

# CHALLENGER COMPANIES AND CONSORTIUM TEAMS MADE FOR EACH OTHER

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## THE LONG VIEW OF ASIAN BUSINESS - OVERTURNING THE ESTABLISHED ECONOMIC ORDER

The current decade promises to be a challenging one for businesses in Asia. Underway is an over-turning of the established economic order of the past three decades. Economic power is surely shifting eastwards with China and India as the big power-houses of Asia and the world. Indonesia waits in the wings for its place in the BRICS story. The decades of the 1970s, 1980s and 1990s saw the emergence of Japan, Taiwan and South Korea as export-led economies which catapulted themselves into the league table of the world's wealthy nations. Apart from nationalistic economic policies, their growth was powered by the emergence of big business groups and giant global corporations and banks from these countries. Something similar is taking place now with the growth of a new set of Chinese, Indian and Indonesian conglomerates that are shaking up the global order in a number of sectors.

As the Asian economies grow, there are opportunities aplenty. Japan, South Korea and Taiwan are small countries with small populations. However, the new big three of Asia - China, India and Indonesia - are huge countries in terms of both geographic area and population size. Their economic growth model needs the growth of exports as well as domestic consumption. Here, the turmoil in the developed world of the United States and Europe and their economic challenges makes the focus on domestic consumption growth an imperative for Asian economies. Therein arises the opportunities for Asian businesses and non-profits - to create new enterprises as well as to grow existing enterprises, by addressing the latent and unmet needs and desires of Asia's billions of consumers.

## THE NATURE OF BUSINESS ENTERPRISES IN ASIA – CHALLENGERS VS. INCUMBENTS

Economic growth in Asia through the 1990s and 2000s was powered by home grown enterprises rather than multi-national or global firms. In India, pretty much every sector that was opened up to competition saw the rapid rise of professionally managed and run Indian firms. The telecom sector saw the rise of Bharti-Airtel, Tata group, Birla group with the IDEA brand competing head to head with Vodafone and others. ITC, Dabur, Godrej Group, Cavin Kare, Emami, Britannia, Mother Dairy, Amul, and Piramal Healthcare are just some of the corporate groups each with a large portfolio of products and brands that have grown rapidly. In sector after sector, these Indian firms have first entered as challengers to the established incumbents (global firms in many cases, Indian firms in others) and have over a period of time managed to unseat the incumbent or to take significant market share away from them. The picture could be similar in China, Indonesia and Thailand also. Local business conglomerates are the leaders in Korea and Japan. They have made the transition to becoming global competitors themselves.

We foresee this structure continuing to develop further in the next decade. As the policy and strategy focus on economic growth via domestic consumption continues, there will be an exponential growth of local business enterprise. Business enterprise is now aspirational, young professional managers aspire to start a venture of their own and hope to grow super-rich within a decade or so. Asia also has a historically developed cultural class of merchants and business people who will thrive even more in the coming years. The Challenger vs. Incumbent battle is likely to be the mainstay of business warfare in the forthcoming future too, with a resultant emphasis on consumer and market intelligence plus insight.

## THE ROLE OF THE CONSUMER AND MARKET INSIGHT FUNCTION IN A HYPER-COMPETITIVE ENVIRONMENT

The value of a function is best understood when one imagines life without it. Could business enterprises function effectively if the consumer and market insight function were removed from the organization and the service sector did not exist? What aspects of their functioning could be handicapped, if at all and in what manner?

