

Perspectives of Women Leaders

In its journey towards excellence, *IMI Konnect* comes up with its second Special Issue themed as 'Perspectives of Women Leaders'. Its past issues have been enriched with the contributions of invited authors from eminent business schools from India and abroad and interviews of important corporate personalities, apart from the regular contributions of the faculty members of IMI Kolkata. As part of its continuous endeavour to contribute to the knowledge of business in an effective manner, the journal has also made its monthly issues themed on a particular area of business, viz. Marketing, Finance & Economics, Human Resources, IT & Operations Management and Strategy.

Though the origin of women leadership in business in India can be traced in family owned businesses, with the changes in the role of women in society over time, today's business has seen women as CEOs of companies not family owned, and as independent entrepreneurs. About 11% of Indian CEOs are women and over one-third of these CEOs are from the families that founded or own the business [Catalyst, 2010]. Compared to that, Fortune 500 firms in US have only 3% female CEOs. This Special Issue is concerned with some of such women leaders in India.

Unlike other issues, all the contributors in this issue are from corporates, viz. the women stalwarts in business. It presents a collection of opinions of six such eminent women leaders from different sectors of business in India, about current issues and challenges in their respective businesses, the success mantras of women leaders and the likes.

Ms. Arundhati Bhattacharya, Chairman, State Bank of India points out that Indian banking sector is at the crossroads now and the burning issues relate to the challenges posed by the implementation of Basel III norms, viz. the huge increase in capital requirement and the critical understanding of the assessment and management of risk. Moreover, in her opinion, providing quality banking services through branches and enhancing the skill sets of personnel in public sector banks will also be major challenges in future.

Ms. Priya Paul, Chairperson, The Park Hotels, in her conversation with *IMI Konnect*, speaks her mind on the problems and opportunities of the hospitality industry in India. Ranging from the

challenges she faced to the upcoming issues in the sector in India, she brilliantly explains how the travellers nowadays seek more than simply comfort and convenience and how the industry copes with that. From hospitality to the ever growing beauty business, this issue captures what **Ms. Shahnaz Husain**, an acclaimed entrepreneur, thinks about the challenges of the salon and spa industry. With the concept of "total well-being" gaining ground, the crusader for Ayurveda feels that the industry needs more qualified personnel and proper marketing.

Ms. Lovey Burman, the Director of Kookie Jar, has spoken about confectionery business and women leadership in an interview with us. It is well known how a passion became a profession for her. Here she points out how the business was sustained for so many years with the zeal for quality maintenance and introduction of variety in products. However, according to her, the lack of qualified professionals in this part of the country and high attrition are the areas of concern in this industry. **Ms. Lula Mohanty**, Vice President, GBS Asia Pacific, IBM, in her article, explains what success means to a woman leader, how it differs from one person to another and what the formulae are for a successful woman leader in today's competitive world. She admits that it is extremely difficult for a woman leader to succeed in a less sensitive, gender-biased system.

Dr. Rupali Basu, CEO, Eastern Region of Apollo Hospitals India, describes how her organization has been able to reverse the patient drain from the eastern part to other parts of the country and how this has changed the landscape of the private healthcare industry in this part of the country. Still in terms of the benchmark prescribed by WHO, India currently has a severe shortfall of medical facilities. She also opines that public private partnership can play a catalyst to bridge the demand supply gap.

Lastly, we are really thankful to our readers for continuous encouragement and suggestions. I sincerely hope this issue will be liked by all as it really is a rare occasion to find so many leaders speaking their hearts out about business and leadership together!

Paramita Mukherjee
Editor, IMI Konnect



Indian Banking at the Crossroads

Arundhati Bhattacharya
Chairman, State Bank of India

The Indian banking system, one of the largest banking networks in the world, stands at crossroads. The country's economic slowdown has impacted the business of the banks. Indian banking, which was more or less unscathed from the adversities of global financial crisis of 2008-09, is currently facing challenging times.

There are a number of issues that confront banks in India. Some of the issues are directly related to business operations of banks. Other issues are intertwined with broad macroeconomic environment and future policy directions. Let me therefore elaborate on these issues regarding the current banking scenario in India.

Capital Requirement and Risk Management

After the 2008 financial crisis, there was a consensus that the financial regulatory framework had serious lacunae. Over the last six years regulator has sought to plug these lacunae that have resulted in major amendments known as the Basel III accords. The important changes included – first, a stricter definition of capital with greater emphasis on core equity capital; second, a greater reliance and use of statistical methods of risk management along with reliance on human expert judgment which feeds into more scientific calculation of capital requirement itself. Indian banking accordingly is in the midst of transition to Basel III standards. Capital requirements over the next five years, both for private banks and more so for public sector banks, will be a challenge given the growth requirements of the country which will need the banking sector to expand its balance sheets to support economic growth.

Capital Requirement

The need for India to adopt stringent capital requirements stems from its growing involvement in the global banking system, both as a market and as a service provider, and its vulnerability to global

contagion. In recognition of this, India is one of the first countries to come out with the final guidelines on Basel III capital regulations. Reserve Bank of India (RBI) notified implementation of Basel III on April 1, 2013 in a phased manner to be completed by end-March 2019. RBI has prescribed a minimum capital ratio

(CRAR) of 9%, which is higher than the regulatory minimum prescribed by the Basel Committee on Banking Supervision (BCBS), as was also the case under Basel II.

