked towards making education accessible to children of all age groups, focusing particularly on primary school education for children from low-income backgrounds. Program Head and National Leadership group member, it was Sunita's responsibility to keep an eye on the various programs running in the myriad districts of the state, coordinate with other state leaders on various activities, and establish as well as develop partnerships with external organisations to make the programs a success. Ordinarily, much of Pratham's work was field-based and involved hands-on activities like teaching, face to face interaction with communities of parents, children and teachers, and organising academic fairs, student-led exhibitions among other activities. However, none of this was possible anymore with the lockdown and compulsory home quarantine in effect, and yet it would not do to bring the programs to a halt altogether. Equipped with the understanding that the restrictions imposed due to COVID-19 would end up altering the face of the Indian education sector drastically, Pratham had already begun moving forward with a solution: aiming to reach out to students through maximum digital content, and strengthening the support system for students through increased parent participation. However, this complete redesigning of the programs was easier planned than implemented, and may have been much more challenging. However Pratham's prime corporate partners, like ADP (Automatic Data Processing), stepped in to help.

On this particular morning in May 2020, it was the matter of these very partnerships and collaborations that occupied Sunita's mind. Although funding was the primary support Pratham would have from a corporate partner, it was valuable when the partner involved themselves in Pratham's programs and were able to contribute time and effort along with the money. The partner's engagement with the programs had gained even more importance with the COVID-19 outbreak as new challenges made themselves known and impact became harder to define. However, engaging partners was not easy, and was something Sunita had to think about. In a way, COVID-19 had brought to light the intent and levels of commitment Pratham's corporate partners held towards developing the education sector and helping Pratham make a difference in the field – while several partners had continued support and engagement, some had chosen to back out of the alliance in these tough times. Some partners, though, had truly risen to the occasion and were battling the crisis hand-in-hand with Pratham. Looking back on all the previous partners Pratham had had in India since 2005, and taking into account the current COVID-19 crisis in particular, Sunita identified one that stood out brilliantly - the collaboration with ADP, a corporate specialising in providing payroll and human resource management solutions. Right from the start, it had been a smooth sail with ADP, and Sunita found that partners like ADP were precisely what her NGO needed to create the sort of impact they wanted to in India. After all, ADP had truly proven its mettle and dedication towards the partnership by providing invaluable support to Pratham's activities in the past few months.

Lost in these thoughts, Sunita almost missed the ringing of her cell phone, managing to pick up at the last ring. "How're you doing, Sunita?" It was Nandini Dasgupta on the other end, calling to check in with her on the progress they had made. Sunita marvelled at the perfect timing of the call- as the country-wide lead of Corporate Fundraising for Pratham, Nandini was the best person to voice her thoughts on potential corporate partnerships. "I'm so glad you called, Nandini", she said. "I was just going through a list of our current partnerships. I know that we have a great rapport with our existing partners, but we might face some challenges with the new reality COVID-19 has brought in. In such difficult times, the prospect of selecting a new partner whose goals and ideals align with Pratham's is daunting."

"I agree," Nandini replied. "It is hard work to build and sustain such partnerships, bringing corporates close enough to the work to understand ground realities." She paused, thinking, and then continued. "We've had a great run with ADP - perhaps we could use that partnership to share as an example for future collaborations?"

Sunita considered Nandini's words. "You make an excellent point. The way ADP's team has immersed itself completely in the project is truly inspiring and has been such a critical factor to the success we've seen these past few years here in Telangana. Not to mention, all the work they have been doing with us since the lockdown began in March - from providing digital resources to volunteering efforts, they've really stepped up and reinforced how meaningful this partnership is."
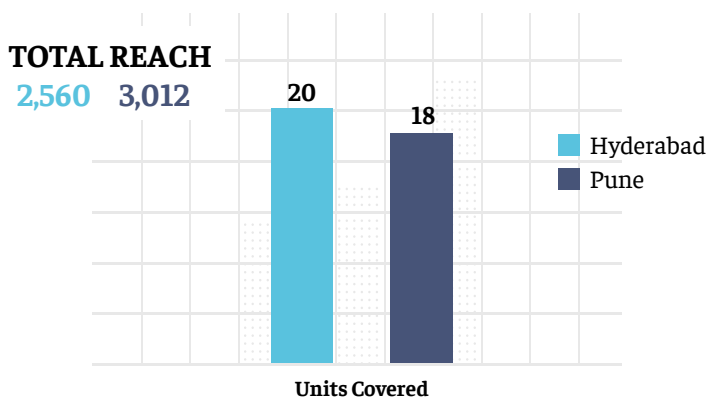
## THE ADP-PRATHAM ALLIANCE: ORIGINS AND DEVELOPMENT

Sunita let her mind travel back in time to when it all began- the ADP-Pratham partnership. It was 2013 when Sreedhar Gunduboina, CSR Manager at ADP India, had approached Pratham seeking an opportunity for his organisation to work with Pratham in Hyderabad and Pune. ADP had previously partnered with a social sector organisation that aimed to eradicate poverty by providing education, access to sanitation, healthcare and specialised aid for farming. Now that the partnership had come to an end, ADP wished to make the education sector a focus for their next CSR venture. The following year, in 2014, the partnership between ADP and Pratham commenced with an aim to create and foster interventions in learning, for selected target Mandals (subdistricts in Indian cities) and schools in both Hyderabad and Pune. Over the years, the continued success of ADP's CSR Program MIDAS (Making Impactful Difference At School) in collaboration with Pratham led to increased community outreach and higher number of schools covered. In the year 2018-19, the program worked with 80 communities across both the cities, reaching out to 35 schools in the Bandlaguda municipal region in Hyderabad, and 30 schools in Bibwewada, Pune. Out of these, 25 primary schools and 10 upper primary schools in Bandlaguda were targeted for the intervention. Although the Early Childhood Education program and the primary grades witnessed higher outreach in Pune than in Hyderabad,
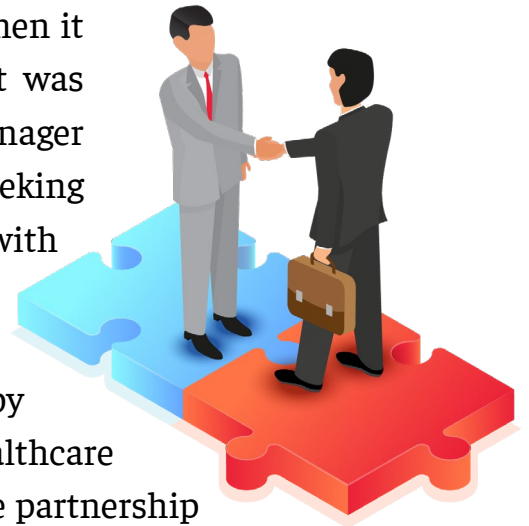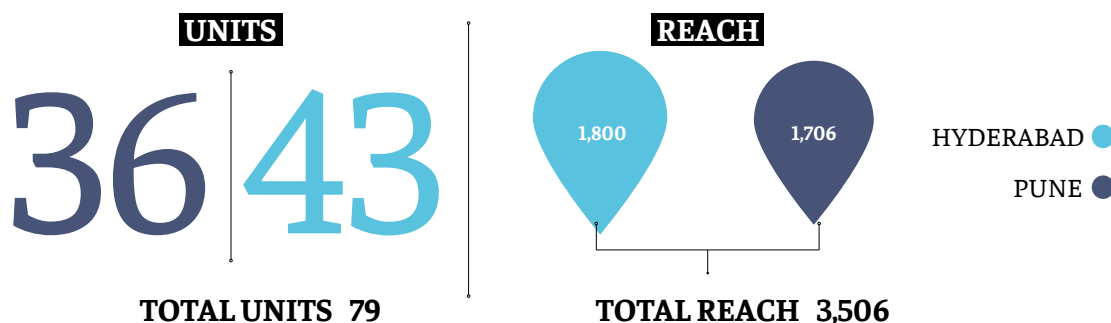
in terms of intervention for upper primary (grades fifth/sixth to eighth), community learning hub and science centres as well as the community-based children's groups, Hyderabad saw higher levels of community outreach. However, the overall success of the program was undeniable in both Hyderabad and Pune. Sunita was pleased to note that competency goals for nearly all grades and subjects had been achieved, and in fact, the goals had been surpassed by the excellence

## COVERAGE OF LEARNING INTERVENTION AT PRIMARY LEVEL (2018-19)



**TOTAL REACH**
**2,560   3,012**

20  18

Hyderabad
Pune

**Units Covered**

## COVERAGE OF LEARNING INTERVENTION AT UPPER PRIMARY LEVEL (2018-19)



**UNITS**

36 43

**TOTAL UNITS  79**

**REACH**

1,800  1,706

HYDERABAD
PUNE

**TOTAL REACH  3,506**

of the work put into the program. There was a slight lag in the reading competency for standard one and two in Hyderabad, but Sunita was sure that with the consistent efforts put in by both Pratham and ADP, that shortcoming too would be overcome soon.

## ADP'S APPROACH TO PARTNERSHIP

"Many companies can fund our programs and provide monetary help to support our work. But what makes ADP a great partner is their long-term involvement and continued interest in the work we're doing and the lives we're trying to improve." Still on the call with Sunita, Nandini continued. "ADP's approach to funding us has been quite a commitment from their side."

"Absolutely. ADP has never hesitated to participate in whatever way they can." Sunita agreed. The corporate had indeed aided in funding Pratham's programs, but had not limited its involvement to that alone. Sunita could think of several ways ADP had involved itself in the programs, all of which were a welcome addition to Pratham's activities. Having funded the provision of quality infrastructure at the target schools, ADP then joined Pratham in identifying Model Schools, as they were known total of 12 schools in Pune and 16 in Hyderabad had been covered as of early 2020. ADP was an active participant in the Model Schools Program, and the program itself was inaugurated by the global CSR head at ADP. Pratham and ADP worked together in this program to install solar panels, new toilets, design classrooms and paint the premises. ADP provided computers and helped develop Science Centres as well as Community Learning Hubs to help students gain additional skills such as proficiency in MS Office Suite and practical application-based knowledge of scientific concepts.