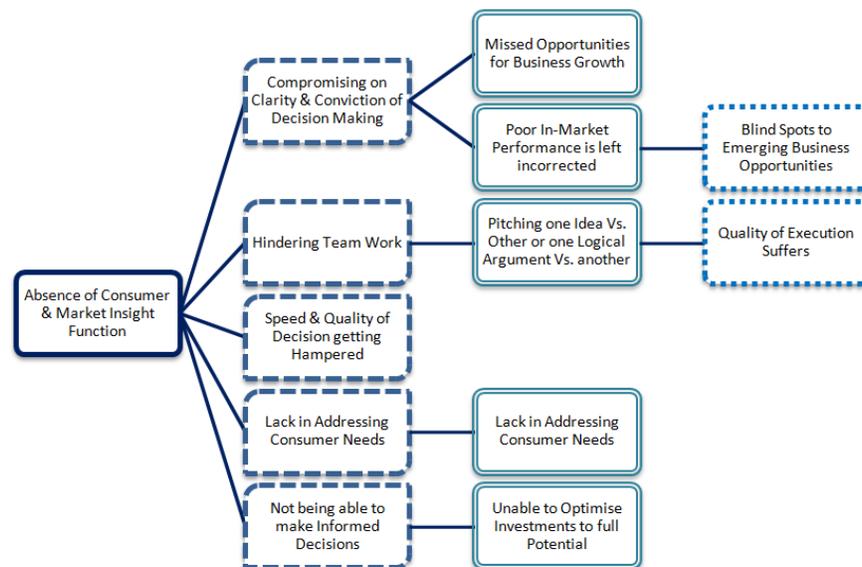
We spoke to a cross-section of decision-makers across the spectrum - marketing heads, consumer insight managers, research service providers, advertising agency heads and independent graphic design firms. These span a good part of the spectrum of marketing services specialists that clients would engage with in the course of planning and executing their marketing activities. A range of views were presented (summarized in figure 1) including:

- In the absence of timely and accurate, market and consumer information, the clarity and conviction of decision-making would be compromised, leading in turn to missed opportunities for business growth. In some cases, poor in-market performance would not be diagnosed and corrected while in others, there would be blind spots to emerging business opportunities.
- Consumer information plays a vital role in aligning the organization itself behind marketing decisions. In the absence of consumer information, every decision is perceived as an issue to be addressed by one idea vs. another or one logical argument vs. another. Teams are divided and battle one another on all matters. Team work is hindered and quality of execution suffers.
- In the absence of market and consumer information, both speed and quality of decisions would be adversely impacted.
- Companies would do a poor job of addressing consumer needs via products, brands and communication leading to low satisfaction.
- Without high quality consumer and market information, decision makers would be shooting in the dark. In such a case, many investments are not optimized and are potentially wasteful, especially those in media advertising.

In short, consumer and market research has a vital role to play in effective marketing and for business growth. It is a critical function whose absence can compromise business success significantly. Therefore, we can expect business to continue to invest behind this function, in line with their revenue and profit growth.

As businesses search for an 'extra edge' vis-à-vis their competitors to drive their growth, they will expect more than plain vanilla information or insight, efficiently and accurately gathered. Today's latent need for 'beyond insight' research will become a stated expectation for value added solutions. (See figure 1.)

**FIGURE 1, POTENTIAL DANGER OF NOT HAVING A CONSUMER AND MARKET INSIGHT FUNCTION**



### THE SUPPLIER-SCAPE OF THE FUTURE

We foresee the aspiration for entrepreneurship in Asia to impact the research industry too. Many experienced professionals are likely to move on from large firms to start their own ventures. The research industry will also draw in entrepreneurs from outside the sector, especially in the emerging areas of digital/internet based research as well as design research. These are likely to be growth areas in Asia as well, not just in the rest of the world. These developments would reshape the supplier-scape of the future which would comprise:

#### The big and beautiful – The large firm

The most established and familiar form of research supplier is the large market research firm which has multiple specializations and verticals under a single umbrella. These include specializations by types of research (qualitative, quantitative, tracking studies, etc) and by sector (IT, Telecom, Automotive, FMCG, etc.). Analogous to the large hospitals to which a patient can go for whatever type of ailment he may have, a client can have all of his research needs serviced through these firms.

This form offers clients the maximum comfort as the firms have the scale to undertake large sample size, multiple center studies, the brand name to establish credibility of findings throughout the organization as well as to attract and retain

researchers of a minimum caliber. They are stable entities with established processes for quality control on data gathering and data analysis.

In addition, they are also believed to have better category related learning, offer a wide range of tools and models, have a normative database that helps in benchmarking and access to global best practice. All these advantages contribute to the perception that when it comes to market and consumer research suppliers, big is indeed beautiful.

