Decision Making and Problem Solving

Decision Making and Problem Solving

Learning Objective:
Equip with decision-making models, problem-solving methodologies, and risk management strategies to address organizational challenges effectively

Learning Outcomes:

- Apply decision-making models such as SWOT analysis and cost-benefit analysis
- Utilize problem-solving methodologies like root cause analysis and brainstorming for product development and process improvement projects
- Implement risk management and mitigation strategies to address potential threats

Decision Making and Problem Solving

Learning Objectives
- Decision-making models (e.g., SWOT analysis, cost-benefit analysis)
- Problem-solving methodologies (e.g., root cause analysis, brainstorming): Product Development and Process Improvement
- Risk management and mitigation strategies

Application of concepts
- Example: Netflix's Decision-Making Model, TCS Decision-Making Model, Mahindra's Sustainable Decision-Making, Reliance Industries' Strategic Diversification, Coca-Cola's Product Portfolio Decision, IBM's Turnaround Strategy
- Case Study: Decision making at Infosys
- Interactive Exercise - decision-making simulation based on a real-world scenario

Pre read for the session

1. Case Study: Infosys SWOT analysis
   https://drive.google.com/file/d/1ErMaL54OTvWTRq1P6B_Qt7wlYVwgDWCt/view?pli=1
2. Acceptable level of risk while taking decisions during uncertainty
3. Case: The Decision to Implement the Global Delivery Model at Infosys

   https://docs.google.com/document/d/1ydR4wBi7EbRo9Dq3oqNW7VTzXeuNFFCp/edit

4.

Materials:
1. Role cards
2. Flip charts
3. Markers

Learning Objective 1

Decision Making models

Skill Sets to acquire:
Decision making, cost benefit analysis, SWOT analysis

Core Concepts

"*Great leaders are great decision-makers. Anyone can make easy decisions with obvious outcomes … effective leader has capacity to make tough decisions … tremendous uncertainty … make right choice … not sure what it is …*

Sometimes, it's about making a choice so you can move the ball forward, find out whether it is the right choice or not, and adapt accordingly"

Tony Robbins
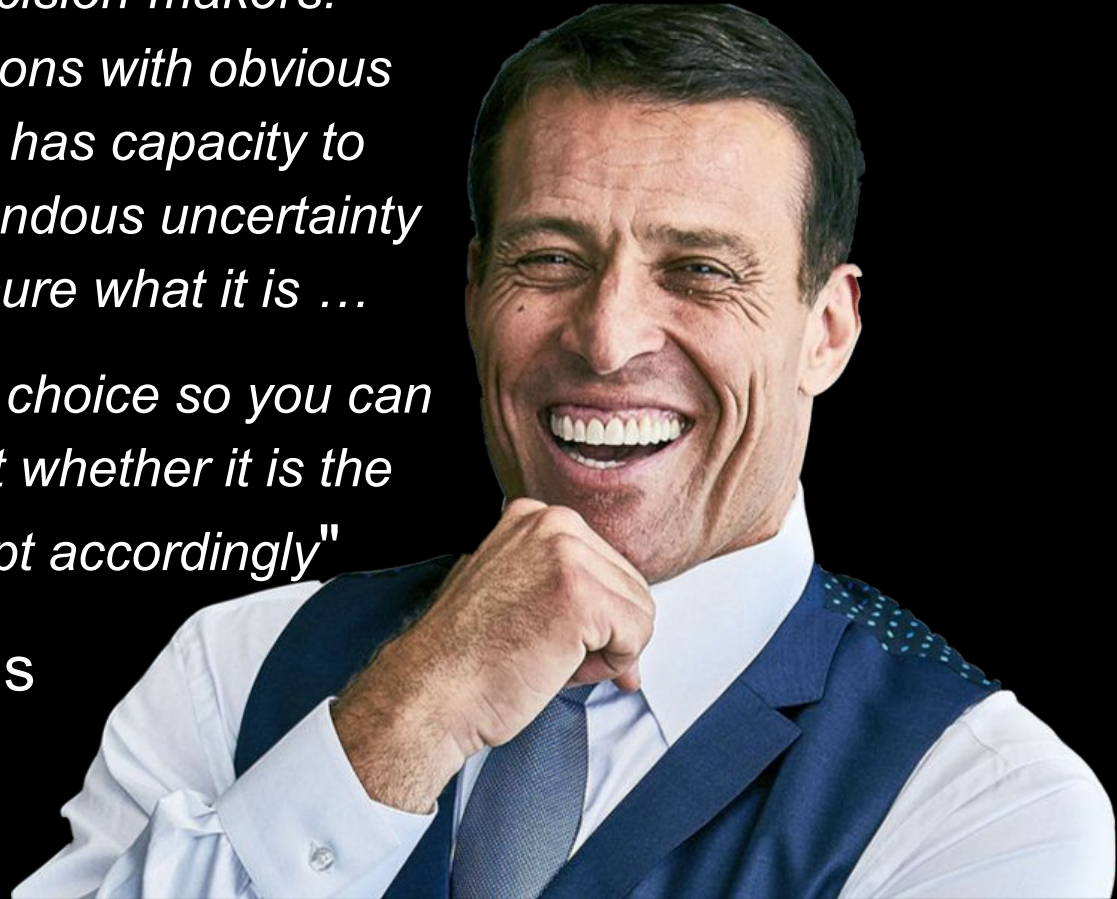
Principles and processes for challenging decision making