In addition, understanding that some particularly keen students could be provided additional support, ADP worked closely with Pratham to develop the Star Program, where select students from Hyderabad and Pune would be provided additional academic help and career guidance to help them excel in their higher studies.

Another area of active participation Sunita found particularly important was that of e-learning and digital intervention. ADP understood that digital learning was the need of the hour and would be especially beneficial to the students in Pratham's programs since it would give them much needed technological exposure while

making difficult topics easier and more interesting to learn. Thus, ADP collaborated with Pratham on the content front, and provided a number of tablets to the target communities, starting with ten communities in Pune and eventually reaching Hyderabad by 2019. ADP's involvement in digital learning at Pratham was a clear indicator of the significant amount of thought and effort the corporate was putting into understanding the needs of the Indian education system and helping Pratham fulfil those needs effectively.

When the COVID-19 outbreak led to the country-wide lockdown, Pratham knew that their work had become more challenging and would require combined efforts with partners, as well as lots of innovative thinking to succeed. Fortunately, ADP was on the same page of thought, and understood that the mission remained the same–to reach, inspire and educate as many children as possible, using creative methods of teaching, and making the whole process a community effort–but they would have to find new ways and mediums to achieve this. Since face to face interactions were no longer possible, ADP found a new role for their volunteers to work in with Pratham: they joined the Pratham teachers in the daily process of calling up the parents of the students and engaging them in conversations ranging from different fields of learning to simple practical topics such as 'the correct hand-wash methods,' 'use of face masks,' etc. This was intended to serve a dual purpose of slowly bridging the divide created by the lack of face-to-face communication, and involving the parents even more closely in the student's learning process. Moreover, these calls were extremely helpful for those students who lacked resources such as smartphones, computers and/or internet services in their homes.

Now that traditional classroom learning would not be an option for at least several months to come, Pratham had to shift largely to digital learning- and this is where ADP's active efforts had paid off as well. For the years 2018-19 and 2019-20, ADP had been busy at work translating various digital content into the Telugu language to help native language learners in Telangana schools, and the 120 videos translated till date were truly coming into good use now. With continuous effort, active participation and an open mindset, ADP had demonstrated a highly collaborative spirit and had created a bond to cherish, especially in such uncertain times.

## MAKING A PARTNERSHIP FOR THE LONG-TERM

Sunita thought back to the previous corporate alliances Pratham had been through, and one thing was clear to her: although many corporates had supported Pratham's programs, they had not always been deeply involved with the program on the ground. Sunita recalled how sometimes partners would suggest something different from Pratham's existing tried and tested practices or objectives that were not part of Pratham's mandate.

However, to everyone's delight, the partnership with ADP was different. To begin with, as Sunita recalled, ADP took the time and effort to thoroughly understand Pratham as an organisation, working with them to study the various programs in place, the techniques, procedures and practices followed at every level and for different programs as
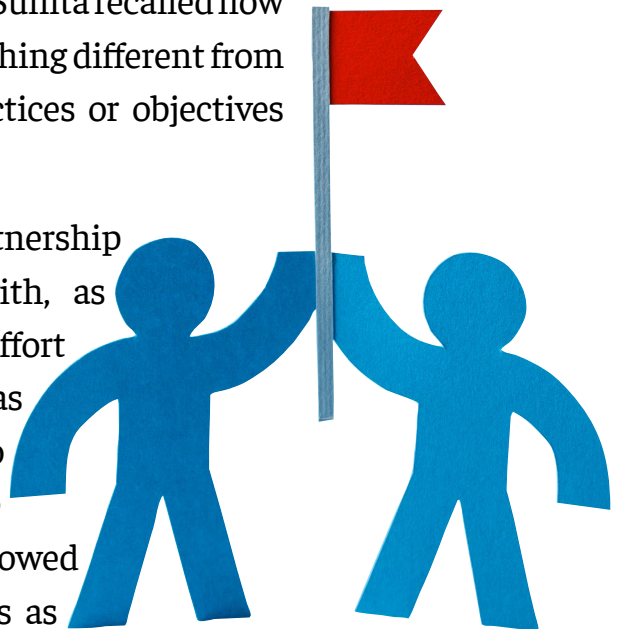
well. ADP already had a good track record basis their work with the NGO they had previously collaborated with, which set them off at a good start with Pratham too, and led Pratham to hope that this alliance would be successful. Unlike many other partners, ADP expressed their wish to hit the ground running when it came to their contribution to Pratham's programs - it was evident that not only did ADP take their CSR goals seriously, they were also keen to create real impact at the grassroots, which had always been one of Pratham's main goals as well. Sunita could see how ADP's commitment and enthusiasm towards the MIDAS program was reflected in their participation in the same, by their regular check-ins to ensure that the requisite infrastructure reached the schools and students, and by their presence as volunteers in many community activities. Sunita smiled as she remembered what a tremendous success the Science, Math and English *melas* had been last year; the students had had so much fun, their parents had taken pride in seeing how much their children had learnt, and it was an enriching experience for volunteers from both Pratham and ADP. "I do think we enjoy a healthy alliance with ADP. Apart from funding and helping obtain infrastructure, they have always been very helpful when we reached out to them for additional aid." Sunita remarked.

"That's true. I remember them helping us provide extra study material to meritorious students and organizing events such as success meets to motivate high-performing students further." Nandini added. "I think it's important to note that they are able and willing to support our programs so efficiently and wholeheartedly because they have really understood our vision and aligned their focus accordingly, while continuing to work in tandem with us to meet the needs of the Indian education system."

"I agree." Sunita paused, searching for the words to voice out the concern that still nagged at her when she thought of future corporate alliances. She said, "We now know what qualities we are looking for in a potential corporate partner. But how do we gauge at the outset whether that corporate's goals, vision and purpose for partnering with us match well with our interests?"

## ROAD AHEAD FOR PRATHAM AND FUTURE CORPORATE ALLIANCES

Sunita got off the call with Nandini, thinking hard about what Pratham could do to find strong corporate partners. Several ideas buzzed around in her head. Alternatively, should Pratham come up with a partnership note detailing the nature of collaboration and involvement in programs - or would that be too prescriptive an approach, given that programs and activities kept evolving with changing times, a fair example of which would be the current COVID-19 situation, and thus, so would the type of collaboration between Pratham and the donor?

# CREATING IMPACT THROUGH SHARED PURPOSE: PRATHAM'S ADP INDIA CSR PROGRAMME

**What according to you, are some strategic motivations for Pratham or any other NGO for that matter to seek cross-sector partnerships? Do you think Pratham's approach in this is different in any way, and if so, why?**

Bringing about any kind of significant change requires many people to collaborate and work together in an aligned way. Our work with ADP is a type of direct, collaborative effort because they are there along with us at the point of interaction with students, schools and families. This type of direct work is very important because it is like a live laboratory. This is where we confront gaps and also see opportunities and available resources. This is where we iterate solutions and then track and follow through to understand its effectiveness.

Back in 2005, we started on the Annual Status of Education Report (ASER), the largest annual household survey in India with the aim to assess children's learning outcomes across the country. From the data, we could see that although enrolment levels were high, basic learning levels were low. India is a huge country, and more than 100 -150 million children are affected by this problem, which calls for a massive solution. One of those solutions is actually through partnerships and collaborations. In fact the ASER survey itself involves partners - 600 partners, one in every district in the country. The more we work together across the board, the more we maximize our joint potential for tackling the problem, and the more likely it is that solutions are developed in diverse ways in different contexts.

You can say that collaboration and partnership are in Pratham's DNA, so to speak.

**When you look at collaborations in the context of ADP, what according to you is unique about this partnership?**

Something unique about ADP is that they have always been up to facing challenges with us from the word go. This is a quality we seek in all potential partners. Our collaboration with ADP started the usual way- their CSR manager approached us, having heard of us from another NGO they were working with. But over time, the partnership really grew. Perhaps the term 'partner' falls short to describe our relationship - ADP has stuck with Pratham through many challenges, and also we have achieved many things together.

**We are currently in this crisis caused by the COVID-19 outbreak. Like they say, times of crisis test the true mettle of a partnership. What has been Pratham's experience in these strange times with respect to existing partnerships - Have the equations changed? Have you discovered new facets about your partnerships? Also, how is it affecting your approach in seeking new partners?**

Overall, I would say that I've been very impressed with almost all partners. Despite tough financial conditions, they have been very flexible and supportive. To me, what is very inspiring is also our individual donors - these are people who are not part of any organisation but who along with their family members are with us out of goodwill, have also really stepped up to offer support. As for

## Creating Impact through Shared Purpose: Pratham's ADP India CSR Programme

partners like ADP, who have seen the work first hand, of course, they have stepped forward and worked with us to ensure that the investments that have been made in the project schools and communities over a period of time should not get diluted because of this external crisis. I think any strong relationship can weather a storm better than a shorter term or a weaker relationship. We are privileged and lucky that we have these kinds of relationships and I think ADP is a very good example of a solid, durable, understanding

and long-run partner.

## What dimensions of the partnership can be aligned such that it results in successful collaboration?

Looking specifically at the ADP-Pratham example, I think that the learning I have is that while we started small, the partnership grew steadily. Sometimes, it may take a little bit of time, but growing together is important. That means a lot of investment from both sides. On the corporate's side, along with having faith in our efforts, spending time understanding the context and also the strategy is essential. ADP has been willing to do this. Sometimes corporates engage for a short duration, and they have big expectations. But they do not invest enough in understanding what we do, and the entire point of the partnership is missed. I am sure there have

been times when the Pratham team and ADP disagreed on the next steps, but they stayed together for the long haul, through every failure and success. And often, the failures teach you more than the successes.