*“Larger research firms have the capability to take up work which is of high scale given they have better systems and processes to manage these. However, the quality of insights and the in-depth learning are amiss across most agencies. Smaller players do a better job and provide better, more personalized servicing and provide good inputs in terms of insights. However, they are constrained by the scale of the projects they can do as well as the number that they can handle. Also most of these being qualitative in nature are unable to provide a holistic solution to the problem.”* Consumer Insights head of a very large Indian organization

However, large firms also have certain limitations which can create a frustrating and unsatisfactory experience when working with them.

- They can be bureaucratic and inflexible, especially as regards the time that it would take to complete a study.
- Quality of insights and depth of consumer understanding can often be missing.
- Quality of talent that is actually working on the assignment is not good enough – juniors with very few years of experience are put to work on complex and critical assignments. There is limited involvement of senior and experienced researchers.
- Lack of actionability – even after investing a lot of time and money in conducting an extensive research study, the solutions are not clear. The study raises more questions than it answers.
- Too much category experience leads to presumptions of knowledge even before the study commences. The study is then designed to prove the starting assumptions rather than approach the problem with a fresh mind to garner fresh insights and perspectives.
- Seniors are not hands on and the study becomes an exercise for its own sake rather than function as an input to arriving at a marketing solution that can be effectively implemented.

*“I prefer going with the experts in every area rather than the single firm model. The way the research industry has developed is the disciplinary excellence approach therefore, knowledge both structured (norms etc.) and unstructured (experience and people) tends to be concentrated in certain pockets. Lazy organizations / organizations that are outsourcing the insight function tend to prefer the single firm model but it effectively breeds a set of category / brand experts outside of the organization structure without necessarily building research excellence.”*...Marketing Head of a JV between a large Indian industrial house and a MNC

*“There is no doubt in my mind that only the boutique, hands on, owner driven firms work and deliver a unique work product and workable solution. I/We are 100% turned off by large consulting/research firms who are hardly hands on, intimate and a no show as executors. Desktop research is not what we seek and we don't pay heed to advice without execution support.”*...Chief of an Indian challenger organization

Despite these limitations, “No one ever got fired for hiring IBM” is an adage that holds true in this case too. It can be surmised that wherever there is a requirement for large scale, fairly standardized information gathering to established quality standards, large market research firms will continue to be seen as the most suitable supplier type. Going into the future, the large firm will continue to be the incumbent leader of the industry.

### **Small is beautiful – The boutique firm**

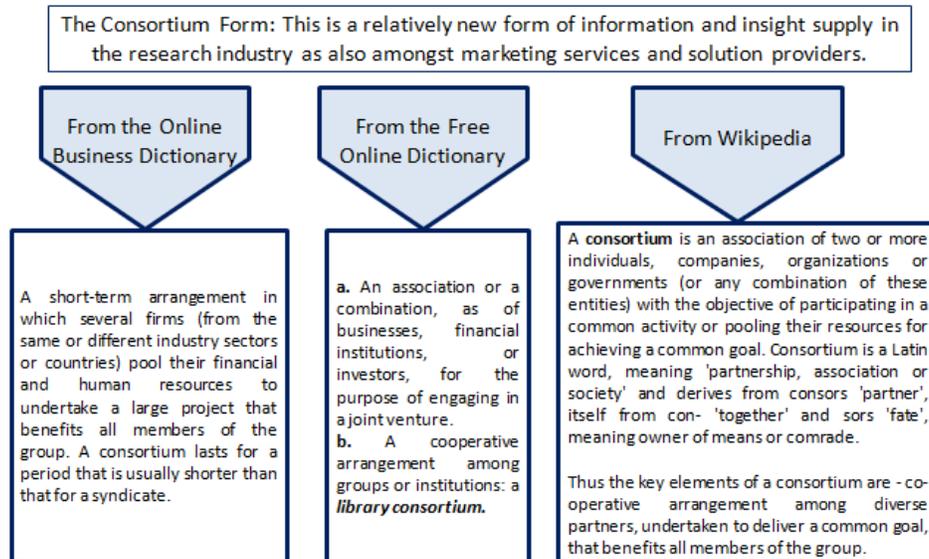
The second most familiar form in the market research sector is the small or boutique firm. Typically, these have been started by senior or experienced professionals who wish to strike out on their own and offer a more specialized service in a specific area of consumer insight or knowledge or who wish to provide a higher level of customized and personalized service tailored to client needs.