- All decision-making should be done in writing
  - Visual element can break chain of conflicting thoughts - Decision, desire, concern
- Be clear about what you want, what the organization goals, values, and priorities are
  - Decision making is simplified when we know outcome desired and why (purpose)
- Decisions are made on probability
  - Analyse available information & make the best choice possible while opportunity exist
- All decision-making should point to organizational value
  - Seek out diverse perspectives, gather information quickly & challenge assumptions

O.O.C.E.M.R. Process for effective Decision Making
https://drive.google.com/drive/u/0/folders/1vxj3VXPU4zgSQ49d43gXl8ZtvZ4X6ncq

Reference: https://real-leaders.com/stories/leadership/tony-robbins-on-how-to-make-tough-decisions/

Why and How of decisions ….

Why Decisions Matter:

- **Impact on Business Outcomes:** Decisions shape the direction of the company and its ability to achieve goals.
- **Risk Management:** Good decision-making processes help in identifying, assessing, and mitigating risks.
- **Resource Allocation:** Effective decisions ensure optimal use of resources, improving efficiency and productivity.

How to Make Effective Decisions:

- **Define the Problem:** Clearly understand and articulate the issue at hand.
- **Gather Information:** Collect relevant data and insights from various sources.
- **Consider Alternatives:** Explore different options and their potential outcomes.
- **Evaluate Risks and Benefits:** Assess the pros and cons of each alternative.
- **Make the Decision:** Choose the best course of action based on the analysis.
- **Implement and Monitor:** Execute the decision and track its impact, making adjustments as necessary

Decision-making Frameworks

SWOT analysis:

Strengths: Identify internal strengths that give your company an advantage.
Weaknesses: Recognize internal weaknesses that need improvement.
Opportunities: Look for external opportunities that your company can capitalize on.
Threats: Be aware of external threats that could harm your business

Cost-benefit analysis - To choose the best investment opportunities (smaller to mid-sized projects that don't take too long to complete) for organization during

- Feasibility of a project or business initiative - whether it meets technical, economic, market criteria
- Business Requirements Documents - what a project entails and what is required for its success

Cost-Benefit Ratio = Sum of Present Value Benefits / Sum of Present Value Costs

Template for SWOT analysis

Strengths

What do you do well?
What unique resources can you draw on?

What do others see as your strengths?

Weaknesses

What could you improve?

Where do you have fewer resources than others?

What are others likely to see as weaknesses?

Opportunities

What opportunities are open to you?

What trends could you take advantage of?

How can you turn your strengths into opportunities?

Threats

What threats could harm you?

What is your competition doing?

What threats do your weaknesses expose you to?