Despite the comfortable capital position of Indian banks as reflected in overall CRAR at 13.5% (at end-June 2013), the challenges in implementing Basel III cannot be underestimated. First, Basel III would significantly increase capital requirements for Indian banks. The credit needs to finance growth could go up over the years and, accordingly, the capital needs of the banking sector would be higher. Second, given the strong presence of public sector banks, the fiscal constraints of Basel III cannot be overruled if majority shareholding by the government is to be maintained.

Risk Management

The transition to Basel III is not just a capital raising exercise but also a migration to more scientific risk assessment framework as mentioned above. In the new framework banks will be required to understand existing and emerging risk factors and bolster that understanding by monitoring those risks. The two major risks in my view which are critical for banks are – interest rate risk and exchange rate risk. Federal Reserve starting 2014 commenced its QE tapering thereby reversing the artificial flattening of US yield curve. As QE tapering proceeds further, US long term interest rates will rise. However, the interest rates in Japan and the EU will continue to remain at lower levels. The second order impact of this interest rate movement will reflect in exchange rates. The disorderly flow of capital will increase



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volatility across currencies and fixed income asset classes. Thus, expected loss under standard market risk models will rise, implying higher capital for otherwise the same risk in the past.

Additionally for banks, interest rate risk and exchange rate risk will affect the credit risk, ALM risk and correlation risk. RBI flagging the unhedged foreign exchange exposure of corporate sector falls in this category. Thus banks will have to revamp their assessment of credit risk at portfolio levels and the expected losses on account of credit risk will also rise. Further, high volatility affects investment decisions in general and risk of restructuring of credit cannot be ruled out. And finally, high volatility will alter the probability of extreme events. Thus stress testing of balance sheets to ascertain vulnerabilities will assume high importance in days to come.

Delivery Standards

The global financial/banking crisis has strongly reinforced the primacy of branches as the principal channel for banking. Clearly, branches are where the maximum number of customer-facing staff sits and this is the first touch-point between a bank and a customer. This is the place where highest delivery standards in service need to be ensured to achieve business growth. Providing quality banking services through branches, therefore, is one of the major challenge ahead of banks amidst increasing usage of internet and mobile banking. Although banks can increase the quality of branch banking services through empowerment of branch managers, other changes like role redefinition of staff, re-design of branch format, process reengineering, and simplifying their product portfolio are required. The next generation of young customers still remain an uncharted territory for banks. Hence, banks cannot afford complacency on delivery standards.

Supplementing the brick and mortar structure of banking with new technology channels will characterize delivery standards over the next decade in Indian banking. Among the new channels, mobile phones, propelled by 3G/4G and smart phone technology, will emerge as an undisputed winner by 2020, potentially accounting for 20% – 30% of total transactions. New channels will not only enhance the experience of modern banking but can be a source of new customer acquisition.

Human Resource Management (HRM)

HRM can essentially be summarized as a function that entails “planning, organizing, directing and controlling of activities relating to the development of employees in terms of enabling them to acquire competencies needed to perform their present and future jobs with ease and enthusiasm”. It is a continuous process

that seeks to ensure the development of employee competencies, dynamism, motivation and effectiveness, in a systematic and planned manner. It also deals with bringing about improvements in physical capacities, relationships, attitudes, values, knowledge and skills of the employees for achieving the objectives for which the bank stands.

The current decade is already proving to be a challenging one for the HR professionals in banks, particularly for those in the public sector banks. Going forward, HRM challenges in banks in particular public sector banks, will fall in following categories. First is imparting requisite skill sets to existing employees and new employees so that they adapt to the fast evolving banking environment. Second, putting in place a robust system of performance appraisal where individual’s performance is the sole criterion of promotions. Third, there should be ‘succession planning’ which includes mentoring and nurturing of future leaders that will replace the existing leaders in top management. This is because a significant number of employees will be retiring during this decade. At stake is a chance to transform HR practices and create a workforce that can provide individual banks with a strategic edge in an environment that is likely to become increasingly competitive in the days ahead. The ‘retirement decade’ provides an opportunity, especially for the PSBs, to transform their work force by hiring the right talent, right-sizing and right-skilling them and thereby bringing about a cultural transformation in the functioning of these banks.

Let me end on a positive note. Meanwhile, whatever goes down, invariably goes up and there are visible signs of green shoots in the economy. The sectors which were significantly impacted by the crisis and slowdown in the economy are now showing visible signs of improvement. The Supreme Court order on relaxation in mining ban in Goa and Karnataka will go a long way in reviving sentiments in mining sector. Similarly, the telecom sector, after bleeding in the years 2011 and 2012, looks all poised for a turnaround as telecom companies have managed to increase their average revenue per user (ARPU) significantly. Telecom companies had continuously and heavily invested in spectrum sharing, have been able to improve their EBITDA (earnings before interest, tax, depreciation and amortisations) margins and the industry is likely to see better times in coming days. Infrastructure sector also has some positives as a major road project was recently cleared in Maharashtra after a long period of no road projects being cleared/awarded. These small positives will add up to revive sentiments in the coming year. The biggest positive however is the formation of a stable new government. We hope its first budget will clear the air and lay the foundation for revival of sustained growth.

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Anything but Ordinary

Padma Shri Priya Paul

Chairperson, Apeejay Surrendra Park Hotels

In conversation with the Editorial Team of *IMI Konnect*

The woman who is commonly referred as ‘The First Lady of Boutique Hotels’ in the Indian Hospitality circuit shares her experiences of revitalizing an insignificant hotel company into the first ever boutique hotel in India. In her signature regal splendour she talks about the changing nature of the hospitality business, managing the business of delivering world-class experience, and the challenge of being a woman entrepreneur with a special note on her visions for the days to come.

