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● **LOK SABHA ELECTIONS**

# The greatest dance of democracy in the world

How will voters decide which is the critical factor for India's national interest while casting their votes? Is it the need for a stable government, as voters had realised in 1980, or is it other important factors like inclusion, pluralism, secularism, freedom, equality and tolerance, as argued by most thinkers and writers? If all the pluses and negatives of the NDA are weighed against the opposition, voters are likely to elect Modi, though with less majority, to give a stable government

**A**NY ELECTION IN India is a festive and exciting time for the poor, the middle class and the rich—for the poor to earn easy money, for the middle class to pontificate and rationalise why no good will come out of voting, and for the rich to get maximum value by supporting the right candidates. Despite these obvious drawbacks, it is a miracle that the largest democracy in the world has managed to elect some good candidates from a set of mostly under-serving, corrupt and incompetent politicians to lead India all these years.

In 1977, Indian voters punished the Congress party for the Emergency. In 1980, they brought back the Congress since the opposition could not provide a stable government. In 2014, against all predictions, Indian voters gave a major-

ity to the BJP after suffering from the corrupt rule of the UPA-1 and UPA-2.

The current general elections are often mentioned as the most important one. We have heard such things before also. However, this time, some argue that there is greater compulsion to vote wisely since the future of India depends on the outcome of the election. Is it really true?

After the loss of the NDA last December in three major states and as a result of different political parties making plans to form coalitions with the single objective of defeating the NDA, it looked as though Narendra Modi did not have any chance of becoming the Prime Minister again. However, after a mini Mahagathabandhan in Uttar Pradesh, there has not been any successful effort to form a coalition at the national level.

Some polls taken during the middle of

the month of March have shown that the NDA may succeed in securing enough seats to form the next government. In the Indian context where caste, religion, money and muscle power, regional affinity, dynasty-oriented politics, celebrity status, etc, often seem to decide the election results, polls have not been reliable.

Many political 'pundits' have written erudite articles discussing why the NDA may not come to power. Demonetisation and GST are the two factors often mentioned to support their argument. In the recent months, the failure to create new jobs by the NDA is another factor highlighted in the media.

Love Jihad, mob lynching and cow vigilanteism are the factors that have been discussed regularly since Modi came to power, to point out the glaring failures of the BJP. According to an analysis by the home ministry, there has been 28% rise in communal incidents under NDA watch. As a result of sustained attacks, there has been erosion in the autonomy of institutions in the education space, courts and investigating agencies, and even RBI.

On the other hand, NDA supporters have not been successful in highlighting several good things the government has done. Without doubt, Swachh Bharat Abhiyan, although it has not been a great success, has made millions aware of the need to keep our cities and towns clean—the need to keep our environment clean is definitely on the national agenda now. Open defecation has come down with the construction of millions of toilets. Thanks to the direct benefit of subsidies, corruption in residential LPG has been more or less eliminated. But for the Rafale deal controversy, we have not heard of any other mega corrupt deals, unlike in the case of the UPA government.

In the energy sector, even though much needs to be done, the NDA has done much better job than the UPA did. The NDA has set an ambitious target of 1.75 lakh MW of renewable energy by 2020, which earlier looked impossible to meet. However, based on the performance so far, India may achieve it in good measure. Although millions in rural areas still do not have electricity connection, electricity has reached all the villages. Thanks to the Ujjwala scheme, LPG coverage has increased from 45% to 90% in five years under the NDA, helping the poor.

The NDA has been able to tame inflation (consumer price index was 5% during the NDA versus 8.1% during the UPA rule), and also the management of fiscal deficit is better under the NDA rule. Thanks to a new law to deal with bankruptcy, banks are able to improve their financial position considerably. Of

course, non-performing assets of banks are still precarious, but this was mostly because of corrupt banking practices under the UPA.

With much fanfare, Rahul Gandhi, the president of the Congress party, has announced a minimum income plan and assured an annual payment of Rs 72,000 to each poor family, benefiting 50 million families. Will this help the UPA?

If we compare the overall contribution of the NDA against the UPA in India's economic sector, the NDA will score higher. However, it is in the treatment of minorities where the NDA has failed miserably. They should have controlled cow vigilanteism and mob lynching better and not given any scope for criticism. On the other hand, the opposition has not been all that lily white. They have also been guilty of exploiting communal issues to create their vote banks.

Just about every political party, with the exception of Communist and Aam Aadmi Party, has tried to develop vote banks based on caste and communalism—to give two illustrative examples. Despite the well-known corrupt practices

of Mayawati and Deve Gowda families, both the leaders have been successful in creating vote banks of Dalits and Vokkaligas to gain political influence purely based on caste consideration.