Addressing Concerns and Resistance

How to Confront "I'm worried this won't work out because …":

1. **Acknowledge the Concern:**
   - "I understand your concern about potential challenges."
2. **Seek Specifics:**
   - "Can you elaborate on what specific aspects you're worried about?"
3. **Provide Evidence:**
   - "Here are some case studies/data showing how similar initiatives have succeeded."
4. **Offer Support:**
   - "We'll provide the necessary resources/training to address these challenges."
5. **Plan for Contingencies:**
   - "We have a plan B to mitigate risks if things don't go as expected."

Addressing Concerns and Resistance

How to Confront "I don't want to try this because …":

1. **Understand the Reason:**
   - "Can you share why you feel hesitant about trying this?"
2. **Highlight Benefits:**
   - "Here are the potential benefits of trying this approach."
3. **Address Fears:**
   - "What specific outcomes are you concerned about? Let's address them together."
4. **Share Success Stories:**
   - "Other teams/companies have tried this with great success, here's how…"
5. **Start Small:**
   - "Let's pilot this on a small scale first to see how it works before a full rollout."

Example: Zuckerberg's discussion of buying Instagram

Zukerberg bought Instagram for $1B in 2012. All the analysts gave him flak for overpaying. It's worth $100B in 2024. Instagram acquisition ended up being one of the greatest of all time.

In 20 minutes of email from Ebersman, Zuckerberg replies

"will only be a finite amount of social mechanics to invent and once they have been invented, it is hard for someone else to supplant them"

Emails: https://drive.google.com/drive/u/0/folders/1vxj3VXPU4zgSQ49d43gXI8ZtvZ4X6ncq

Source: https://twitter.com/ProfPaulNary/status/1781340063332438019?

Netflix's decision making - Original content creation

Netflix relies extensively on data analytics and consumer insights to drive its business decisions, including original content creation, pricing strategies, and user experience enhancements. As Netflix transitioned from a DVD rental service to a streaming platform, it recognized the importance of compelling content to attract and retain subscribers. The decision to invest in original content was a strategic move to differentiate itself in the competitive streaming market.

Data Analysis and Insights:

- **Audience Preferences:** Netflix analyzed viewing patterns, user ratings, and demographic data to understand what types of content resonated most with subscribers.
- **Market Trends:** They monitored trends in entertainment consumption, such as the shift towards binge-watching and the popularity of specific genres.
- **Cost-Benefit Analysis:** Utilizing data on production costs, viewer retention rates, and subscriber growth, Netflix evaluated the potential return on investment (ROI) for original content compared to licensing existing content.

Execution:
- Armed with data insights, Netflix greenlit original series like "House of Cards" and "Orange Is the New Black," which received critical acclaim and attracted a dedicated audience. This success validated their data-driven approach to content creation.

Netflix's approach enabled them to innovate while minimizing the uncertainty typically associated with creative industries. Their ability to offer unique, high-quality original content not only attracted subscribers but also differentiated Netflix from competitors.

TCS's Strategic Investments in Digital Technologies

Examples of Market Insights:

- **Cloud Computing Adoption:** TCS observed a rapid increase in organizations migrating their IT infrastructure to cloud platforms to enhance scalability, reduce costs, and improve agility.
- **AI and Automation:** They noted growing demand for AI-driven solutions to automate business processes, enhance decision-making capabilities, and improve customer engagement.
- **Blockchain in Financial Services:** Recognizing the potential of blockchain technology, TCS identified opportunities in financial services for applications such as secure transactions, fraud prevention, and decentralized finance.

$100 M Investment in AI and Automation solutions: to automate repetitive tasks, improve process efficiency, and deliver faster turnaround times for client projects. ROI was measured through reduced operational costs and enhanced productivity by measuring the accuracy and performance of AI models deployed against preferred benchmarks

$ 200 M in Expansion in Cloud infra and Services: enhanced scalability, security, and flexibility for clients migrating to cloud platforms. The investment facilitated faster deployment of applications and services, leading to increased client satisfaction and retention.

Metrics such as incident response time and vulnerability remediation rate in are used to gauge the effectiveness of cybersecurity measures implemented for client data protection.