IMI Konnect: *Hospitality industry in India is closely linked to the prospect of tourism. How much, in your opinion, such dependence on tourism can be supplemented by other means of creating demand in the near future?*

PP: Tourism and hospitality industry are very dynamic as they thrive on the dispensable earnings and the economic vagaries are much expected by the industry. In a service market like ours, quality is no longer a differentiator. It is the experience that counts. We realized this and in our recent brand revitalization exercise, we created a new brand promise of ‘Anything but Ordinary’ under which we have curated a series of unique experience to heighten customer satisfaction.

Hospitality to me is an overall experience. Travelers nowadays seek more than simply comfort and convenience. They look for surprises and when planning trips, they seek hotels that are noticeably different in look and feel. I see a lot of luxury travelers coming to India. There has been a greater understanding of India as a luxury destination in international market and a growth of luxury travelers within India as well. We see a remarkable number of tourists not only to experience the rich heritage but also to witness modern and contemporary India.

IMI Konnect: *What kind of difference in expectations do you observe between domestic and foreign tourists?*

PP: The preferences of local and international travelers are slowly but steadily blurring. With increased global travel exposure and change in the outlook, guests today crave for bespoke experiences. Their expectations from a hotel have changed. A hotel is no longer just a place to rest, it has become an all-inclusive destination in itself.

The Park Hotels caters to the contemporary minded individuals – be it in design, food or the experience itself. Our guest base is an eclectic mix of local and international crowd.



IMI Konnect: *Do you think foreign tourists drive the hospitality sector in India? Or the domestic tourism too has a role?*

PP: The market is not only limited to luxury hospitality. We cannot just depend on foreign tourist arrivals. There is much more growth in domestic travel and the market is now in smaller cities. There is a rise in the number of industries being set up in smaller towns and tier 2 cities, increasing the growth prospects of hotels in this sector. People in smaller towns have higher aspirations now and want to experience upscale offerings. Disposable income of these

people has increased with the growth in these regions. They often travel to metro cities and have become accustomed to international cuisine, pulsating nightlife and luxury. And there is a dearth of good branded hotels in these regions. This shows that this growing market holds a potential for corporate and leisure segments and also for the hotels that have a focus on food and nightlife.

Observing this growth trend in tier 2 and tier 3 cities, we launched Zone by The Park to bridge the gap between the demand and supply of good upscale accommodation. The concept envisions an interactive series of buzzing spaces using the best of contemporary design, with creative and playful interiors, multifunctional spaces, great restaurants, bars and vibrant nightlife.

IMI Konnect: *Indian hotel industry is subject to seasonality; during October to April there is high demand. How does the industry deal with it in the off-season?*

PP: Despite the seasonality the hotel industry scenario has undergone a massive change. It is no longer entirely dependent on the same. There are a whole new set of factors which are responsible for driving demand even during the off-season.

IMI Konnect: *Do you think, with the entry of international hotel chains like Swissôtel, Novotel etc., Indian hotel industry should re-think about its intensive use of manpower?*

PP: The increase in competition has definitely led the Indian hotel industry to mould its strategies. However, intensive use of manpower is not the only way to combat such competition.

IMI Konnect: *Real estate prices in most of the metro cities are soaring. How do you deal with the challenge of containing cost in this scenario?*

PP: A staggering 30% of the investment in a hotel project in India is real estate. In some cases, this cost can go up to 50%, pushing the desired returns much higher. However, collaboration with developers who may have purchased the land at historic prices is a good solution. Also there is the need for land reforms in the country to increase the permissible constructible area to make real estate investments more viable at their current costs.

IMI Konnect: *How did the travel websites with their elaborate ratings of hotels impact the hotel industry?*

PP: There is a great deal of information online and knowledge sharing today has become instantaneous. This is the reason brands have become active online – they need to be quick to react or respond, be it a booking query for rooms, F&B, offers and events.

Online distribution channels today are no longer an additional support system but are an essential part of the business. Brands have become active in the online space, interacting and engaging their clientele. The diverse options of reservation softwares have made room bookings quicker and more systematic.

The minute people try a new restaurant/nightclub, they endorse it immediately on social media portals, they are more vocal about it. A guest's comment can hurt or enhance the reputation of a business. Similarly we have moved over from electronic marketing to mobile marketing. Every brand now has a mobile website as well, as people today expect everything at the click of a button on their mobiles.

IMI Konnect: *How do you want to see The Park Hotels in the next 10 years?*

PP: Our vision is to have 20 hotels by 2020 whereby we will be able to offer our guests a slice of The Park in every city they travel to. We are preferred hotel for those who appreciate art and enjoy unique music and entertainment offerings; hence our mantra is to integrate them as the governing pillars of the brand. As part of our new strategy we are coming up with a 350-room hotel in Kolkata. Three more properties would be coming up in Pune, Cochin and

Jaipur. As of now our focus is on India but we are open to opportunities that may arise.

IMI Konnect: *What are the biggest challenges and opportunities for the Indian hotel industry at this moment?*

PP: The biggest challenge that I see in the coming years would be fight for talent – best suitable employees. There has been a colossal increase in the demand for skilled labour which has further led to tough competition. Moreover there has been a serious shortage to fill in the senior strategic positions. Employee retention has become a major challenge for all organizations and we need innovative interventions to set this right. There are not many established institutions to train and develop the required talent pool to fill the gap.