The air strike by the government to destroy terrorist training grounds in Balakot, in Pakistan, after a terrorist attack in Pulwama (Jammu and Kashmir) has certainly helped the NDA. India's successful conduct of the anti-satellite missile test and thus becoming the fourth global power to have such a capability may also marginally help the NDA. If the Election Commission does not object to the release of the biopic on Modi on April 5, it will definitely help the NDA.

How will voters decide which is the critical factor for India's national interest while casting their votes? Is it the need for a stable government, as voters had realised in 1980, or is it other important factors like inclusion, pluralism, secularism, freedom, equality and tolerance, as argued by most thinkers and writers? If all the pluses and negatives of the NDA are weighed against the opposition, voters are likely to elect Modi, though with less majority, to give a stable government.

Let me hasten to state that my prediction is not any more reliable than revealed by the recent poll surveys. It is my hope that voters will send a strong message to all the political parties to uphold India's civilisational values of "simple living and high thinking" and the constitutional mandate of secularism. Then the time of election will be truly the dance of democracy to celebrate.

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## The mantra for AI adoption

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Firms must follow the 10:20:70 rule

**G**ETTING PALPABLE VALUE from artificial intelligence (AI) is at the top of the minds of business leaders. However, the widespread excitement does not always translate into a meaningful strategy focused on AI. Adoption of AI across industries from manufacturing to services is imminent. The success of companies will be dependent on the scale at which they adopt AI, and how successfully they are able to transform the business to leverage its benefits. Now the economic activity of most nations is driven by corporates; hence, successful AI adoption by companies will be a critical driver of competitiveness of nations.

The findings of an Artificial Intelligence Global Executive Study conducted by BCG and MIT Sloan Management Review involving 3,000 executives may be pertinent for India. Twenty per cent of the companies in this survey may be called 'pioneers'; they are companies who have significant understanding of AI and have successfully adopted it. Over a period of time 'pioneers' are likely to increase the gap over even the next group of companies termed as 'investigators'. 'Investigators' are companies who understand AI but have limited adoption. Other groups of companies, classified as 'experimenters' and 'passives', have limited understanding or adoption of AI. Globally, Chinese companies lead the pack, with 32% of Chinese companies having adopted AI compared to around 20% in the US, France and Germany. While the proportion of Indian companies actively adopting AI may be less than the top ranking countries, India has not been passive about AI. India is among just 20 countries which have a national AI policy. Thanks to Government initiatives, India is among the most data-rich countries in the world. The data and technical infrastructure around biometric identifiers (Aadhaar) and digital payment capability (UPI) are global benchmarks. Select Indian companies in financial services and telecom, and a more limited set of companies in manufacturing, are likely to qualify as AI 'pioneers'. But this number could be higher.

Unfortunately, certain companies try to 'signal' their AI adoption without making any meaningful investment or commitment to AI. The high-point of AI adoption should not be seen as the presence of robots to greet visitors. Many 'serious' players are opening labs and hiring data scientists; but business use cases of AI come to some as an afterthought. Often these use cases are not scalable, or form only a peripheral part of an existing process. Some companies busy themselves with an ever-expanding list of Proof of Concepts (POCs). The POCs make for excellent talking points in mushrooming AI forums, but very few of them are meaningfully scaled up. In one of our recent studies we found that 75% of the companies failed to scale up post POC. Such approaches are hardly useful.

To be successful in AI adoption, companies have to respect the golden rule: 10/20/70. BCG GAMMA has continuously tried and tested this law in its missions. Ten per cent of the work involves building the algorithm. But this 10% is critical because the algorithm determines the success of the initiative. The next 20% involves implementation of the algorithm and development of the user-interface. The final 70% consists of structured support and facilitation from the business organization. Under this, work processes may need to be redesigned, teams should be designated to maintain and manage the solution, and measure the adoption rate and the results.

Post the initial excitement of algorithm development, some companies are simply unable to deploy resources for implementation. If the use case is very narrow or peripheral, the benefits don't justify the implementation cost; sometimes the priority for implementation is lost as the team chases yet another shiny-new-POCs. Even when companies complete stage two, few actually dare to disrupt existing work habits and silos. They attempt to force-fit the new solution to the older process or organization structure, thereby reducing the efficacy of the AI outcome. Such situations lead to disillusionment with AI.

AI pioneers understand that AI is a mission of business transformation. They tend to focus more on leveraging AI to create newer ways of earning revenue, and not just on cost reduction. Senior management should concentrate on two or three high-potential areas such as personalization engine, pricing, and supply chain optimization that are core to their business; and provide support throughout all three phases.