Blockchain Solutions Development: TCS invested $50 million in developing blockchain solutions for supply chain management and financial services. to enhanced trust, reduced fraud, and improved operational transparency across industries, driving adoption and revenue growth.

TCS tailors its digital solutions to address unique business needs. For example, in healthcare, they focus on data security and patient care efficiency, while in retail, they prioritize enhancing customer experience and supply chain management

Mahindra's EV initiative

Mahindra's Electric Vehicles (EVs) Initiative was strategic and comprehensive, focusing on innovation, partnerships, and leveraging government support to transition towards electric mobility. Mahindra and its partners invested approximately $1 billion in the EV initiative. This investment covered R&D, infrastructure development, manufacturing facilities, and marketing efforts.

1. **Battery tech development ($200 million)**: Battery costs were as high as $300 per kWh, with ranges limited to about 100-150 km per charge. Joint ventures and strategic alliances to co-develop high-performance lithium-ion batteries. Mahindra partnered with leading global battery manufacturers such as LG Chem and Samsung SDI to leverage their advanced technology and expertise.

   Investment in R&D to improve battery chemistry, enhance energy density, and reduce costs. R&D investments and partnerships helped reduce battery costs to around $150 per kWh, doubling the range to 300-400 km per charge.

2. **Technology & supply chain optimization ($150 million)**: The cost of EVs was 20-30% higher than conventional vehicles. Economies of scale from increased production, government incentives, and optimizing the supply chain reduced costs, making EVs price-competitive. Collaboration with technology firms like Bosch, Siemens, and Qualcomm to incorporate state-of-the-art technologies into Mahindra's EVs. Leveraging technology firm expertise to enhance vehicle efficiency, safety, and user experience.

3. **Infrastructure development ($250 million)** including installation and maintenance: There were fewer than 500 public charging stations in India. Collaboration with Tata Power, Indian Oil, and various state electricity boards to install charging stations in urban and rural areas Mahindra's collaborations resulted in the establishment of over 5,000 charging stations by 2023. Engaging in public-private partnerships (PPPs) to leverage government support and funding for infrastructure projects

Consumer Awareness: Running campaigns to educate consumers about the benefits of EVs and addressing concerns related to cost and performance.

Time Frame for Mahindra's EV initiative

The development of Mahindra's EV ecosystem has been ongoing for over a decade. Key milestones include:

2007: Acquisition of Reva Electric Car Company, marking Mahindra's entry into the electric vehicle market.

2010-2015: Intensive R&D phase, focusing on developing EV technologies and infrastructure partnerships.

2016: Launch of the Mahindra eVerito, the company's first electric sedan, followed by other models such as the e2o Plus and the electric three-wheeler Treo.

2018: Establishment of a dedicated EV manufacturing facility in Bangalore.

2019-2023: Expansion of the EV product range, including commercial vehicles, and further development of the charging infrastructure network.

Common follow-up questions

1. How can organizations effectively prioritize which factors to focus on within each category of a SWOT analysis?
2. How do non-financial factors, such as strategic alignment or customer impact, factor into your organization's cost-benefit analyses?
3. Can you discuss a time when unforeseen ethical considerations emerged during the decision-making process, and how they were addressed? What frameworks or guidelines does your organization use to navigate ethical dilemmas in decision-making?
4. How do you communicate decision rationale and potential outcomes to stakeholders when uncertainties are involved?
5. What factors do you consider when assessing the sustainability and resilience of decisions over time?

Assessment

Assignment 1

What is the primary purpose of conducting a SWOT analysis?