Price wars are another challenge that looms large. With the influx of more and more brands in the market, there will be a fight over prices as the category of the audience that we are targeting remains the same but the choices increase. With all brands targeting the same pie, the share of each brand is shrinking.

However, we also need to consider the fact that every industry has its ups and downs. Today the hotel industry might be seen as sluggish given the rate of growth, however, one cannot overlook the immense potential that India has got to offer in terms of its tourism industry. By liberalizing the economy India is attracting tourists and foreign workers which is positively impacting the hospitality sector. Thus one needs to consider the bigger picture of the hotel industry.

IMI Konnect: *What challenges did you face as a woman entrepreneur?*

PP: In 1990/91, when I took over as President of The Park Hotels, the issue I was faced with was how a small “insignificant” hotel company would stand up against the existing large hotel chains and how it could add value to the group and its shareholders.

After much deliberation and brainstorming, I embarked on a program to “Renovate, Rebuild and Reposition” The Park Hotels and blazed a trail with a collection of boutique hotels. The Park Hotels is a pioneer of this concept in India with “an individual attitude expressed in thoughtful, creative design”.

IMI Konnect: *What should be your advice for future women entrepreneurs?*

PP: I would advise them to be focused and determined. One will always be surrounded by people who want you to feel like you don't deserve something because you're a woman. Let these people make you, not break you. Have faith in yourself. As women we need to get better at empowering each other and opening our eyes to the incredible opportunities that are ours for the taking.



Challenges in the Beauty Business

Padma Shri Shahnaz Husain

Chairperson and Managing Director, Shahnaz Husain Group

Over the last few years, India has become one of the fastest growing economies. There has been an increase in efficient growth of productivity in the face of fierce global competition. The gradual opening up of the economy over the last few years is certainly one of the factors that has also driven the growth in India. The beauty and wellness industry in India is one such business with tremendous potential for growth and even continued to thrive during the recessionary trends.

My experience has been in Ayurvedic beauty care. I always believed that India has a great deal to offer the rest of the world, in terms of her herbal heritage and her tradition of herbal healing. Armed with my faith in Ayurveda, I promoted it across the globe with a crusader's zeal and relentless determination. As far as the economy is concerned, creative and cultural industries also play an important role, not only in terms of economic growth, but also to achieve social stability, generate employment, create wealth and also preserve our culture. India is a country with a rich cultural heritage, which has immense economic potential. In the present scenario of globalization, the challenge is to develop our cultural industries to compete in the international market.

Today, the world is looking at Ayurveda with enlightened eyes. During the last few decades, there has been a worldwide "back to nature" trend. We have seen naturalism and the "total wellness" concept come into the lifestyle, with greater emphasis on mental and physical well-being. So, it is only natural that the world will look at the Indian disciplines of Yoga, Meditation and Ayurveda. Today, there is great interest in Ayurveda in many countries, prompting study and scientific research, to assess it in scientific terms. Indeed, there is a growing global market for alternative medicine and Ayurvedic products for beauty care. This also includes essential oils, which are used in the related field of Aromatherapy. The international market for medicinal plants itself is more than \$60 billion per annum.

Considering India's immense empirical knowledge of the healing power of plants, such plants and herbs can be grown and processed for export. In fact, India can be a leader in the field.

We have actually seen the tremendous demand for Ayurvedic beauty care and also for the traditional Ayurvedic treatments. There

has been a growth of Ayurvedic Service Industries, like skin, hair and body care, as well as Ayurvedic centres for traditional treatments of Panchkarma, Dhara and Kerala massage. In fact, such treatments are attracting foreign tourists to India, due to the worldwide interest in holistic and alternative healing systems.

With the concept of "total well-being" gaining ground, spa treatments are also becoming popular. Nowadays, salons are being converted into day spas and offering both salon and spa treatments. Ayurvedic treatments are ideal for spa treatments. Therefore, Ayurvedic spas, beauty salons and traditional centres have much scope for growth in the international market. In fact, the West is looking towards India and her herbal traditions for spa and salon treatments.

Professionally qualified personnel are needed for the salon and spa industry. Centres for vocational training should be set up, in order to develop the skills that are needed in the beauty and spa sector. This would include professional vocational training in beauty therapy, Ayurvedic treatments, spa treatments, massage, clinic and spa management

etc. The beauty business as a service sector offers great scope for employment and entrepreneurship for women. But you may ask why we do not see as many women entrepreneurs in India as we should. Many factors, including socio-economic factors, have to be considered. The reasons could be less motivation, less support from family, few opportunities for professional and vocational training, economic constraints and so on. Early in my career, I created a networking system for ordinary housewives, where they could start salons in their own homes and be close at hand to care for the family.



During the last few decades, there has been a worldwide "back to nature" trend. We have seen naturalism and the "total wellness" concept come into the lifestyle, with greater emphasis on mental and physical well-being. In fact, the West is looking towards India and her herbal traditions for spa and salon treatments.

Women do face tougher challenges, but nowadays there are many more opportunities for women to secure loans from public sector banks at concessional rates. In some cases, no interest is charged. There are many such opportunities available in the form of NGOs and Self-Help Groups, Microfinance Institutions, Public Sector Banks, Government Finance Schemes, etc. The problem may be that very often, women are not aware of many of the avenues of finance available to them. Another problem is that even after the loan is approved, the process may be time consuming, requiring many visits to the bank. The higher the loan amount, the more difficult it may be to avail of them. In this respect, women groups can be of help. Some banks do have special cells for women entrepreneurs. Besides consulting, these cells provide training, counselling and at times avenues for showcasing and marketing products. In the rural and backward areas, due to lack of education, the awareness is low. I know that for small scale industries, the government provides support by identifying markets, as well as in trade and promotions.