In addition, we also put in considerable effort into understanding the culture of the funding organisation. For some organisations, employee volunteering is very important. We have had cases where our location was at a great distance from the partner's office, which would make volunteering difficult. But, if it is very important for the corporate, we will definitely make some efforts to create a volunteering

opportunity closer to them - so a lot depends on how our mutual understanding evolves.

**Do you see Pratham doing things differently as compared to other NGOs, which helps to sustain and develop relationships better?**

We do not do anything different for a corporate that we wouldn't be otherwise doing internally. Our style has always been inclined towards measurement, and we have found over time that corporates also prefer the same. It is rare that we develop a whole new system. But we do share our common internal measurement with any corporate that funds us. It is also a way for us to convince partners that this is the best way to measure what we do. Open communication between partners and us often helps to

pave the way for what will work for both.

**What are some key ingredients that can make these alliances effective in addressing complex societal issues and add to their transformative potential?**

Besides mutual trust and understanding, the most important ingredient, I believe, is the recognition that there is still a lot to do. As we decide on whether to keep investing more in the same location, or taking our learnings and know-how and applying it to new areas, both Pratham and ADP agree that there is a long way ahead. Currently, ADP is comfortable with us doing intensive work in schools in Pune and Hyderabad. The decision to proceed this way was a joint one, but I think the bedrock of such

an alliance and its success is the trust and the long-run nature of the investment.

**What is a key takeaway or a piece of advice for someone seeking a potential corporate partner for a societal problem?**

My advice would be to start with a small step, a collaboration for a year or so, that allows the organisation and the corporate partner to feel each other out, get a sense of their commitments and level of interest. Then the partnership can move forward,

aligned towards long-term goals. Another quality to look for in a partner is the willingness to stay alongside through thick and thin. Investing time and energy in the program is essential, as one can then gauge whether the partnership is likely to work or not. Besides, mutual trust and active participation on the partner's side shows that they are involved and will support your program through tough times, like the situation we are currently in.

**DR. RUKMINI BANERJI**
CEO, Pratham Education Foundation

CREATING
IMPACT THROUGH
SHARED PURPOSE:
PRATHAM'S ADP
INDIA CSR
PROGRAMME

**DR. VIPUL SINGH**
Divisional Vice President
and Head HR, ADP

According to you, what are some strategic motivations for ADP (and/or other corporates) to seek cross-sector partners?

When we started this programme about ten years back, we realized that India, as an economy and as a country, is not a very educated society, but education can open up many avenues for employment. We believe that education is the foundation that can lead to a lifestyle change for people in India and also contribute to the country's growth. Therefore, we chose to contribute to the education sector. We were looking for a partner whose efforts were specially directed to the grassroots of the education sector. We started with more than one partner, but with time, we realised that the values that we bring to the table are very similar to those of Pratham's.

As the corporate partner, we did not want to just supply the funds and withdraw. Our motivations were to do something for the society and to be very involved in the process. Pratham really gave us the opportunity to work closely with them, to be actively involved, and to express our views. They have always been very open to our thoughts and ideas as well. They were and continue to be one of the best in the sector and add lots of value through their focus on primary to high school education. This focus was important to us because we were eager to contribute, but at the same time did not want to spread ourselves thin. I think these are some key factors that have helped extend our partnership over time and made the collaboration meaningful for us.

## What dimensions of the partnership can be aligned such that it results in a successful collaboration?

For every organisation partnering with the social sector, I believe that program management, close monitoring and two-way actionable feedback are important practices. Equally important is keeping an open mindset, demonstrating a willingness to listen, and defining a clear cut goal in terms of what the partner is actually providing us. These dimensions are what will take us forward. Without this understanding in the relationship, the agenda is constantly driven by only one party and there is cause for conflict. In our case, with Pratham, we have defined our goals, interests and organisational frameworks very clearly. With potential partners in the social sector as well, these dimensions will form the basis of our relationship.

**In your experience, what are typical challenges that arise and how do you think you have addressed those issues ?**

In the Bandlaguda region, we have about 30-35 schools that we are currently working with. Over a period of time, sustaining the interest of those schools, and also our volunteering effort is something that I continue to see as a challenge. These issues are further complicated by factors such as attrition and new people joining the organisation. In terms of challenges, we face them jointly with Pratham. How relevant are we in terms of our curriculum? What is it that we can do for early-stage learning, which is more computer-based and technology-oriented? I believe, Pratham has the potential to help us here, and it is a challenge that I hope we can overcome with their assistance over time. Another challenge I see, which is more sector-wide, is that many of ADP's peers in the industry are spending their time, effort and money in areas that they are currently operating in, and those areas are often ones that do not require much investment. In our case, Pratham has helped us identify and reach smaller, more remotely located communities and offer them our combined support and resources, but for others, without the right kind of partnership, it may be very tough to gauge true impact and make progress.

**What would be your advice to someone seeking to partner with the third sector for a societal problem?**

Quite honestly, for a partnership like this to succeed, the organisation needs to have a clearly demarcated role that they will play. For example, in ADP's case, the kind of technical support we can provide, and the extent of volunteering we can do is very important. Many companies do this as this is also a regulatory requirement. However, to create a real social impact, it is important to keep in mind the company's culture and core values. Organisations should try to marry these values with the values of those they are seeking to partner with. Our partnership with Pratham works so well because our core values are so similar and we have defined and aligned them to make it work. Another important aspect to seek in a partner is transparency and open communication. Pratham is always open to audits and their way of working is very transparent, which inspires a sense of trust between us.

I would also recommend social sector organisations to be a little bit more demanding as partners. They are the ones who are essentially exploring the space, and some of them are true masters in their field. So they should not hesitate to be more demanding regarding what they want from a company. This would be my request from my partners and from my audience.

**DR. VIPUL SINGH**
Divisional Vice President and Head HR, ADP

**PROFESSOR KIRAN PEDADA**
Assistant Professor, Marketing
Indian School of Business

**W**hat according to you are some strategic motivations for Pratham and other NGOs to seek cross-sector partners? Do you think Pratham's approach appears different in any way, and if so, why?

When I work on alliances, I like to use a theory called the Resource Advantage Theory, or R-A theory. This theory helps us understand the strategic motivations behind forming alliances in general, and it helps us explain what makes alliances successful. According to R-A theory, alliances, such as the alliance between Pratham and ADP, help both the organisations access basic resources (financial support, infrastructure, etc.) and/or higher-order resources (skills, capabilities, etc.). Therefore, organisations like Pratham or ADP form these cross-sector alliances or partnerships to achieve mutually compatible

goals which would have been difficult to achieve on their own. **The alliance helps to bring in multidimensional support in the form of (1) Better access to markets, (2) Financial Resources, (3) Technological Resources and (4) Human Resources** For example, Pratham's alliance with ADP has led to increased community outreach in 2018-19. About 80 communities across two cities, Hyderabad and Pune, have benefitted. ADP has provided financial support to improve the infrastructure at schools, help develop science centres, and Community Learning Hubs. ADP has provided technological support, especially in terms of e-learning and other digital interventions. Moreover, what is so unique about this alliance, particularly in light of the COVID-19 crisis, is that ADP has invested human resources, in terms of volunteers, to work with Pratham and engage with the students' parents and the students themselves. I think these are the four strategic motivations behind this kind of alliance.

## What dimensions of the partnership can be aligned such that it results in successful collaboration?

One of the most important dimensions that should be aligned for successful collaboration is with respect to the goals. In this case, Pratham was seeking better reach and access to school children from lower-income groups and to provide quality education for them. Meanwhile, ADP wanted to focus on doing something for the society, preferably in the learning and education space by creating and fostering, not by distant interventions. Thus, I believe that the alignment of goals is a very important dimension of

successful collaboration, which also falls in line with the R-A theory explanation.

The second aspect here is about alignment of core values. In the Pratham-ADP alliance, both the organisations defined their core values and took time to understand how they were aligned with each other. Many alliances fail because their goals are not aligned. In this case, given that Pratham is working in education, it is incredible that ADP also involved themselves in the collaboration. Mostly in these partnerships, the corporate provides financial support, and does not go beyond that, they do not put in their time and effort. But, ADP did.

Another important dimension of a successful collaboration is trust—trust is not bought, it has to be built. Likewise, one has to show commitment by

involving themselves in the partnership fully. The final aspect is communication— communicating with the partner with regards to the goals one wants to achieve, the challenges being faced is crucial, since transparent communication is a key for a successful collaboration.

**What are some key ingredients that can make these alliances effective in addressing complex societal issues and adding to the transformative potential?**

I believe that in these alliances, unless one understands the problem, the causes behind the problem, and what may actually solve it, it is not possible to address any complex societal

issues. Pratham has been highly successful in understanding the challenges deeply, particularly at the early education and secondary education levels, and has been able to provide solutions in terms of educational programs and vocational training. Naturally, NGOs invest a lot of time in understanding these issues, but one of the key ingredients of these alliances between corporates and NGOs is that the corporate must also have a good understanding of the same. If one considers India, corporates have a very long history of supporting NGOs - but the question is, are they engaging in these interventions because of the government mandate, or are they wholeheartedly looking at contributing to the society? In the Pratham-ADP case, both the organisations have a very deep understanding of the problem and that is why they have been able to come up with a spectrum of solutions. What I also see is that there is communication between the two partners—given that Pratham is in the field, they understand these problems the best, so they have to communicate these to the corporate partner. What problems are faced, and how can these be addressed? What kind of involvement and support are they expecting from the corporate partner? I would say that these are the key ingredients that can make these alliances effective and can address these challenges.