A) To identify strategic objectives for the organization

B) To evaluate the financial viability of projects

C) To assess internal capabilities and external opportunities and threats

D) To predict future market trends

Assignment 2

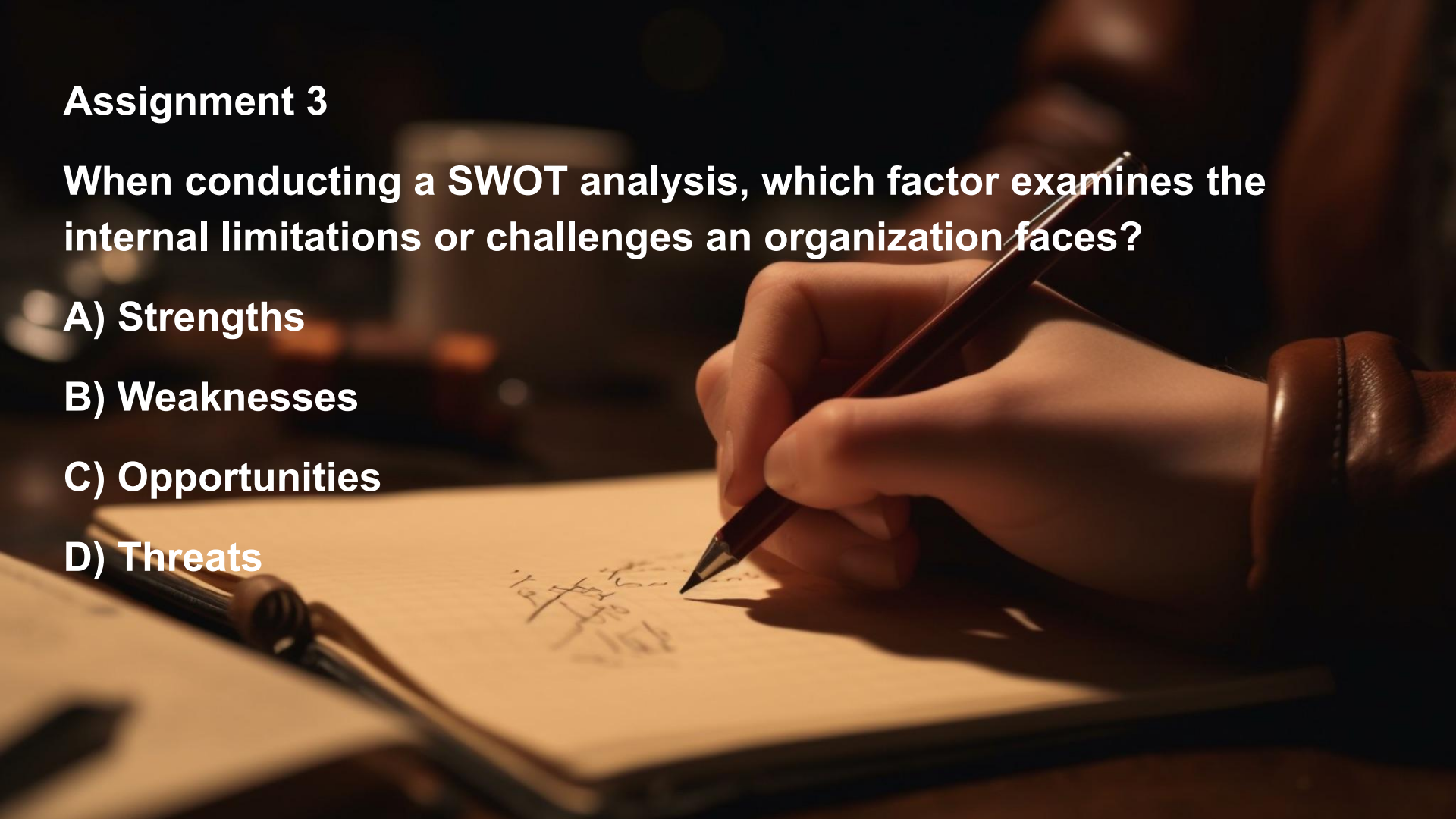In a cost-benefit analysis, what does a positive net present value (NPV) indicate?