The strengths of small firms are also well known and well accepted, being much in line with the founders' intent. The weaknesses are essentially to do with scale and size; also small firms are expected to operate largely in the qualitative research arena.

### The new kid on the block - The consortium

This is a relatively new form of information and insight supply in the research industry as also amongst marketing services and solution providers. As a new kind of supplier format, it becomes important to understand what it is as well as what it is not. (See figure 2.)

FIGURE 2, CONSORTIUM FORM: THE DEFINITION



Thus the key elements of a consortium are - co-operative arrangement among diverse partners, undertaken to deliver a common goal that benefits all members of the group.

### CONSORTIUM VS. OUTSOURCING VS. FREELANCING

#### Freelancing

Large firms often use freelance researchers or area experts as a part of their extended team for projects. This may be due to the firm wishing to keep its employee base lean with an extended pool of independents to draw from depending upon need. Due to lack of internal capacity or expertise for a specific assignment, the large firm engages freelancers on projects. The key point here is that the brand and firm that the client is hiring is the large firm. The freelance resource, even if he/she is a discipline expert, is white carded to the client. They are absorbed into the internal project team of the firm and the client only gets the final output of the large firm's team on his assignment.

#### Outsourcing

In the outsourcing instance, the client relationship is with the lead firm. Due to reasons of lack of capacity or specific capability in-house, this lead firm engages with another firm or individual to carry out that part of the work. However, the client may or may not know about this arrangement. The firms or individuals to whom parts of the project work are outsourced are part of the value chain. They do not have direct client interface nor is their branding material furnished to the client.

Also, these independents who are working on the assignment may not even know who the others are or interact with one another. The lead firm typically functions as the consolidator.

#### Consortium

Only in the case of the consortium are all the members treated as equals and experts and their expertise is showcased to the client. The branding of the partners is shared with the client. It is part of the value proposition of the consortium that the client is securing access to a group of experts to work on his challenge and goals.

### THE APPEAL AND BENEFITS OF THE CONSORTIUM MODEL TO CLIENTS

The concept of a "consortium" in the research and marketing services sector is appealing to clients for several reasons. However, they also foresee several challenges in translating the promise and potential of a consortium (in theory) into actual benefits and value in practice.

The foremost source of appeal is the coming together of diverse functional experts on a voluntary basis, to work on a client's issues and goals. The second is the taking forward of consumer insights in a coherent and integrated manner across product, packaging and communication directions.

Clients expect that a consortium would consist of senior and experienced people. As these senior experts are concerned with their own reputation and image as well, they are likely to put their best foot forward with each other and with the client for accomplishing the common goal. Unlike the freelance and outsourced expert formats, in the consortium, the client gets to interact directly with the experts and is thus able to influence and engage with them directly. Secondly, it is possible to create a marketing solutions consortium and not just a research consortium. In this instance, there is greater potential for the research insights to be taken forward into more compelling creative marketing material for the brand. Thus the consortium can deliver greater research ROI by making the insights more actionable.

In short, "My challenge" will be addressed by senior and experienced minds working together collaboratively – that is the most compelling promise of the consortium form for clients.

### **BENEFITS OF A RESEARCH/MARKETING SOLUTIONS CONSORTIUM TO CLIENTS**

The obvious benefits are captured in the concept appeal described above. However, some of the less obvious but equally compelling benefits are:

- Ability to pay for the time costs of the experts but not the fixed costs/overheads of large firms. This could make a similar sized engagement deliver greater ROI for a client.
- Easy access to expertise that the client need not orchestrate and put together. Typically, large companies and market leaders in the sector, due to their large budgets and clout, are able to access and assemble top talent from the marketing services sector to work for them. They also tend to rely on competitive gamesmanship to get the most out of these supplier firms for their business. On the other hand, medium sized firms or new entrants to a sector typically do not have the budgets or the clout to assemble such a group of senior and expert resource to focus on their problems. The consortium presents a readymade and easy platform of access.
- Availability of an alternative format for executing large scale projects. It takes far less time to assemble and integrate a group of small/mid-size boutique marketing services firms into a consortium than for a boutique firm to grow in size to become a large firm.