**Times of crisis test the true mettle of a partnership. What have you witnessed in these unprecedented times with respect to existing partnerships, and for NGOs, which are seeking new ones?**

There has been some research recently on how partnerships have responded to the financial

downturn because of COVID-19. The research suggests that alliances formed for value extraction, or rather, value appropriation have survived during the crisis, and alliances that were formed for value creation, such as for research and development, failed to do so. This is because value appropriation-oriented alliances were formed to expand market reach and are essentially revenue-generating, which helps both the partners.

Corporate-NGO partnerships have flourished particularly since the government-mandated corporate social responsibility in 2014. In this COVID crisis, all the corporates have been working hard to support relief efforts, and I observed that the alliances with NGOs that are focusing on the fields of health and safety are doing particularly well currently. However, those focused on other areas have been impacted negatively. This poses several challenges for such NGOs and partnerships in these trying times.

**What would be your advice to an NGO seeking a potential corporate partner for a societal problem?**

I think NGOs should seek more time and involvement from the corporate, not merely funding, because the COVID-19 pandemic has also led to an economic crisis for many corporates, and they are not certain any longer as to how much financial support they can offer. However, NGOs should continue to seek financial support alongside to help them maintain their core competence to

sustain themselves and continue to operate. Currently, due to the pandemic, they may not be able to increase their reach, but they can sustain the reach they already have. Thus, I believe that both financial support and corporate participation are important for an NGO to seek.

I would like to use the R-A theory here again—the whole purpose of working with a partner is that each partner brings some unique resources to the table. For an NGO, it is important to (1) understand what these resources are, (2) understand and articulate clearly what the end goal of this partnership should be and (3) recognise the impact it aims to create.

**How important do you think is the role of reporting and monitoring in such alliances? How should both partners approach this?**

Alliance planning is very import-ant. One of the practices that these partners should ideally come up with as soon as they enter an alliance is creating a guiding principle or a framework which includes reporting requirements, monitoring, and the expectations from each of the partners in terms of the resources that they are bringing, as well as the kind of engagement that is expected from the partner. I would recommend developing guidelines for communication between the partners as well. This would include setting up meetings where the partners can share reports and get a chance to seek support for anything they need. I believe that would be a good way of managing such aspects of the partnership.

**PROFESSOR KIRAN PEDADA**
Assistant Professor, Marketing
Indian School of Business

COVID-19: A Boon
for the Digital
Economy?

**AMAN KUMAR,**
Co-Founder, KalaGato - an
automated consumer and
market insights platform
focused on the internet

# COVID-19: A Boon for the Digital Economy?

COVID-19 gave a phenomenal fillip to our digital lives over the last couple of months. According to an IAMAI-Nielsen Report on Digital India, as of November 2019, the total number of internet users in India stood at 504 million, out of which 433 million internet users were above the age of 12. Borne out of necessity - it would not be an exaggeration to say that this pandemic achieved a level of digital adoption in a matter of months that would otherwise have taken a number of years.

The year 2020 will forever be characterised by COVID-19. Life as we knew it, came to a standstill ever since the first lockdown was enforced on March 23 across the country. Confined to their homes, those who could - took to the internet.

According to an IAMAI-Nielsen Report[1] on Digital India, as of November 2019, the total number of internet users in India stood at 504 million, out of which 433 million internet users were above the age of 12.

The fillip to our digital lives has been phenomenal over the last couple of months, courtesy COVID-19. It would not be incorrect to say that this pandemic achieved digital growth and consumer adoption in a few months that would otherwise have taken a number of years.

This can also be attributed to the fact that the fear of venturing out and catching the virus still looms large in people's minds. Subsequent 'unlocks' have made life slightly better, but in the absence of a vaccine, people are still restricting themselves when it comes to moving freely a la pre-pandemic. Although the latest visuals from New Delhi may indicate otherwise.

It may be too soon to call the present scenario a V-shaped economic recovery. While the data may indicate a return to pre-COVID levels, a significant portion of online shopping may be pent-up demand from previous quarters, so the next few quarters are critical.

[1]Nielsen Digital in India 2019 Round 2 Report. *IAMAI-Nielsen*. Retrieved from
https://cms.iamai.in/Content/ResearchPapers/2286f4d7-424f-4bde-be88-6415fe5021d5.pdf

# 1. AN E-COM SLUMP AND RECOVERY?

KalaGato, an automated consumer and market insights platform, collected and analysed consumer behaviour data from **5.5 million smartphone users**. The data collated revealed that the year began on a happy note compared to 2019, but as soon as the lockdown was announced, all e-metrics collapsed in terms of actual sales and usage.

**Figure 1.1**

## Average Monthly Spend Value (INR) 2019 vs.2020



| | January | February | March | April | May | June | July |
|---|---|---|---|---|---|---|---|
| 2019 | 3,928 | 3,967 | 4,586 | 5,596 | 5,141 | 4,034 | 4,517 |
| 2020 | 4,728 | 3,194 | 2,602 | 1,411 | 5,004 | 6,084 | 5,203 |
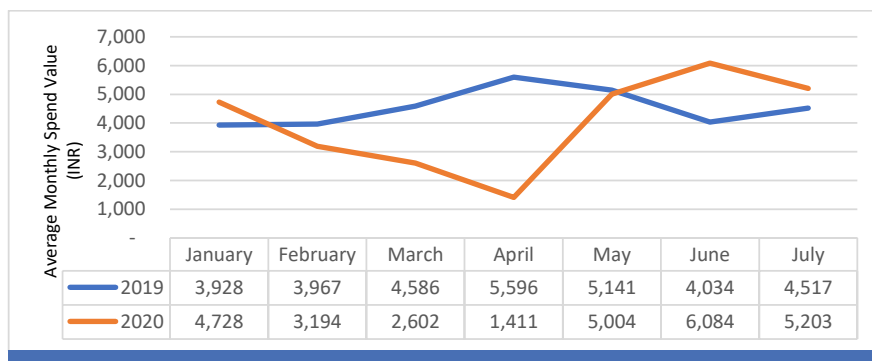
**Figure 1.2**

## Tier-wise Percentage of Internet Users Shopping Online
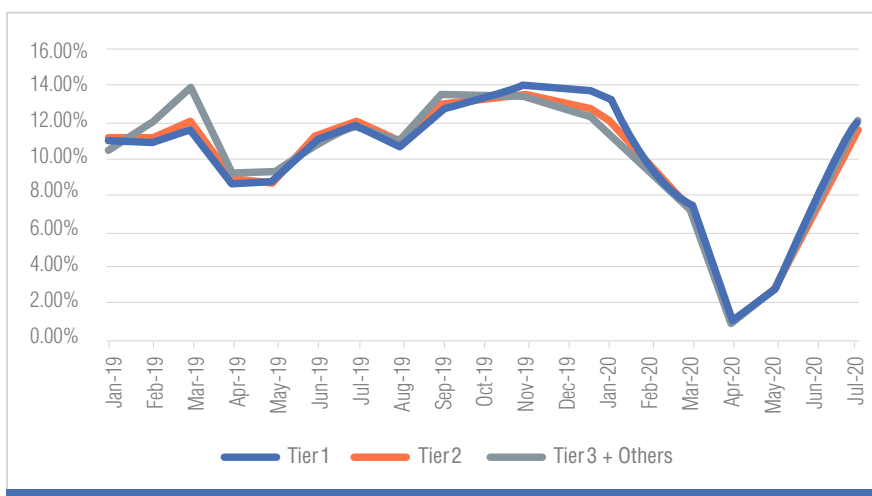
**Figure 1.3**

## Change in Percentage of Internet Users Shopping Online

### YoY Change in % of Internet Users Shopping online

| Month | Tier 1 | Tier 2 | Tier 3 + Others |
|-------|--------|--------|-----------------|
| **Jan-20** | 2.25% | 1.02% | 0.65% |
| **Feb-20** | -1.64% | -2.46% | -3.43% |
| **Mar-20** | -4.25% | -5.19% | -6.75% |
| **Apr-20** | -7.51% | -8.26% | -8.37% |
| **May-20** | -6.14% | -6.05% | -6.61% |
| **Jun-20** | -3.29% | -3.87% | -3.32% |
| **Jul-20** | 0.16% | -0.56% | 0.10% |

With lockdown in place, no deliveries other than essentials were being made. That perhaps explains the crash which hit all e-commerce players during the months of March-April. As Unlock 1.0 began, starting May 17, the situation started to improve with authorities allowing the sale of non-essential items in designated 'Green Zones,' and thus, unleashed some pent-up demand as is seen in Figure 1.3 above. With shopping arcades opening up in July end, the only option was to shop online. It was literally the only market people had access to.

The data we collated brought out an interesting facet of the growing online adoption. COVID-19 merely acted as a "stumbling block" as the increase in e-commerce usage was already taking place. As the infographic reflects that, while tier-one and tier-three cities have recovered, tier-two cities are taking longer. Interestingly, a large part of

digital consumption and growth comes from both tier-two and tier-three cities in India.

However, it may be too soon to call it a V-shaped economic recovery. While the data may indicate a return to pre-COVID levels, a significant portion of online shopping is pent-up demand from previous quarters, so the next few quarters are critical.

A word of caution — these are online sales — and India is still not an out and out e-commerce country. Even by the best estimates, only about 500 million people have internet access, leaving most of the populace out of the digital economy.

# 2. ONLINE FASHION NOT FASHIONABLE ANYMORE?

One of the most vibrant segments, online fashion, has been a booming space. India's youth is brimming with rising aspirations; it also forms the largest chunk of its population. As per a report[2] by RedSeer Consulting, in 2019, while India's fashion market was growing at a Compound Annual Growth Rate (CAGR) of 11 percent, the online fashion segment was growing faster at a CAGR of 32 percent.

The fashion ECommerce industry was looking at another bumper year until the pandemic normalised 'Work from Home' (WFH) and blew social engagements out of the water. Consequently, business suits, trousers, crisp collared shirts were replaced by shorts, workout tights and t-shirts. Afterall, who wears a tie for a Zoom meeting? Even festive and wedding season sales were muted given a rather empty social calendar.