Marketing is an important challenge in entrepreneurship. Women find it difficult to know the market and to face the competition. They have to depend on middlemen. This is one area where they need help and encouragement. For example, they can learn about the market and how to make use of changing conditions, like the internet, commercial advertising methods, different business models, etc.

Also, with globalization, products and services are needed for the global market and this requires effort at various levels, from the Government, research institutions, vocational training institutions, export development and trade agencies, etc. Markets need to be explored. Presenting the products in a globally attractive manner is also essential, along with knowledge of the demands of the global market.

I definitely feel that education and a professional qualification impart a great deal of confidence. We need to give importance to the acquisition of professional qualifications and training, so that women can express their creativity and innovativeness with more confidence. Vocational training should include aspects of business management, in order to encourage entrepreneurship. This would also increase the awareness of the incentives and loans offered to women by banks and financial institutions.

In order to compete in the international market and with international brands in the Indian market, traditional knowledge needs to be related to modern demands and techniques. That is why we pay a great deal of attention to R&D and product development, combining traditional knowledge with advanced scientific techniques.

We have been promoting our Ayurvedic skin and hair treatments through a unique franchise system. We have seen how the growing

interest in alternative therapies like Ayurveda has led to the growth of our brand of organic beauty care worldwide. Our Ayurvedic products and services have entered the international market through a highly successful franchise system and business model. Ayurveda not only helps in treating skin and hair problems, but is ideal for general skin and hair care too. It is a holistic system, which includes diet, exercise and stress control.

During the last three decades, the Shahnaz Husain Group has acquired a tremendous global presence, having sold at prestigious international stores, as well as exclusive outlets and salons worldwide. Currently, the Shahnaz Husain Group operates in more than 100 countries, where it has franchise salons, shops, beauty institutes and direct product distributors.

We already have a wide base in many countries, including the U.K., with several franchise salons and a beauty training institute. In fact, our Ayurvedic treatments were introduced on Harley Street in London, with the opening of Shahnaz Ayurveda Aesthetic Clinic. Ayurvedic aesthetic treatments have become an important component of cosmeceuticals. Introducing our treatments on Harley Street is one of our biggest achievements. The Shahnaz Husain Group's international presence certainly gained further momentum when we launched the sale of our products at Lloyds Pharmacy at Selfridges, the famous London store. It was a significant step forward towards consolidating the Group's leading position in organic beauty care at the international level. Very recently, we also opened franchise salons in Dubai and Singapore.

One of my greatest achievements was representing India at US President Barack Obama's World Summit for entrepreneurs in Washington D.C. I spoke on unleashing woman power and received a standing ovation. Being selected for President Obama's summit is a recognition of my relentless efforts to promote Ayurvedic beauty and health care worldwide. In fact, international branding is very much a part of our future plans.

Today, the Shahnaz Husain Group is ideally positioned in the international market, due to its business expansion through the franchise system. Among the reasons for our success are our remarkable foresight and vision, to recognize the immense potential and relevance of Ayurveda. From one herbal salon to a global chain of salons, spas, shops and beauty training institutes, it has been a phenomenal journey. For me, it is a dream come true to see the worldwide recognition of Ayurveda. I strongly believe that Ayurvedic beauty care can lead the international cosmetic industry within the next decade. It has been tested by the most exacting test of all.....the Test of Time!

We need to give importance to the acquisition of professional qualifications and training, so that women can express their creativity and innovativeness with more confidence. Vocational training should include aspects of business management, in order to encourage entrepreneurship.

From Kookies to Kolkata

Lovey Burman

Director, Kookie Jar Foods Private Limited

In conversation with the Editorial Team of *IMI Konnect*

The woman behind the company that has been relentlessly catering to the sweet tooth of Kolkata with utmost diligence, talks about confectionery business, women leadership, the city's work-culture and more in a candid conversation.

IMI Konnect: *It has been almost 30 years for Kookie Jar, and much of Kookie Jar's success has been the success of you as a woman leader. Over all these years, how do you think that things have changed for Kookie Jar and for you?*

LB: I must submit that when we started Kookie Jar I was neither a professional nor did I have any sort of an organized plan around the business or the finances. I just started with a small bakery setup at my home garage and operated it just like a simple mom and pop shop. Then we started a small shop at the current Rawdon Street address for Kookie Jar, which was about half the size of what you see today and all this was about 30 years back. Today, we have of course four cake shops, one restaurant called **Mangio** and a café. We have expanded and we have a very organized workshop to take care of the production. With expansion the whole scene has totally changed for us. Infact, it took us more than 10 years to get to this stage of being professional and having all these outlets. The whole setup happened when we started hiring professionals to help, went for the bank loans and financial planning. For me, coming out of that garage bakery idea and transitioning into a more professional approach to the business transpired in the last 15 years.

IMI Konnect: *How do you think that your customers, or for that matter the whole gamut of confectionery consumers changed in the last 25 years?*

LB: When we started Kookie Jar, at that time people were not very discerning as they were not so exposed. Now everybody has a whole lot of information, they are even informed about the various ingredients that we use or our range of offers or what is available at the confectionery stores. When we started people used to come and say 'give me a dozen chocolate pastries and a dozen non-chocolate pastries'. Now every other customer has a favorite.