### **WHY AGGREGATE AND INTEGRATE?**

#### **THE APPEAL AND BENEFITS OF A CONSORTIUM TO THE POTENTIAL PARTNERS**

There are several factors, both practical and emotional, that propel small and medium sized firms in the research and marketing services sectors to come together and form a consortium.

- The first is the ambition for business growth coupled with a shortage of talent. The talent shortage/difficulty of access often sets the limits to growth for boutique firms. Participating in a consortium removes this barrier to growth.
- The aspiration for entrepreneurship means that many senior professionals would rather not give up their autonomy and ownership as independent firms to merge with or become employees of their rival firms. Participating in a consortium allows for retention of autonomy while working with like-minded senior professionals.
- Senior professionals have a desire to carry out complex assignments and cutting edge work that is both intellectually rewarding and reputation building. However, as boutique firms and having a singular expertise, they are unable to compete when the client is seeking an end-to-end solution. Participating in a consortium makes the firms more competitive for a larger pool of work.

Aside from these softer, more emotional factors, there are practical enablers as well:

- Ease of setting up a consortium from a financial and legal stand point;
- Low establishment costs, as the model is fundamentally based on resource sharing between partners and in certain cases, 'renting' certain resources/tools available within the consortium;
- Low gestation/set up time as the consortium consists of already established partners who have a certain equity and reputation in the market;
- The model nourishes an effective invisible sales force. Unlike a traditional organization where the senior management layer includes the rain-makers and business getters, in a consortium each partner is a potential business getter.

Given the hyper-competitive business environment in Asia, the emergence of more and more challenger companies in every sector, the shortage of talent and the aspiration for entrepreneurship, we believe that the Consortium Model is one whose time has come. It presents the way of the future in the research and marketing services sector.

## ILLUSTRATION THROUGH THREE DIFFERENT TYPES OF CASE STUDIES

### **Case Study 1: A leading MNC in the beverages sector exploring a new product segment in the Indian market**

The client had approached the brand consulting firm for strategy development for their proposed new entry into the market. The approach for strategy development necessitated the use of several modules of qualitative research done innovatively to address strategic questions and concerns as well as provide fresh insights – all within an aggressive time line. The client had some initial discomfort with the consortium model for a couple of reasons – a) the boutique qualitative research firm was not known to them, the firm was not part of their roster of established agencies; b) transparency of costs and benchmarking to their norms; c) co-ordination and quality control assurance, especially the objectivity of feedback. However when all of these concerns were addressed, they saw the value of the consortium model for their specific challenge viz that the integrated working and team spirit was more likely to yield the freshness of insights that they were looking for. They did not open up the research in the project to a pitch or to bring in the MNC agencies. The space was opened up without a direct fight.

### **Case Study 2: A leading Indian challenger company in the technical education sector was faced with declining growth and needed brand health diagnostics as well as a new growth strategy**

The client was consulting with his advertising agency which also functioned as his marketing partner. The teams had gone through many hours of discussion and many alternatives were on the table, both in terms of reasons for decline and in terms of the way forward for future growth. The ad agency approached the brand consulting firm for specialist expertise and the consulting firm in turn proposed that we work with a specialist, boutique quantitative research firm to gather high quality, quantitative information to conclusively answer many of questions under debate and have a sound basis for developing the growth strategy. A consolidated proposal was put together for the client. The client, therefore, did not shop around for research, comparing designs and costs. The research firm was also perceived to add a lot of value beyond the delivery of a standard report/presentation, by being present at the growth strategy workshop sessions as well as by sharing the research findings at the franchisee conference.

