



# VALUES AND STRATEGY DEVELOPMENT AND MANAGEMENT

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## ABSTRACT

*This article highlights the values, vision, mission and socio-economic objectives of few successful companies that have succeeded in the past, and that will succeed in the future also if they continue to stick to those values*

## Introduction

Whose interest is paramount in the minds of today's Managers?

A survey was conducted in the Developing countries all over the world, where senior executives were asked, who they work for. The vast majority said as follows:

- Customers, because, we cannot exist without them.
- Majority of them pointed their right to their heart and said they work for themselves, "the capital, 'I'".
- They said the people who work with them are like our own children.
- Then they said: "Their colleagues were very important".
- They said: "all executives in their company".

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- Next they said other employees.
- Then only came the turn of their bosses and majority owners of the company.

After this came the minority shareholders, the immediate community, the Government, the International Community, etc. It could be seen that customers and Employees were the most important. The fund providers in this scheme of things do not have any role to play. It is important that care has to be taken of customers and employees, without which, it would be well highly impossible to produce a good bottom line which can satisfy the providers of funds, the minority and majority shareholders and the money and capital markers and the institutions who belong to them.

As a matter of fact, one has to take care of the balance and the best interests of all the constituencies, which depend on the organisation- (business, industry, or others), contribute to its efficiency, effectiveness, thus contributing to the bottom line. We just do not have one bottom line, we have three or four bottoms lines: one to work economically, two to work legally, three to work ethically, four to work philanthropically, and five to work in an eco-friendly manner.

How do we take care of the balanced interests of our shareholders?

### Customers

This means we should satisfy our customers by giving more value for their money and make sufficient money to take care of our shareholders. We should also pay our suppliers in time and give them consistent orders for execution. Also, pay them in time for the purchases made. We must give our exact specifications and dilly-dally and go on making changes.

### Our Employees

Our employees should feel it worthwhile working with us in terms of getting good emoluments, learning, challenges on the job, opportunity for growth, happy working conditions. We should be concerned about their quality of life both at home and at work. Failure to do this (on the part of the company) results in disturbance of social equilibrium ending in drunkenness, depression, divorce, etc.

### Local, State and Central Government

The company should fulfill its obligation to the Local, State, and Central Governments by following laws, paying taxes, and fulfilling ecological responsibilities.

## Immediate Community

It has its responsibilities to its immediate Community and it should do all it can to make people in the vicinity happy. The Company should make every effort to provide the community - quality of life by keeping the air and water clean.

## World at large - Communities and Government

In today's context, it has to keep in mind its responsibility to the world at large in the light of globalisation.

## Ethics and More - Philanthropy

Companies also have a philanthropic responsibility in having to provide health, education, sports and cultural amenities. Responsible business houses have gone ahead with building well equipped hospitals, schools, colleges, universities, and other social infrastructure.

## The primacy of the customer - In Glaxo

Even in ordinary economic terms, the Customer is King. The company has informed and motivated customers. In affluent societies, consumers have more money, more time, more computing communications, technology facilities on their desktops than NASA had in its entire Mercury and Gemini programmes. Their health information urge cannot be satisfied. They are not content by staying away from hospitals and doctor's clinics. If the pharmacy industry could safely help them achieve their life style - throwing away glass after R K (laser) surgery, a thicker head of hair, an active sex life - they would seek out information about it and accept it.

They have a financial interest in becoming better health care consumers. This is due to cost shifting from payers - increased deductibles, higher co-pays; they are assuming greater financial responsibility for their health. This leads to a desire for a greater role in decision-making about health care and a greater demand for good value. The search of good value will in turn increase the importance of standardised quality of life measures and patient satisfaction measures.

## More vocal customers

Not surprisingly consumers have become more vocal on matters related to health care. They are joining others of like mind to influence health care policy-making. There are more advocacy groups now than ever before represented at

the professional and governmental level. The pharmaceutical industry's key criteria for success are

- \* Differentiating brands
- \* Proving their value
- \* Persuading various constituencies to make them available.
- \* Replenishing our detail bag through new science.

Of these the most critical are scientific innovation and proving value. If we succeed here, brand differentiation and access issues will take care of themselves. Innovation and value are interwoven.