For instance somebody says 'give me a lemon tart' or 'give me a chocolate pyramid' or even asks for products like a blueberry cheesecake. Previously we never had a blueberry cheesecake in our list, as ingredients like blueberry were not available. Hypothetically, if we would have offered a blueberry cheesecake in our list at that time, people wouldn't have known and such an innovative offer would not have made any significant impact. Now with the exposure, and the world becoming one small place, there's a whole lot of room for trying out innovative stuffs, using new ingredients like hazel nuts, macadamia nuts. Moreover, these new

ingredients are also available to us now. Even the quality of the chocolate that we get now is far better. We do have agents who import some ingredients for us.

IMI Konnect: *As you talk about importing ingredients and chocolates, how does that imply financially?*

LB: I must admit that it gets a little more expensive but it also largely depends on what you use. Proper planning on what to use and how much to use will not let the costs go up in a big way. Nevertheless, we are a little more expensive compared to any other place around but because of our volume we can manage to sustain the quality and keep using these better ingredients as well.

IMI Konnect: *What do you think are the sustenance mantras for Kookie Jar?*

LB: Good quality and good products with great ingredients. For all these years we have been very careful about the freshness and the quality maintenance. We don't want to compromise on any of these for sure. I feel in Kookie Jar we make products around home built recipes, they are almost home made. The products are simple and tasty, only made on a larger scale. For instance, we don't use any

gel or enhancers or artificial ingredients or preservatives. We don't use that at all. Even the use of an artificial essence is a no-no for us. Our strawberry cake is essentially made out of fresh strawberries and no strawberry essence. Our breads are made fresh without any preservatives. Normally our products can be consumed over a day or two like any of the home made food. Cookies are also baked fresh that can be stored for days. Puffs are baked at the shop site to maintain a steady supply of freshly baked ones.

IMI Konnect: *What made you choose the city to start your dream project?*

LB: I guess I belong to the city. I was born, brought up and educated here and so I couldn't have thought of any other city, as Kolkata was home. Moreover as I said when I started I did not plan it as a business, it was just a hobby that turned into a business, so it was better to start at home. Well, when we thought of expanding after the first store in Rawdon Street, we did consider Mumbai and Delhi in our business plan but ultimately thought that Kolkata could still absorb more of our products. People here are very fond of sweets. Because of the British connect; people in the city are brought up with this traditional culture of cakes and pastries. I realized that no city would be this receptive.

IMI Konnect: *Do you ever plan to move out of the city? What is your take on franchising?*

LB: At this point, no. We have just opened our café, and one more shop in Kolkata. We would not move out of the city till we are absolutely saturated here. There is no point in expanding so much and then losing your base. I feel that whatever we could control in terms of the product quality, we are ready to do that much expansion only. Similarly, franchising has not been our policy as we would like to keep the control of quality in our hands only. That is probably one of the reasons why we haven't expanded that fast as we are very conscious of keeping a firm control over the quality.

IMI Konnect: *As an entrepreneur what do you think are the major issues that concerns entrepreneurs at this part of the country?*

LB: I think everything moves too slowly in this city and there is a dearth of qualified personnel here. Say, in Delhi or Mumbai there are so many Chef Training Institutes, we do not find such institutes here, where we can go, find, train people. This has been a big deterrent for us; we had to train everybody in-house. Literally, we have been the training institute in the city as you will find that every bakery in the city has got our staffs. Now, I would say that Kolkata is slowly waking up to the idea of having these specialized institutes.

IMI Konnect: *So have you ever thought of opening up a training institute yourself?*

LB: I guess I never had a chance to think of it. In food business attrition is a big problem. By the time we train our own people and as they keep leaving us, we hardly get time to think of it as a business proposition. With more and more competition and so many food places opening every other day, people want to pick their human resources from the established places. We do have a brand value in the city, so our staffs are highly sought after in the market.

IMI Konnect: *As you say, a lot of competitors are making an entry into the market each day. Some of them use their unique selling proposition of being 100 percent vegetarian or may be a low fat confectionery. What is your take on that? How big is this as a competition to Kookie Jar?*

LB: Well, we don't claim to be one particular segment of something. We just claim to be tasty food. That is one of the reasons why we have not gone to the diabetic or the health foods segment. We did discuss it with people, but realized that nobody is coming into Kookie Jar to buy health food; they know that they will get something tasty. Though we keep a wide variety of eggless items, we don't want to limit our clientele to one particular type. We want to continue with a wide base clientele. While we are not 100% vegetarian, but what we sell as vegetarian is absolutely vegetarian. To add, we have not done any sugar free variant because of the reason that personally I feel that the cream and the butter that go into it, are worse for the diabetics than that little bit of sugar. So we don't aim to fool people by giving sugar free variants with the usual cream that equally adds to the calories or the cholesterol. Such sugar free things are more dangerous for the diabetics. Further, we can't even think of changing the recipes of the eternal favorites like the lemon tart or pyramid just for the sake of catering to a niche.

IMI Konnect: *As we approach the closing of this interview, we would like to go back to the idea of our first question where we mentioned that we see success of Kookie Jar as success of a woman leader. Now, if we ask you to hypothetically suppose that if there was a man in your shoes, do you think Kookie Jar could have been any different from what it is today?*

LB: I don't know much about the male leaders in that sense, but I can only talk about my own experience. See as a woman I have run it with a lot of passion. I think the commitment that a woman puts into whatever she takes on, because of the fact that certain things are not expected out of a woman, makes her try harder to prove her point and get accepted; this makes the business and the product much better. Ultimately I think that once you are good at your job, everybody starts respecting you, it does not matter whether you are a female or a male.