### **Case Study 3: An Indian challenger company in the men's textiles sector was exploring brand building as a route to creating business value for its PE owner**

The client had engaged with the brand consulting firm to function as his marketing partner and based upon consumer research; arrive at a differentiated brand positioning. The product itself has very few distinguishing features upon which the brand could be differentiated. It was a tough problem as the market leader is very large and well entrenched with a big advertising and communication budget. The other players spend heavily on celebrities to leverage borrowed equity and halo. The team decided to eschew the celebrity approach as well. The challenger strategy was defined around becoming the brand of choice for small town youth by being a mirror to their aspirations, leveraging consumer truths about the category for the brand. This required excellence in qualitative research to unearth the insights as well as a partnering mindset to work closely with the brand consulting firm to arrive at an actionable strategy. This was achieved through working like a consortium for the benefit of the client.

## CLIENT CONCERNS REGARDING THE POTENTIAL PITFALLS OF THE CONSORTIUM MODEL – DEALING WITH THE NEW VS. THE FAMILIAR

*"In my view Consortium based models would theoretically have strengths of cross functional expertise and viewpoints, decoding of one observation across product, packaging and communication directions and would help generate a higher sense of responsibility and involvement amongst external partners. However, I believe it would be difficult to execute such a model especially with respect to defining responsibilities. Logistical issues of frequency of personal meetings, finding a common time etc. may be other limitations which could impact the overall working in practice."* Chief of a MNC

The potential issues that could arise:

### **Defining responsibilities and accountability – concerns of simplicity, stability, leadership**

There is simplicity in working with a single firm – whether large or small, as there is sure to be an appointed project leader and a single point of contact with the client. This makes the accountability and responsibility clear and not diffused. The project leader is responsible for ensuring delivery of the agreed scope of work and results. A single organization takes the commercial hit or reward in the case of dissatisfaction, failure or success. The single organization wishes to survive in business and is concerned about the ongoing client relationship in a way that a consortium might not be. There is a presumed stability of a single firm, especially a large firm that may not exist in the case of a consortium, as it may be assembled on a case-by-case basis.

There is concern that in case of under-delivery by one of the functional experts in the consortium, how would they be held accountable? And how can the impact of that be overcome? If they are a team of experts, all equal, not placed in a

hierarchy or pecking order, who amongst them is accountable to the client? If all are, then none are. Every group needs a leader and followers to be effective in delivering results. A leader-less group can quickly become a dysfunctional group.

**The rules for collaborative working as well as the chemistry and relationship amongst the partners – the effectiveness of competition vs. collaboration in getting the best results**

Seniors and experts could come with big egos and very soon a battle of ideas and logical arguments could ensue, leaving the client's problem unsolved. Issues of trust and respect could also develop quickly leading to in-fighting and the promise of team work could be belied. There needs to be clear ground rules for collaborative working and a positive chemistry amongst the partners for the group to be creative together and deliver breakthrough solutions to clients. Like-mindedness is key coupled with agreed and transparent ground rules.

**Co-ordination issues amongst the various firms and seniors impacting time lines**

Availability of cross-functional experts and team members for meetings and discussions could be difficult. Even within a hierarchical team with clear authority lines, there could be gaps of communication and access. Working across organizations and levels based on influence not authority could lead to significant delays or mix-ups and errors. Any team intending to form a consortium to pitch for client business needs to address these concerns up front and reassure the client in order to taste success. Otherwise, despite the allure and attractiveness of the promise, the comfort of the familiar is likely to win.

**THE SUPPLIER-SCAPE OF THE FUTURE – POTENTIAL GROWTH TRAJECTORY FOR CONSORTIUMS**

The Consortium Form would need to prove itself first for certain types of projects before it moves on to become an established alternative, a third way, beyond large firms and boutique firms in the research and marketing services sector. To form a clearer picture of a potential growth trajectory, it would help to think about questions such as:

- When are consortiums more relevant?
- For what types of research projects and objectives would the consortium form be more appropriate?
- Is there a greater relevance of consortiums to challenger brands?
- Can research consortiums take on large projects too, ones that involve scale challenges?

**LEADER VS. CHALLENGER SITUATIONS IN THE MARKETPLACE AND THE RELEVANCE OF CONSORTIUMS**

The consensus among clients is that irrespective of whether a brand is a leader or a challenger, a threshold level of aggression is necessary to stay ahead of the competition and to grow faster than the rest. However, the difference between the two competitive situations lies in the imperative for differentiation.