## Hitachi

This company's vision is symbolised by its brands, which are becoming an increasingly important management resource for winning out in an age when "mega global competition" is the thinking of the day. Hitachi is introducing a new brand management designed to increase value of Hitachi brands and make it the customer choice. This will provide impetus to the promotion of a structure that continues to create corporate values, and make it possible to provide products, systems, and services that go a long way toward helping in the achievement of the goals of Hitachi.

## GE

Jack Welch believed GE should be Number 1 or 2 in its field. If you are number four or five, he says, if number one sneezes, you will suffer from severe pneumonia. According to him this should be achieved by using the following:

- \* Cultivate managers with a vision
- \* Stop managing, start leading
- \* Face reality, then act decisively, face reality
- \* Be simple and consistent, and hammer your message home.

Don't focus on numbers. GE's philosophy and company's value is represented by three measurements:

- \* Customer Satisfaction
- \* Employee Satisfaction
- \* Cash Flow - Liquidity

## MERCK

Three major challenges faced by E Merck are:

- \* Patent expirations.
- \* Meeting the challenges of the market place.
- \* Cost containment in health care.

At Merck we take seriously our duty to respond to these questions directly and forthrightly. The four questions are:

- \* Why do medicines cost so much ?
- \* Why are medicines less expensive in other nations ?
- \* Why pharmaceutical companies make so much money ?
- \* Why are pharmaceutical costs rising so quickly ?

Company's success will be driven by:

- \* Fifteen new medicines.
- \* The success of breakthrough in research-the strength of scientific research and clinical studies, which prove that company's medicines are safe, effective, and provide genuine value.
- \* Company's excellent capabilities in manufacturing and marketing and our relations built on trust and credibility.
- \* Proven health management solutions.
- \* Strategy for growth is based on breakthrough research and demonstrating value of medicines. It is straightforward, it is simple - and it works.

## Mitsubishi

The company has set targets in three vital areas:

- \* Prevention of the global warming.
- \* Promotion resources conservation, recycling and reduction of industrial waste.
- \* Control of chemical substances.

Working together to create a more compassionate society

Mitsubishi would like to achieve this strategy by the following:

"People working together, cooperating to create a circle of care and understanding that will spread from person to person, city to city, and around the globe. This is based on the corporate philosophy of "contributing to the betterment of society through the use of technology excellence".

## PEPSICO'S Overall Mission

- \* The Company's overall mission is to increase the value of their shareholder's investment. They do this by sales growth, cost controls, and investment of resources.
- \* They believe that their commercial success depends upon offering quality and value to consumers and customers, providing products that are safe, wholesome, economically efficient, and environmentally sound.
- \* And providing a fair return to the investors while adhering to the highest standards of integrity.
- \* Company is substantially committed to environmental issues.
- \* The company's success reflects its continuing commitment to growth.
- \* The company focus is on those businesses where it can drive our growth and create opportunities.
- \* Pepsico believes that as a corporate citizen, it has responsibility to contribute to the quality of life to the community.
- \* This philosophy is put into action through support of social agencies, projects and programmes.

## PROCTER AND GAMBLE

At Procter and Gamble, the company works hard to understand customers. In fact, Procter and Gamble has long been on the leading edge of customer research. This company was the first to use full time professionals to study consumer needs and pioneer many research techniques that are widely used across the world, and today, the company interacts with 7 million customers a year, worldwide.

## SATURN Ultimate Vision

- \* The unique corporate culture would become an integrated element in the construction of high quality - low cost cars.
- \* Engineers from manufacturing would work with design engineers in a simultaneous engineering environment, enabling them to dramatically cut manufacturing costs.

- \* The design would involve input and consensus from numerous constituents of Vehicles Systems Management- assemblies of twelve to fifteen people from marketing, finance, product and manufacturing engineering.
- \* In the absence of corporate dictators, the opportunity for chaos was abundant. To deal with massive amount of inputs, engineers, typically used "issue lists" to define problems and aid in the formulation of solutions. Single word descriptors defined individual roles. They ranged from "informed" at the bottom to "support", "responsible and accountable" at the top. When stalled in the problems, outside "facilitators" worked with engineering teams to identify the stumbling blocks.
- \* Yet the ultimate vision for the vehicles flowed from the top.

## Conclusion

Here we have tried to bring out the values, vision, mission, and socio-economic objectives of a few companies, who have left footprints on the sands of time. They have succeeded in the past and will succeed in the future; if they stick to these values (so far as they are appropriate to the times, which are changing). The values give direction to the company from top to bottom. They tell them where are we going, and how do we reach there.