The VENUS Protocol: Perspectives on Women in Leadership

Lula Mobanty
Vice President, GBS Asia Pacific, IBM

When I look back at my career, I find what most women probably would - a pretty coincidence.

There wasn't a big dream that I pursued, neither any interesting life-changing event that set me on this course to be a business leader at IBM. I grew up in a family where my mother was a professor teaching science to post-graduate students. Hence, the vision of a woman stepping out to work every morning and returning back to a warm hearth, with loads of self-satisfaction and preserve was my mental picture of who I would be. All that looked very peaceful and complete. The early ethics of working women was a live role play at home - we saw her dexterity in spending time with us at homework and sports; and then prepare for her lectures with equal enthusiasm. Hosting relatives and guests was yet another familiar scene at home. In all this, never once did it feel like there was a friction at play to hold life and ambition in balance.

I have been asked often - what is the secret sauce for success. How hard is it for women to be successful leaders? Why are some women more successful than others?

Success at work means different things to different people. It is very important to define your barometer for success at the outset. It could mean the boardroom for some; and being able to maintain a great work-life integration to others. Quest for knowledge unleashes new strength in me.

I believe the secret to success is rather basic. The first is hard work and there are no short cuts. They catch up with you sooner or later. I have seen lack of real competence to be a very common reason why many women are not able to sustain a bright career in later years. And the second is commitment. Women who are successful are really the ones who are prepared for the long haul. Opportunities come in many forms - some of which are obvious and others in the guise of a problem at first. The manner in which we approach these lends a unique character to the outcome. Success is built over time and commitment; it thrives on continuity, consistency and compatibility.

The complexities at work are growing manifold and undoubtedly

manifest in increased stress - emotionally and physically. It is extremely difficult for women leaders to cope with the added burden - organizational metrics which now resemble complex tangled spider webs with a myriad of hierarchies and relationships at play. The ability to navigate this for maximum advantage will take rare skills. Access impinging on personal time, ability to manage travel and administration globally, keeping oneself ahead of multiple stakeholder expectations - all these factors can challenge a superstar automaton. What makes all of these harder is a less sensitive, gender-biased ecosystem.

However, despite all this - there are many examples of successful women. What differentiates them is what is inside them as their personality traits. I refer to this as the **VENUS** protocol.

- The **V** here means being anchored in Values. Having a strong value system allows you to have an opinion that you strongly believe in and helps you see through conflict situations with far more clarity. You are able to take decisions that you connect with.

- The **E** in this protocol denotes Equanimity, the ability to handle different perspectives and situations with calm and logic. This makes such women more approachable and understanding; and in return they find themselves wealthier with insights that people bank with them.

- The **N** is about Networks. At the higher levels, there is a lot that happens through informal goodwill. It's here where the networks you have built; the relationships you have invested in, start paying dividends.

- The **U** is about being unique and useful. The more flexible you are, the better you end up serving your stakeholder constituencies and the more dependence you build on your skills. It's a virtuous circle that keeps getting bigger and bigger.

- And lastly, the **S** is about creating successes consistently. So that you never lose out in the success momentum.

They say, nothing succeeds like success. That is a self fulfilling aspiration that most accomplished leaders never lose sight of.



V - Values
E - Equanimity
N - Networks
U - Unique and Useful
S - Success



Reverse “Patient” Drain

Dr. Rupali Basu
CEO, Eastern Region of Apollo Hospitals India

The Madras Mail trundling out of Howrah station every night resonated with cries of anguish from the ailing and sighs of anxiety from their next of kin. They were all headed to “Madras” (Chennai) or Vellore in search of medicinal ‘*Moksha*’, which came in the shape of “advanced healthcare solutions” available only in these Southern salvation points.

Over the past two decades, we, the captains of private healthcare in the East, have been straining every sinew to try and alter this perception and instil faith in Kolkata and the East, so that the perennial migration of patients to the South and also to the West and North, albeit to a lesser extent, could be arrested. Well, there are still a large number of patients on those South-bound trains and flights, and that’s par for the course. However, I can say with a certain degree of pride that Kolkata patients don’t head out at the drop of a hat like they used to do a decade back.

So what have we been doing right here in Kolkata? Dearth of good doctors had never been a problem in this city. It’s the 360 degree support system, processes and protocols that were not good enough. We needed to change that. Top of the pecking order has been ensuring a steady improvement in clinical outcome and reduction in average length of stay for in-patients through a more integrated healthcare delivery ecosystem, which links multiple levels of care management, coordinates services and encourages professional collaboration across a range of care-delivery elements.

This is truly the fulcrum of our approach in augmenting clinical parameters and it’s totally focused on the patient or the consumer. We at Apollo have been totally invested in the four strategies - 1) Clinical, 2) Operational, 3) Technological, 4) Financial, for our patients and the huge success of our super speciality services is a strong case in point. We have adopted information technology and created a core digital infrastructure, which along with a shared knowledge platform and use of advanced analysis of data, have vastly improved clinical efficacy and reached not only National, but subsequent International Benchmarks. This has enabled us to reduce the average length of stay for in-patients drastically, benefiting patients from Bangladesh, Bhutan, Nepal and also the Northeast, by reducing the relative healthcare cost.