**Figure 2.1**

## Reach by App Install for Fashion E-Commerce Sector



Daily Reach (by app install)

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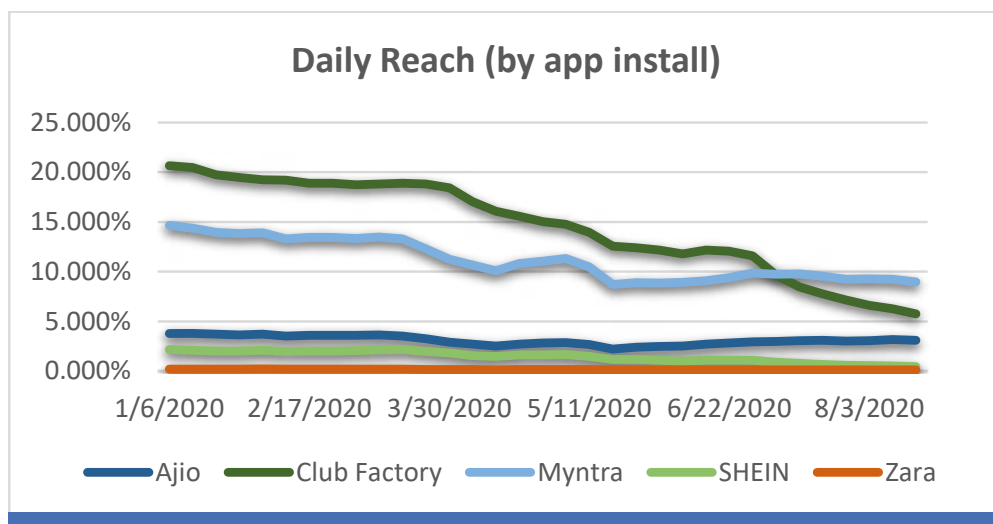
[2]Online Fashion Market in India. November 2019. RedSeer. Retrieved from https://redseer.com/newsletters/online-fashion-market-in-india/

**Figure 2.2**

## Total Session Time per day for Fashion E-Commerce Sector



**Total Session Time (minutes per day)**

Ajio — Club Factory — Myntra — SHEIN — Zara
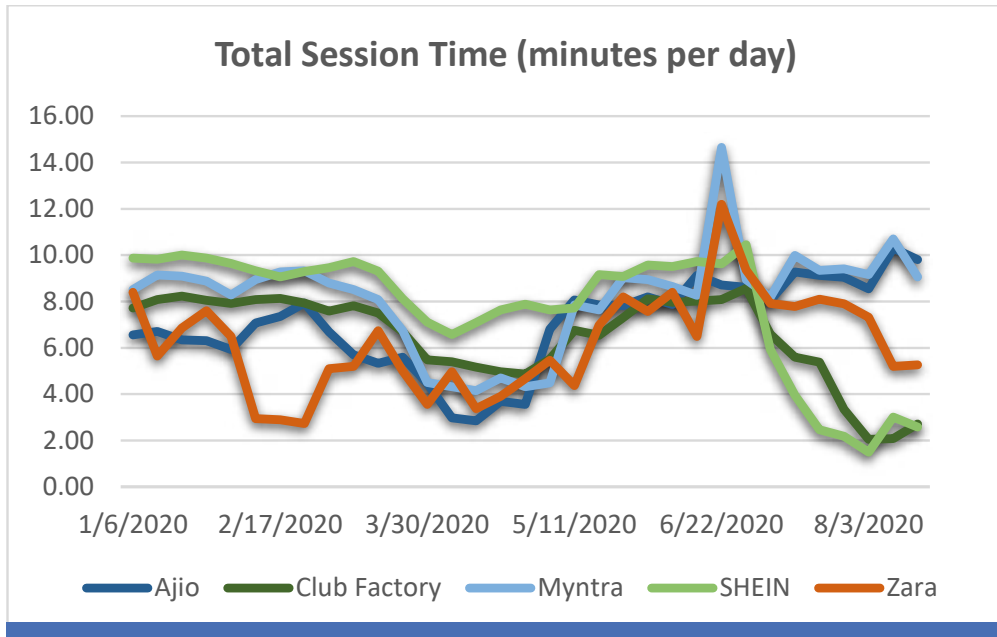
**Figure 2.3**

## Daily Active Users for Fashion E-Commerce Sector



**Daily Active Users (% of internet users)**

Ajio — Club Factory — Myntra — SHEIN — Zara
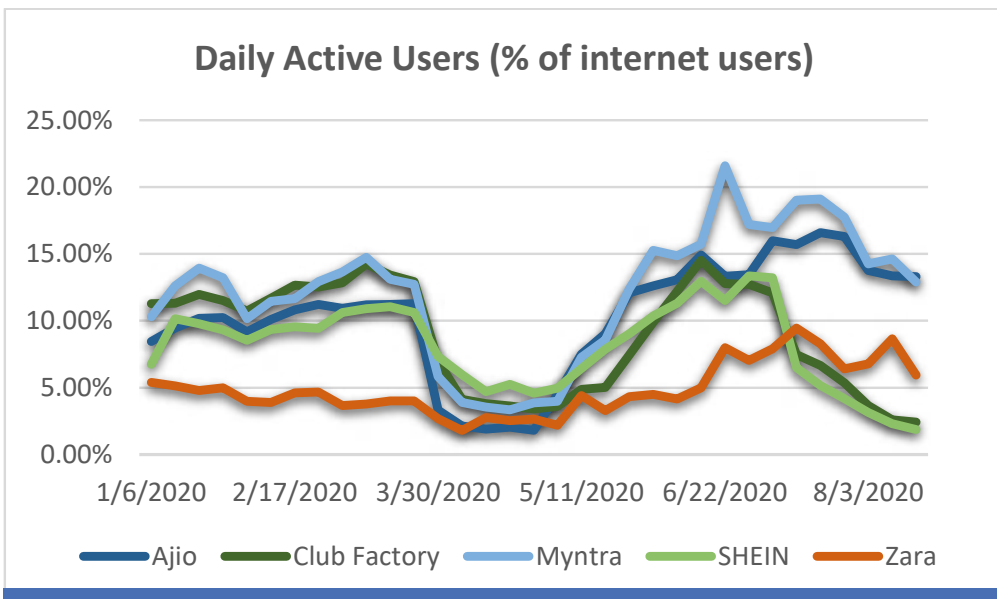
Consequently, online fashion retailers who were doing well in January and February saw demand dip in March and April. The lockdown taught consumers to live with less and reprioritise spending. This, despite the fact that many fashion retailers are allowing customers to shop online, delivering products from the nearest store, some are even booking potential buyers in separate slots for store visits.

The Figure 2.3 above shows that going by the Daily Active Users (DAU), online e-commerce fashion platforms Ajio and Myntra have recovered from the slump in demand due to coronavirus and the subsequent lockdown. However, Club Factory and SHEIN have not been able to resurrect themselves mainly due to the Indian government's ban on Chinese applications owing to the Indo-China territorial dispute. The DAU of the two retailers fell from around 12-14% in early June to mere single digits in less than a month following the announcement of the ban on June 29.

With many online fashion retailers launching new collections ahead of the upcoming festive season and offering deep discounts to clear aging inventories, the sector is pinning its hopes on the festive spirit for a revival in demand.

## 3. SELF-CARE IS SELF-LOVE

For many people, COVID-19 gave self-care a major push. In an earlier 'normal' - we spent countless hours shuttling between home and office, and self-care took a back seat. The lockdown has also given people an opportunity to refocus on themselves and create a change in pace.

**Figure 3.1**

# Reach by App Install for Health and Beauty Sector
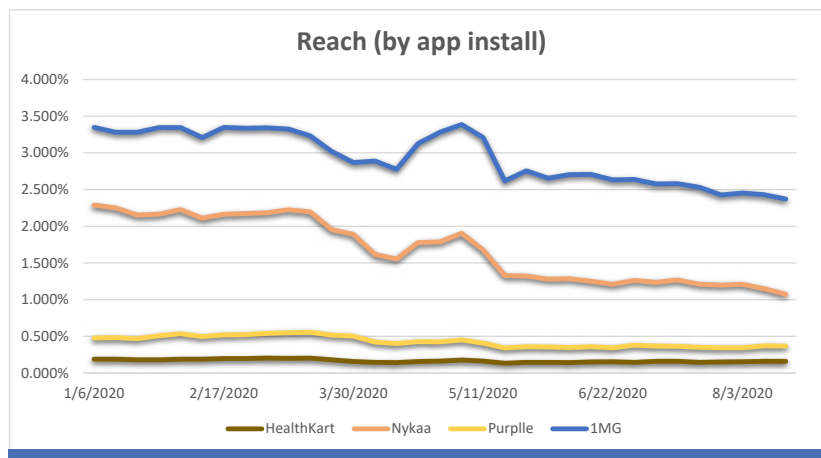


**Figure 3.2**

# Daily Active Users for Health and Beauty Sector
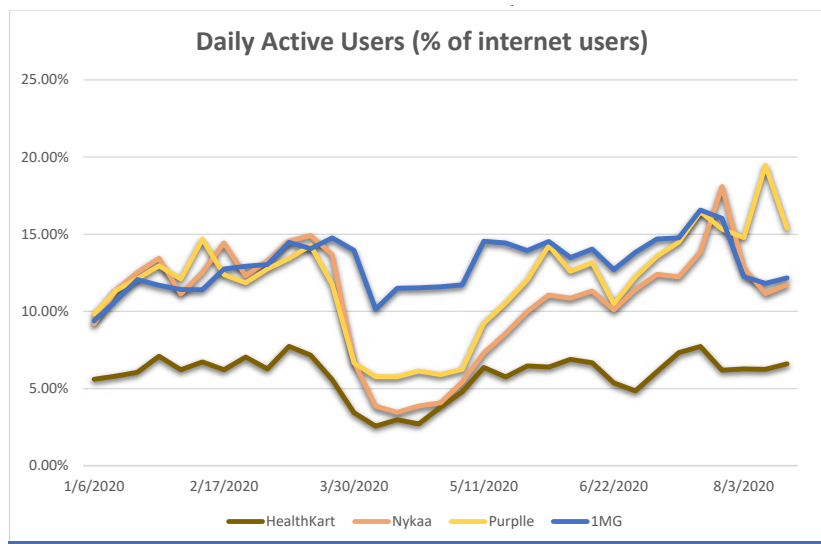
Figure 3.3
# Total Session Time for Health and Beauty Sector