When one enters a new sector as a new entrant and challenger to the incumbents, the need for a compelling point of difference that is also relevant becomes that much greater. The role of research in identifying the opportunity and insight, in redefining segments for a challenger, is much greater than for a leader brand. This is what would give the challenger a sustainable positioning and customer retention vis-à-vis the incumbent brands.

For a client who needs to arrive at a differentiated offering and image as a challenger, the established best practice is to commission the exploratory and concept research through a large research firm and then to put forward the research report to the ad agency to arrive at concepts. However, this is the space where the consortium model of experts could deliver far better results in terms of arriving at an actionable solution. A model where researchers, brand consultants, ad agencies and/or design agencies form a consortium *a priori* and bid for the assignment on a total solution basis could be far more effective for the client. The promise of collective minds of senior experts applied together, leading to breakthrough solutions, is particularly potent in this situation.

Research consortiums could also be relevant for very large scale or very innovative projects. In this case, field experts, tabulation experts, on-line research experts, qualitative researchers and quantitative research firms could come together in a consortium to bid for the work. This could result in superior quality due to the full engagement and commitment of senior managers' expertise to the assignment. There could also be greater checks and balances on field and analysis quality as well as a holistic synthesis of the different components of the total research project.

The consortium model itself is a challenger to the incumbent model of single large firms and its growth trajectory would depend upon finding the right opportunities to prove its efficacy as well as building upon a history of success to gain momentum. In the process, it would need to break some myths and misperceptions too regarding its potential vis-à-vis large firms and boutique firms.

The make-or-break factor for the consortium model is collaborative working amongst the partners and fostering such a culture. Rules of engagement are relatively easy to define and enforce with penalties for divergence. However, culture building represents a greater challenge given the all-round prevalence of the competitive orientation among professionals as well as the hyper-competitive nature of markets. The fear of losing out exerts greater pressure on the minds of professionals, whether clients or consortium partners, than the promise of creating something innovative and successful through team work. Thus, there is merit in focusing on this aspect of consortium building.

## CREATING A CULTURE OF COLLABORATION – MOVING AWAY FROM POWER PLAY AND DESTRUCTIVE COMPETITION TOWARDS TEAMWORK

### **The value of collaboration vs. competition must be recognized and accepted by all the partners**

Collaboration involves the merging of divergent perspectives among parties interested in achieving a mutual goal, interacting in a flat relationship with open access to complete information. Collaborative working yields actionable knowledge held with high conviction. Based on this high conviction knowledge, decisions, actions and outcomes will be positively affected.

True collaboration involves a team in which authority relationships are flat rather than hierarchical. For this reason, true collaboration cannot take place without every team member having open access to all information. Otherwise, the relationship is not flat. True collaboration also requires belief that the shared information is accurate and complete. True collaboration requires trust. While these requirements may seem obvious, they are not easy to meet for most organizations that seek to increase collaboration among employees and other stakeholders. So why go to the trouble?

Because collaboration fosters innovation – not merely the generation of an innovative idea, but the turning of that idea into a source of ongoing commercial value via ingenuity and high quality of implementation.

The shining examples of the fruits of collaborative working are to be found in the field of music and sport. Rock bands produce albums that require instrument experts to compose and create together. Music composers in Hindi cinema have long worked in pairs and their collaborations are legendary – Laxmikant-Pyarelal, Jatin-Lalit, Shankar-Ehsan-Loy. Cricket and football teams that get well and play well together with complete team spirit have a far better track record of success. They create the magic moments of sport as much as the Individual genius of a player or performer does. The success of collaboration and team spirit in the most creative of human endeavor establishes the value of collaborative working beyond all doubt.

### **Collaboration amongst a group of professionals towards a work goal does not instantly or automatically happen, even if they are good friends. A set of rules, structures and platforms need to be worked out as enablers. These would encompass aspects such as business sourcing, reward sharing, cost sharing, work sharing, etc.**

Martha Samuelson, president and CEO of the Analysis Group, a consulting firm, speaks to what collaboration actually looks like on a day-to-day basis in a company. Samuelson addresses the nitty gritty – how do you make it happen? What encourages people to collaborate once the tools are in place? To foster cooperation, the Analysis Group operates as one P&L even though they have 10 offices and multiple practice areas. *“We have a trust-based system for setting partner compensation, and it’s based on a belief that we’re in a long game together.”* Samuelson goes on to state that sometimes they get the compensation a little wrong in the short term, but *“[t]he people who have stayed and thrived have been people for whom this collaboration issue is so important that they’re willing to leave some money on the table over it.”* They are not a precision shop when it comes to getting it exactly right about compensation (which Samuelson notes is ironic since they are economists).