Deceptively prudent strategies such as 'wait and watch' may increase the gap between early adopters and late entrants, to the extent that catching up may become difficult. In matters of AI, one needs to dare to have a big vision, take risks and allocate the required resources. Brave and tough decisions will have to be taken. This is the 'AI or die' imperative.

**A** STUDY WAS CARRIED ON by the Reputation Institute (RI) in 170,000 companies from 15 countries to find out how customers perceive governance of the companies from whom they buy products and services. It was found that consumers prefer companies who work towards achievement of a social cause. Also, how companies treat their employees matters consumers' impression about a company. RI is a global business consulting firm that helps big organisations to build their credibility with their people force. The result of the study was that the world watches organisations closely on their CSR theme. People are concerned whether organizations think of CSR as just a giveaway, or are they really concerned. Consumers watch organisations closely on whether they treat their employees respectfully, how ethical they are in operations, and whether the company respects the ecosystem. Consumers prefer companies with a cause.

Businesses have to handle societal changes by recognising its magnitude in effect of its responsibilities for the future of civilization. Businesses do not exist in vacuum. Social responsibility has become increasingly important for companies over the last several years. Whether it is by empowering women, serving the environment, trying to end poverty, towards the cause of education, towards improving healthcare facilities, etc. We are seeing more and more companies incorporating social

## Brand and values

For developing an authentic CSR programme, it is important for organisations to engage their employees

**VIDYA HATTANGADI**

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responsibility into their overall business strategy. The social issues may be local, national, or global, but a concern for the health and wellness of others in society cannot be ignored.

For aligning the cause of the CSR, organisations need to match their brand with a cause. A strong alignment between organisational brand's goals and the cause it wishes to support is very critical to the success of its CSR initiative. If the match is poor, the CSR programme ends up confusing consumers and it makes them feel disconnected. It sometimes even results into the brand's values slowly falling off the radar. If companies want to look at how to get good value from investing in CSR they should look at aligning it with their brand.

A strong brand offers many different business benefits ranging from the ease of acquiring good talent at reasonable costs and often earning customer loyalty in enhancing their business. All these benefits translate into improving the brand equity. The Coca-Cola Company's global commitment is to enable the economic empowerment of 5 million women entrepreneurs across the company's value chain by 2020. It has given facelift to brand Coca-Cola.

An easy way to ensure that CSR matches the company's vision is to check if there is a logical tie between operations of business and the cause. For instance, Lifebuoy soap and hand wash aims to improve health through better hygiene. This daily-use product helps prevent disease and improve peo-



ple's health and well-being; ultimately, helping save lives. This product of HUL enjoys a robust market share. In another example, two divisions of ITC, namely, foods and greeting, gifting and stationery work with a strong CSR message. On purchase of Aashirwad, Sunfeast or Kitchens of India products, consumers invariably support issues such as water conservation and tree plantation. How does this happen? A percentage of the sales proceeds get channelised into these areas. Similarly, the sale of ITC's Expressions Greeting Cards helps the cause of SOS Villages that look after orphan children in India. Again, on the purchase of ITC's Classmate notebooks, ₹1 is donated for the cause of rural development and children's education.

P&G has been championing the cause

of gender equality both inside and outside the company. P&G will expand its supplier development and sourcing from women owned businesses across the world. This initiative of P&G has given boost to millions of women in world. In India, P&G hires 50% women into entry level management roles and they get promoted in their next assessments at the same progression as men. P&G was the also the first consumer goods company with a license to employ women in Kingdom of Saudi Arabia. It employs 15% women managers in KSA across all commercial divisions, including HR, finance, operations and IT.

Global consumers expect companies to do more than make a profit, but also operate responsibly to address social and envi-

ronmental issues. For developing an authentic CSR programme, it is important for organisations to engage their employees in the ideation process. This is helpful in boosting employee engagement and thus helping retention. Some employees at American Express Corporation initiated CSR with the issue of restoration of Statue of Liberty. American Express is known for their smart marketing ideas.

Consumers like companies that make the world a better place. Millennials are 66% more likely to buy from a company that not just sells a quality product but also gives back to society. Companies use social media platforms to create awareness for an effective cause and for attracting donations. It's been observed when companies are not honest to their cause and not regular in their efforts, consumers overlook their products.

Partnering with organisations for the CSR cause enhances the achievements of organisations especially when CSR is aligned with the brand's vision and goals. It is the fastest way to generate more results and goodwill. However, it requires a clear intent and budget in mind to make it work. The process of choosing an NGO partner typically involves a screening process. This includes a credibility test, a field visit, and background checks. It also requires regular assessment from the NGO.

Gradually, organisations all over world are aligning their brand to a worthy cause.