**Total Session Time (minutes per day)**
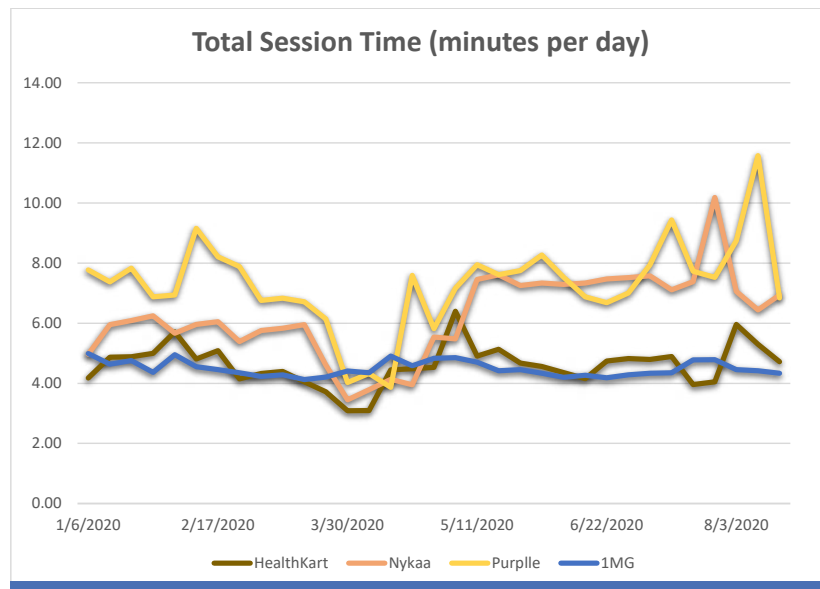
The beauty and health segment picked up post-May after a slump in March-April. Fear and concern drove people to invest in one's health and order products such as masks, sanitisers, disinfectants, immunity booster packs to herbal concoctions far more than ordering beauty products and cosmetics. Thus, the daily active users of beauty retailers like Purplle and Nykaa saw a bigger slump as compared to online pharmacies like 1MG and HealthKart.

It is surprising to see the recovery and growth in usage of platforms like Purplle and Nykaa, which are primarily focused on the beauty products category at a time when social and professional engagements are at an all-time low.

This space has seen considerable and steady growth over the last three months. With the pandemic changing lifestyles and consumer focus turning towards inner well-being, spending on preventive consumer health care and do-it-yourself beauty products is likely to continue in the future.

## 4. LOVE IN THE TIME OF CORONA

We live in the "Swipe Right" era when it comes to matchmaking or finding love. Online platforms such as Tinder, Bumble, OkCupid and Aisle promise to make finding companionship a bit easier.

**Figure 4.1**

## Reach by App Install for Matchmaking-Dating Sector
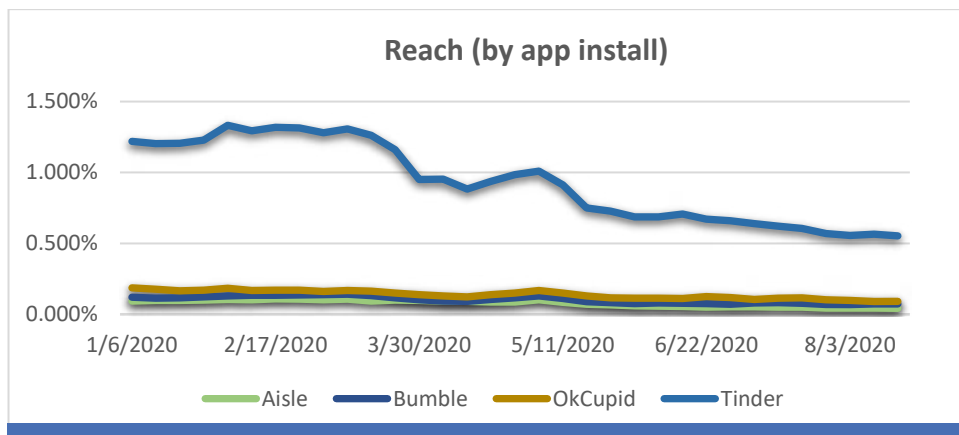
**Figure 4.2**

# Daily Active Users for Matchmaking-Dating Sector



**Daily Active Users (% of internet users)**
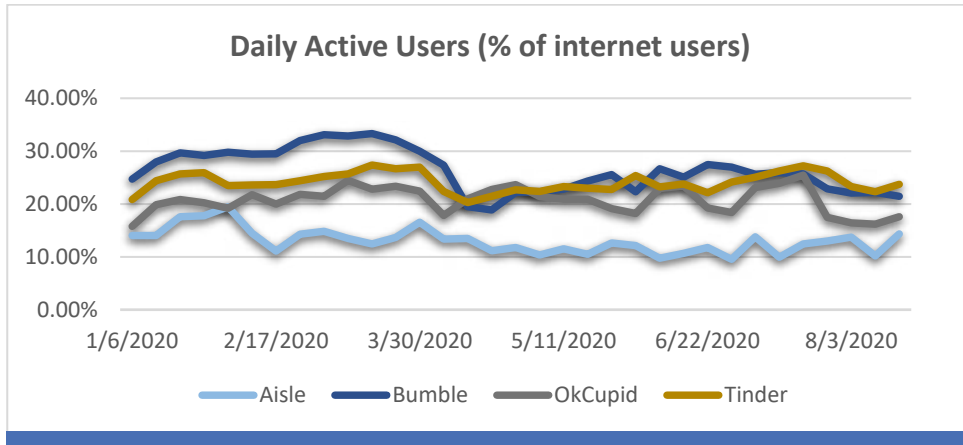
**Figure 4.3**

# Total Session Time per day for Matchmaking-Dating Sector



**Total Session Time (minutes per day)**
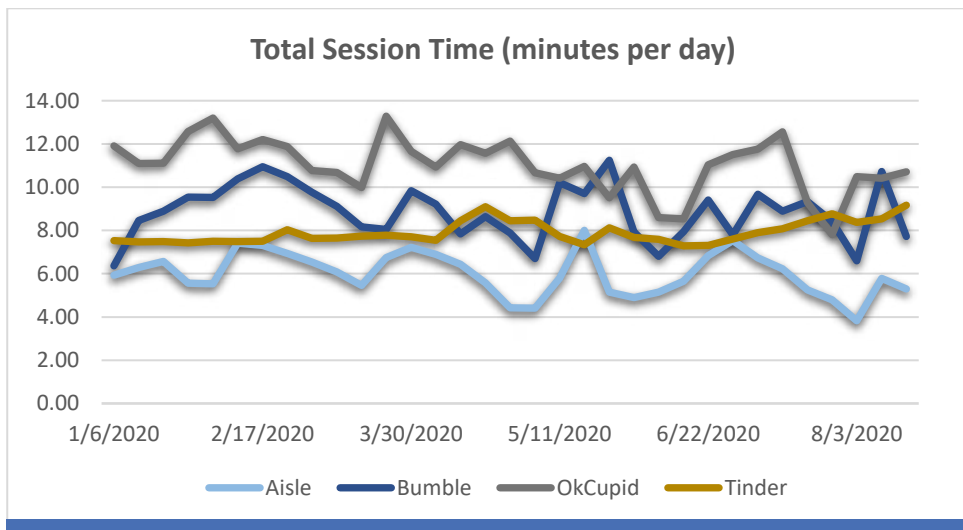
However, like many relationships, this segment has also seen some volatility. These apps witnessed a decline in their reach by May-June after getting fairly decent "engagement" amongst users at the start of this year. While Bumble and OkCupid crashed by almost 50 percent, Aisle seemed to be the preferred choice as it remained close to its pre-COVID levels of usage.

# 5. FOR THE LOVE OF FOOD: FROM DALGONA COFFEE TO HANDMADE PIZZAS

During lockdown, social media influencers of every ilk turned into "Master Chefs." With restaurants and hotels closed across the country, food delivery platforms struggled to serve users. From a heady start in January, this segment witnessed its lowest point in April. Popular online food ordering apps such as Zomato, Swiggy and Dominos were not exactly having 'foodful' encounters with users.