However, your finely-calibrated systems and processes are only as

good as your human resources. Our chairman Dr. Prathap Reddy always says the biggest challenge for him and Apollo is filling up the void of human resources. The domestic healthcare industry is the third largest employer in this country, but is severely short on manpower, according to him. His concerns are accurately mirrored in the health ministry projection of a shortage of approximately half a million doctors and over a million nurses that must be plugged over the next five years.

With the Indian healthcare industry is en route to becoming a \$280 billion-plus market by 2020, it can be safely assumed that having been late off the blocks, we in the East would account for a large chunk of this phenomenal figure. Still, the task has only just begun and we need to carry on the good work by constantly evolving systems and processes to stay in sync with internationally - benchmarked clinical parameters.

To stay continuously competitive and keep the supply side going, we have to invest in education. This is a huge grey area in the East, and because of lack of private medical colleges, the government teaching hospitals never felt the need to pull up their socks. Consequently, institutes like the SSKM, which used to be a cradle of excellence a few decades back and a benchmark for the rest of the country, have lost their edge, unlike AIIMS in Delhi, for instance, which remains a reference point for best practices and a venerated seat of research.

Nonetheless, there is a clutch of inherent positives which need to be harnessed in a structured manner and we, the captains, must continue to shed light on the path ahead. There’s no denying the fact that there has been a sea change in the quality of private healthcare delivery in Kolkata and the East around the turn of the century. Healthy competition has kept us on our toes, and in this, the Association of Hospitals of Eastern India and the various chambers of commerce and industry have played a stellar role.

At present, hospitals in Kolkata treat a massive population of patients from Bangladesh and also from Nepal and Bhutan, which would constitute the overseas staple. But these frontiers could be stretched further and we can easily cater to Southeast Asian powerhouses like Thailand, Malaysia and Indonesia and project Kolkata as the best medical tourism destination for their vast populations.

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The painfully long waiting windows at the National Health Service of the U.K. have driven many British patients to despair and they are increasingly catching a flight to India. We can hope to steer a sizeable lot to the East if we can further beef up our support system.

We have gathered considerable head steam. The task now is to keep the momentum going, and the outlook is bright. Just consider these bare-bone medical facts, over 60,000 cardiac surgeries are performed across the country every year and the outcomes are extremely encouraging and at par with global gold standards. We successfully perform multi-organ transplants like renal, liver, heart and bone marrow, at one-tenth the cost in developed nations.

The need of the hour also is to prepare for the emerging scenario. Like any other sector, healthcare is about constant reinvention to tap new opportunities. A clear and present scope of action is in lifestyle-related diseases, which comprised 13% of all ailments in India in 2008, and is expected to spiral to 20% by 2018. We need to gear up to bear this burgeoning burden of lifestyle-linked conditions, which calls for super-specialised treatment and care facilities, and since this is a high-margin area for hospitals, it pays to stay focused and invested.

A critical message going out to the consumers from our desks should be the need to save for healthcare costs and we must also strive together to raise awareness levels on preventive healthcare. True, with public spending poised to catapult above 20%, there is room for all in the organised private healthcare sector, but we must not lose sight of the cost differential between preventive and therapeutic healthcare. This is vital and more so in a scenario where health insurance cover is still dismal, with penetration of health insurance in India only 2% of the population.

This tide is turning, though and on an average, around 40% of our in-patients in urban hospitals are insured.

Needless to say, the picture is much more gloomy in the semi-urban and rural areas. If one is to go by the WHO prescription of four beds for every 1,000 people, we currently have a shortfall of around 30 lakh beds. This would translate into a ballpark figure of 12,000 hospitals, taking a 250-bedder as a mean, to meet the demand. Needless to say, the brunt must be borne by the private sector, and the enormity of the task ahead begins to sink in.

A critical catalyst to help bridge this demand-supply mismatch could be Public Private Partnership (PPP) projects, of which we have seen a recent spurt. This is clearly an approach of choice for the future, since in the public health sector, millions of square feet of space remain unutilised, expensive equipment keep malfunctioning and are abandoned for lack of maintenance, and a serious scarcity of skilled professionals adds to the woes of the patients.

Still, given the high capital cost of setting up a cutting-edge hospital (around ₹ 50 lakh per bed), we will have to break out of the mould of conventional business and think out of the box in the way healthcare is delivered. Retail single or multi-speciality clinics like our Apollo Clinics, following a hub-and-spoke model and linked to our main hospital, will see further proliferation, as will operations and management contracts. In today's context, you must bring healthcare to the doorsteps of the urban consumer. Nobody wants to travel much.

Last but not the least important, we must tell our story better. For decades, Kolkata's bane has been its inherent inertia to package itself properly and to harp on its core strengths. Healthcare as a domain is not exempt from this generic malaise. A structured branding exercise is the need of the hour and I feel all the private hospitals should work in tandem for this common cause of improving perception of the East, so that we continue to excel not just within our core hinterland, but keep on pushing the frontiers of new businesses.



Healthcare is about constant reinvention to tap new opportunities. To stay continuously competitive and keep the supply side going, we have to invest in education. This is a huge grey area in the East, and because of lack of private medical colleges, the government teaching hospitals never felt the need to pull up their socks... A clear and present scope of action is in lifestyle-related diseases. Given the high capital cost of setting up a cutting-edge hospital, we will have to break out of the mould of conventional business and think out of the box in the way healthcare is delivered.

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