The Analysis Group gets greater accountability from individuals by measuring at the group level than it would if it measured at the level of the individual – current “best practice” in most performance management systems. For people to pull together, to collaborate, they have to be in it together and being in it together means compromise and getting it approximately right (which means it is slightly wrong). In practice, getting sexy yet workable ideas is a messy, nearly right sort of thing that relies on goodwill and trust which take time to establish and can be extinguished in an instant.

### **The motivation for engaging in collaborative behaviours needs to be sustained, even after a group of like-minded and collaboration oriented partners come together for mutual profit or gain**

Prof. Edgar Schein of MIT, Sloan School of Management, writing in his book, *‘Helping’* (2009) argues that the building of trust is a complex communication process in which we gradually test how much the other person will accept us for what we are and not take advantage of us for personal gain. The motive to want to collaborate has to be there for this process to work. And from this perspective, collaboration can be viewed as a mutual helping process. A motive to be mutually

helpful can often be absent amongst experts and authority figures because the larger capitalist framework within which we now operate reifies competitiveness as the key motivator in the work world.

Charles Handy, Professor at the London Business School, points out that in cultivating the motivation to collaborate, the team members have to be willing to down play their own significance in order to create something bigger and better together. They can only do this if they see the collaboration as an opportunity to be part of some greater cause. In trying to understand leader-less collaboration, he asked one of the members of a violin string quartet if they could play the same quartet virtually, if they were connected by a video-conferencing facility that linked them while being physically in different countries. She said that it might be technically possible, but only if they had previously worked together and rehearsed in the same space. The trust and empathy wouldn't be there otherwise. Collaborating teams won't be effective unless they can function in some sense like the violin quartet, where leadership is so subtle as to be invisible; where empathy is the favored way of communicating and where personal rivalry is subsumed in the cause of their joint creation.

### CONCLUDING REMARKS: MYTHS AND MISPERCEPTIONS REGARDING CONSORTIUMS

- As they are an aggregation of small firms, they would not be able to handle large scale projects. Business History has several examples of effective large consortiums. The most well-known is Airbus Industrie, a consortium of French manufacturers in the aerospace sector, set up to compete with Boeing.
- Consortiums are usually based on loose agreements and understanding amongst the partners and hence are unstable entities compared to single firms. Consortiums can be registered as legal entities and have a commercial existence apart from that of the partner firms. This can give it a longevity and stability that is as good as that of a single firm. Leadership change and transition issues are a reality in large firms as much as they are in consortiums and both need to be managed effectively.
- Consortiums would force a client to buy the services of the whole when the requirement is for a single expertise.
- Consortiums have the in-built advantage of combining both flexibility and scale. As each of the partner firms continues to exist as a separate entity in the market with its own equity, the client is free to engage with them for specific needs so long as it lies outside the agreed scope for which the consortium has been formed.

To sum up, consortiums can offer the cumulative experience and scale of the large firm, the flexible and specialist treatment of the small boutique and the low fixed costs benefit of outsourcing. Hence, we believe that the Consortium Model is the next big thing in supply side innovation in the research industry and marketing services sector in Asia. It is an idea whose time has come and it would grow in momentum and strength in the next decade of industry evolution.

*“Another aspect of large agencies is that they are able to bring to the table a certain global perspective or at least that is expected out of them. In reality, there is very limited knowledge & sharing of resources across boundaries. Also a global Client having a multi country presence and going to an agency having multi country presence is justified; and that is a small advantage which a smaller agency may not be able to provide. The Consortium on the other hand brings in the expertise from different areas and in future could be Global in nature too. I don't see a fight at all here.”* Consumer Insights Head of a very large Challenger Indian Organization

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