**Figure 5.1**
## Reach by App Install for Food Sector



Reach (by app install)
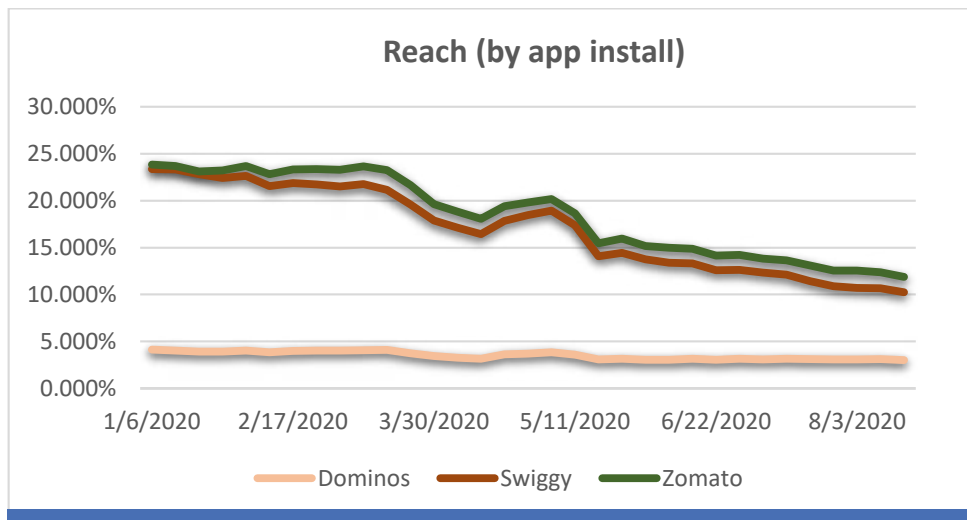
**Figure 5.2**

# Daily Active Users for Food Sector

### Daily Active Users (% of internet users)
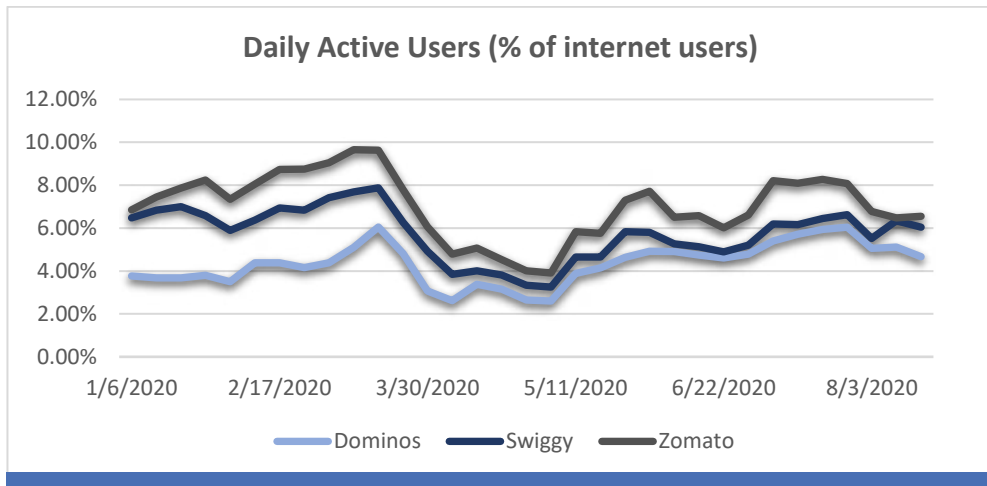


**Figure 5.3**

# Total Session Time per day for Food Sector

### Total Session Time (minutes per day)
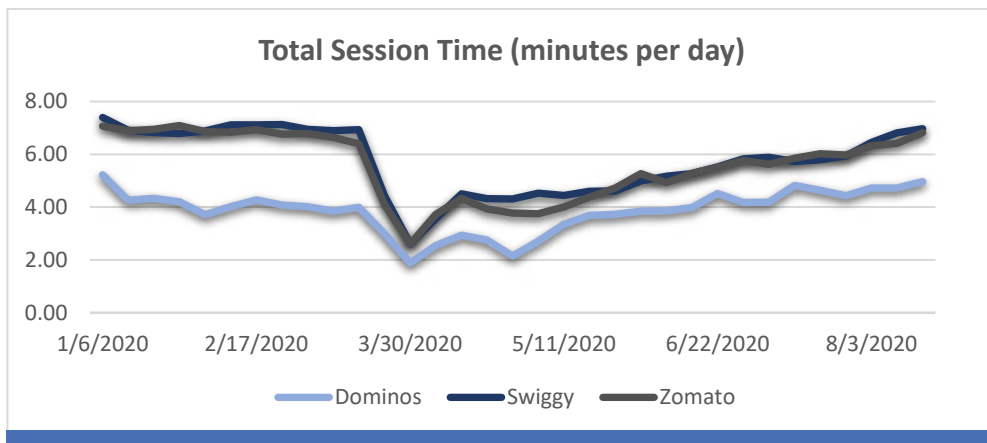
In a cruel and capital hungry world – some of these food delivery platforms came up with grocery delivery options to retain users by introducing the 'Zomato Market' and the 'Swiggy Store.' Simultaneously, several big-ticket FMCG companies, including ITC, Vishal Retail, etc. partnered with the food delivery platforms to ensure the delivery of groceries, packaged food items and cooking ingredients to the last household.
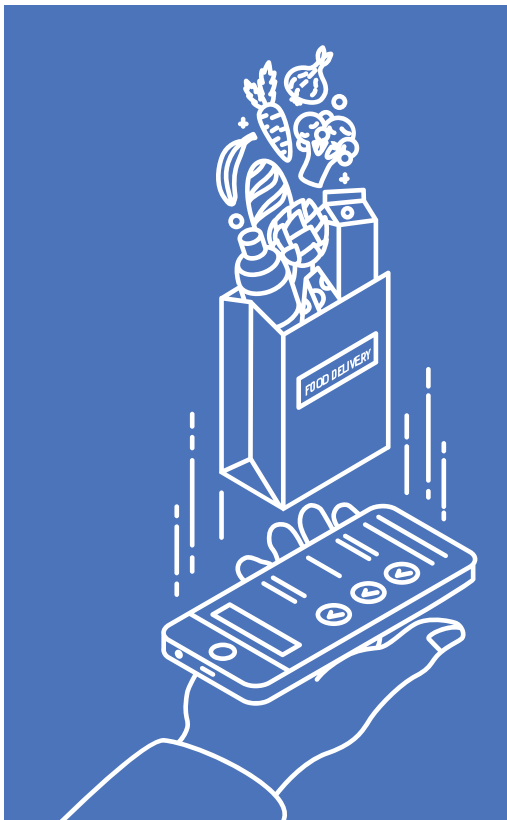
It was only May onwards that food aggregators got back in business. Even then hotel and restaurant businesses were grappling with a gamut of problems such as staff shortages (workers moved back to villages), fractured supply chains, and a lack of consumer confidence.

To meet these challenges, food aggregators and restaurant owners have had to reimagine operations making safety and hygiene coupled with contact-less delivery a permanent offering. Dine-in restaurants are displaying agility in transitioning to delivery. The sector's recovery trends are strong and likely to bounce back to the pre-pandemic levels in the coming months.

# 6. KEEP CALM AND NETFLIX ON:

The lockdown brought cities to a grinding halt. Stuck at home, streaming services like Netflix and Amazon Prime – providers of 'Over the Top (OTT)' content thrived. It was one of the few segments that saw a major upswing in subscribers during the peak pandemic period.

**Figure 6.1**
## Reach by App Install for Video-OTT Sector
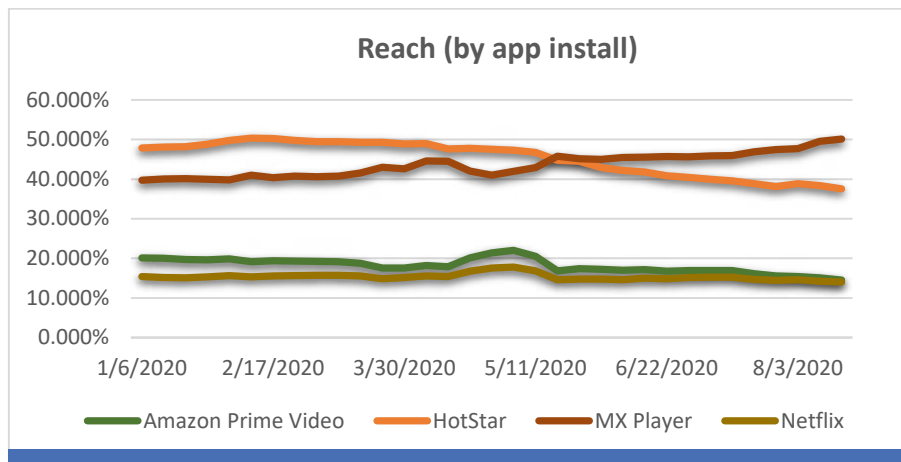


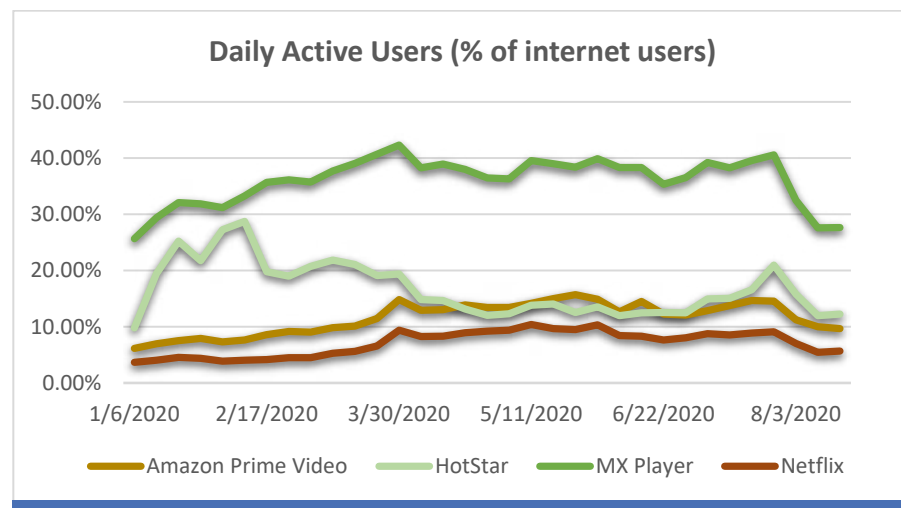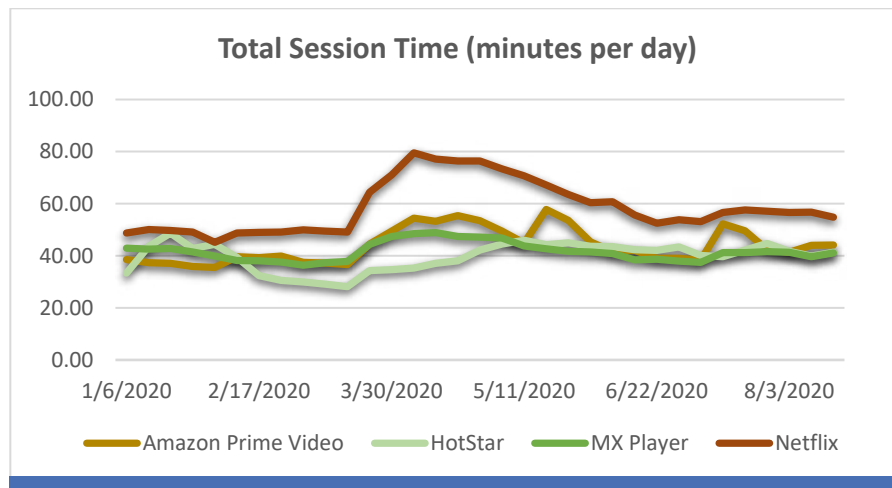**Figure 6.2**
## Daily Active Users for Video-OTT Sector

**Figure 6.3**

# Total Session Time per day for Video-OTT Sector



Total Session Time (minutes per day)

OTT platforms have been keeping us hooked with tailor-made content for every age group. Per our data, an average Netflix user spent as much as an hour a day (peaking at 80 minutes) while a Hotstar user spent about 38 minutes and the upstart platform MXPlayer (owned by Times Internet) also saw an average user spending about 47 minutes watching its content.

However, as cities unlocked, the comforts of working from home gradually receded. The authorities allowed workspaces to open with a skeletal staff and return to some normalcy. This has had a direct impact on the total amount of time spent on OTT platforms.

# 7. 'ZOOM-ING' INTO HOUSE PARTY:

If COVID-19 forced us to practice social distancing, video calling platforms such as Zoom, Microsoft Teams, Houseparty, et al. brought us closer. Till very recently, the popularity of online meetings was still nascent in India. However, WFH quickly changed old habits.

## Figure 7.1
## Reach by App Install for Video-Calling Sector



Reach (by app install)
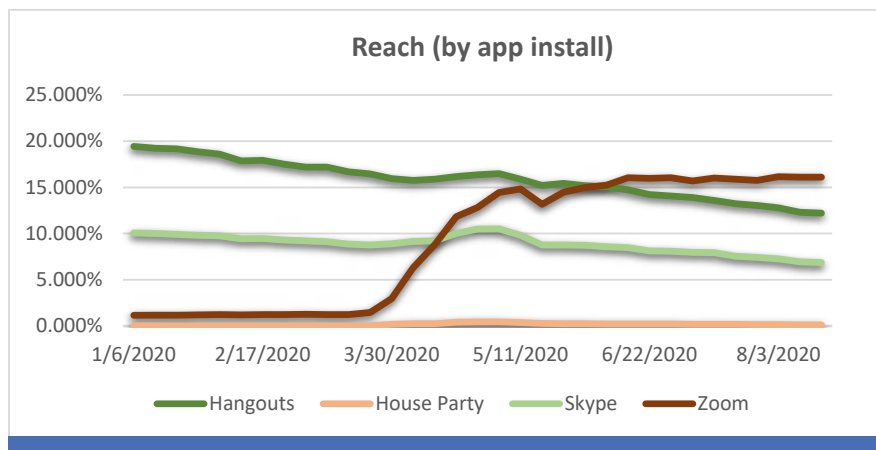
## Figure 7.2
## Daily Active Users for Video-Calling Sector



Daily Active Users (% of internet users)
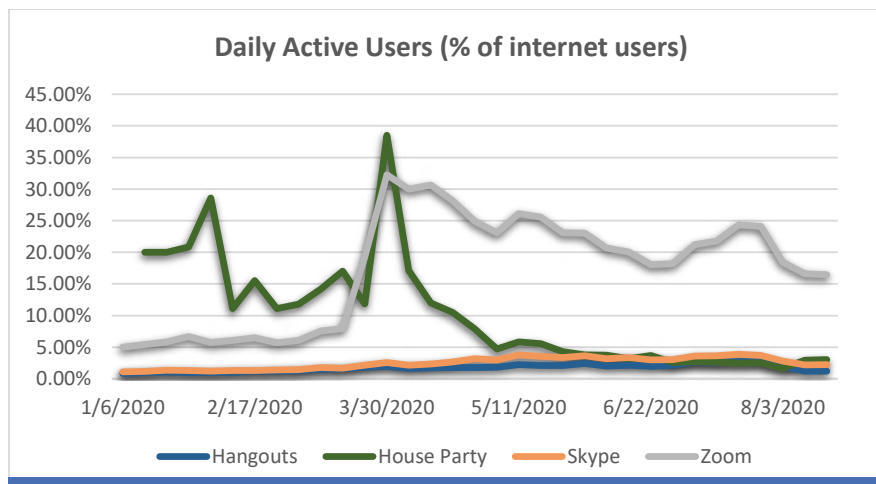
**Figure 7.3**

## Total Session Time per day for Video-Calling Sector

**Total Session Time (minutes per day)**

Hangouts — House Party — Skype — Zoom
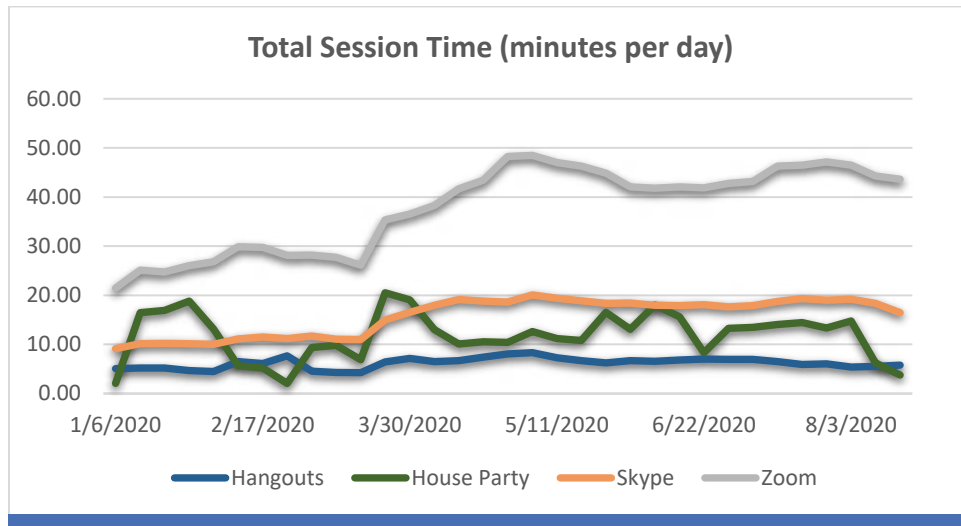
Globally, video conferencing software saw a massive surge in new downloads. As per a report[3] by Research and Markets on the videoconferencing industry, video conferencing apps saw a record of 62 million downloads globally in March.

House Party witnessed a significant growth spurt in the begin-

ning of the year, but the euphoria declined as its Daily Active Usage has fallen from a peak of 38.5% at the end of March 2020 to just under three percent as of mid-August 2020. Similarly, Skype and Google Hangouts
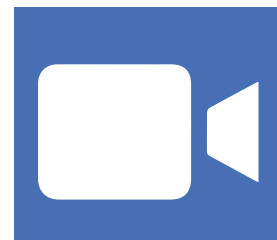
[3]Video Conferencing: COVID-19. Research and Markets. Retrieved from https://www.researchandmarkets.com/issues/video-conferencing-demand-rises?utm_source=dynamic&utm_medium=BW&utm_code=lx-dphx&utm_campaign=1387029+-+COVID-19+Outbreak%3a+Video+Conferencing+Demand+Rises+-due+to+Social-Distancing&utm_exec=joca220bwd

(probably due to its bundling with Gmail) also went down in terms of reach over the past few months.

The beneficiary of the lockdown has been Zoom, which is now the preferred choice for most office meetings and even social events - including both weddings and funerals. Sample this - **the total time spent on Zoom exponentially grew from 21 minutes in January to about 46 minutes in July.** Zoom's almost around 2.2X growth in session time since the beginning of this year is indicative of its adoption. As the economy has opened up, we have seen some decline in Zoom's usage. But even as we return to offices – I think we might find that many meetings which were previously done in person will now be conducted online.

## UNINTENDED CONSEQUENCES

An accidental by-product of the lockdown is that digital adoption has increased multi-fold in India. While the ride ahead may not be smooth – the seeds sown today will reap an exponential harvest for consumer internet companies in the years to come. People were forced to learn new ways of conducting businesses, procuring essentials, and finding entertainment. In the coming few years, we should witness the effects of this exponentially larger digital user base across every sector.

# The Automotive Industry: Adoption of Technology, Digitisation and its Challenges

## SWAMI TV

### Chief Digital Officer, Nissan Motor Corporation

With more than 23 years of driving change at various organisations, from startups to Fortune 100 companies, across a plethora of sectors, Swami applies his expertise in digital transformation to leverage technology as a growth driver. He is also a mentor for startups in India and is a passionate and keen observer of new disruptive technologies such as drones and additive printing.
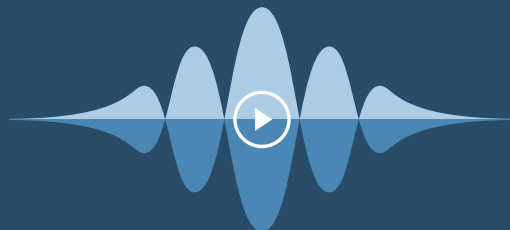
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