A) The project is financially viable and should be pursued

B) The project will result in significant market share gains

C) The project is low-risk

D) The project has no significant financial impact
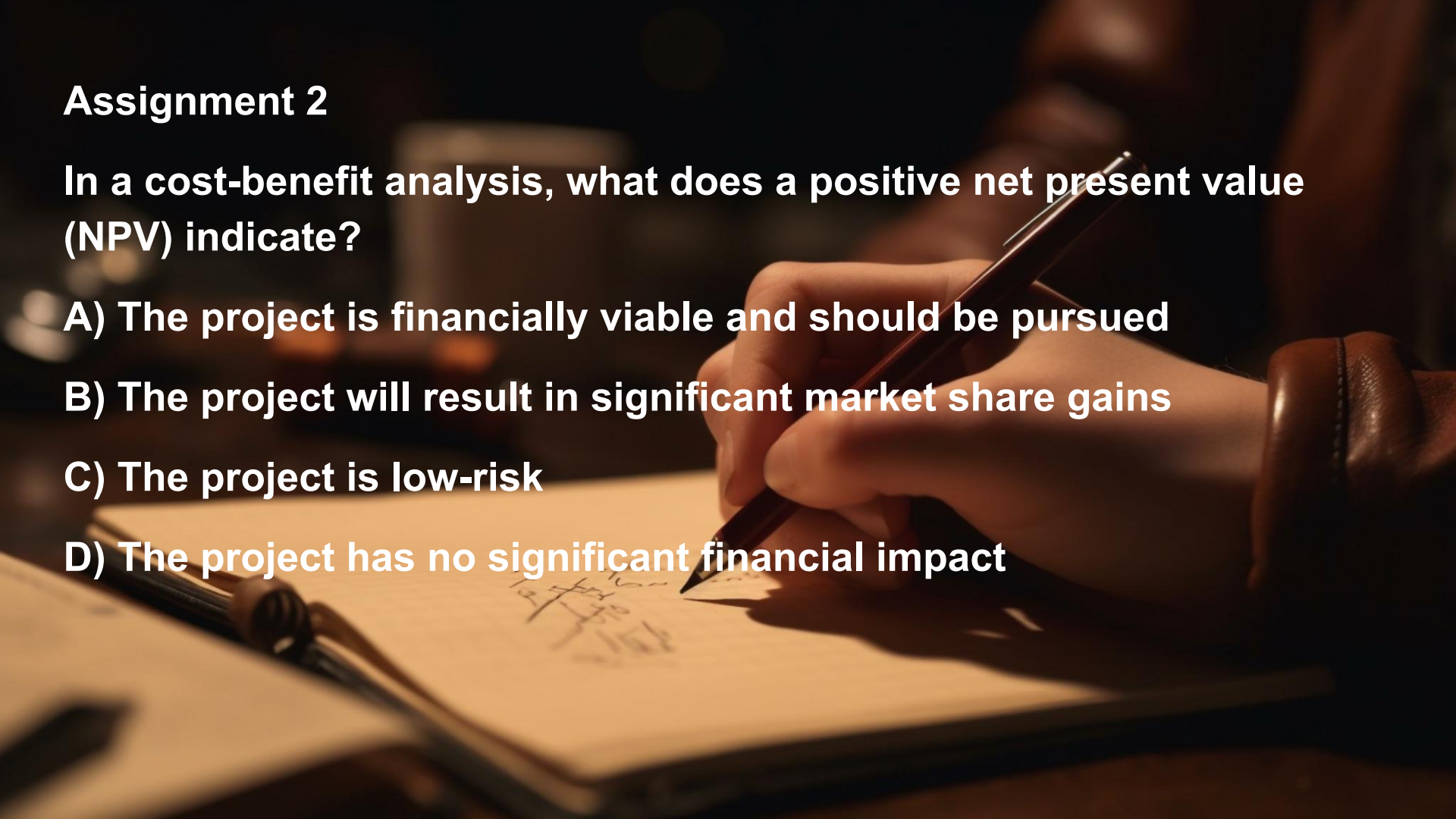
Assignment 3

When conducting a SWOT analysis, which factor examines the internal limitations or challenges an organization faces?

A) Strengths

B) Weaknesses

C) Opportunities

D) Threats

Assignment 4

In a cost-benefit analysis, what does a positive net present value (NPV) indicate?

A) The project is financially viable and should be pursued

B) The project will result in significant market share gains

C) The project is low-risk

D) The project has no significant financial impact
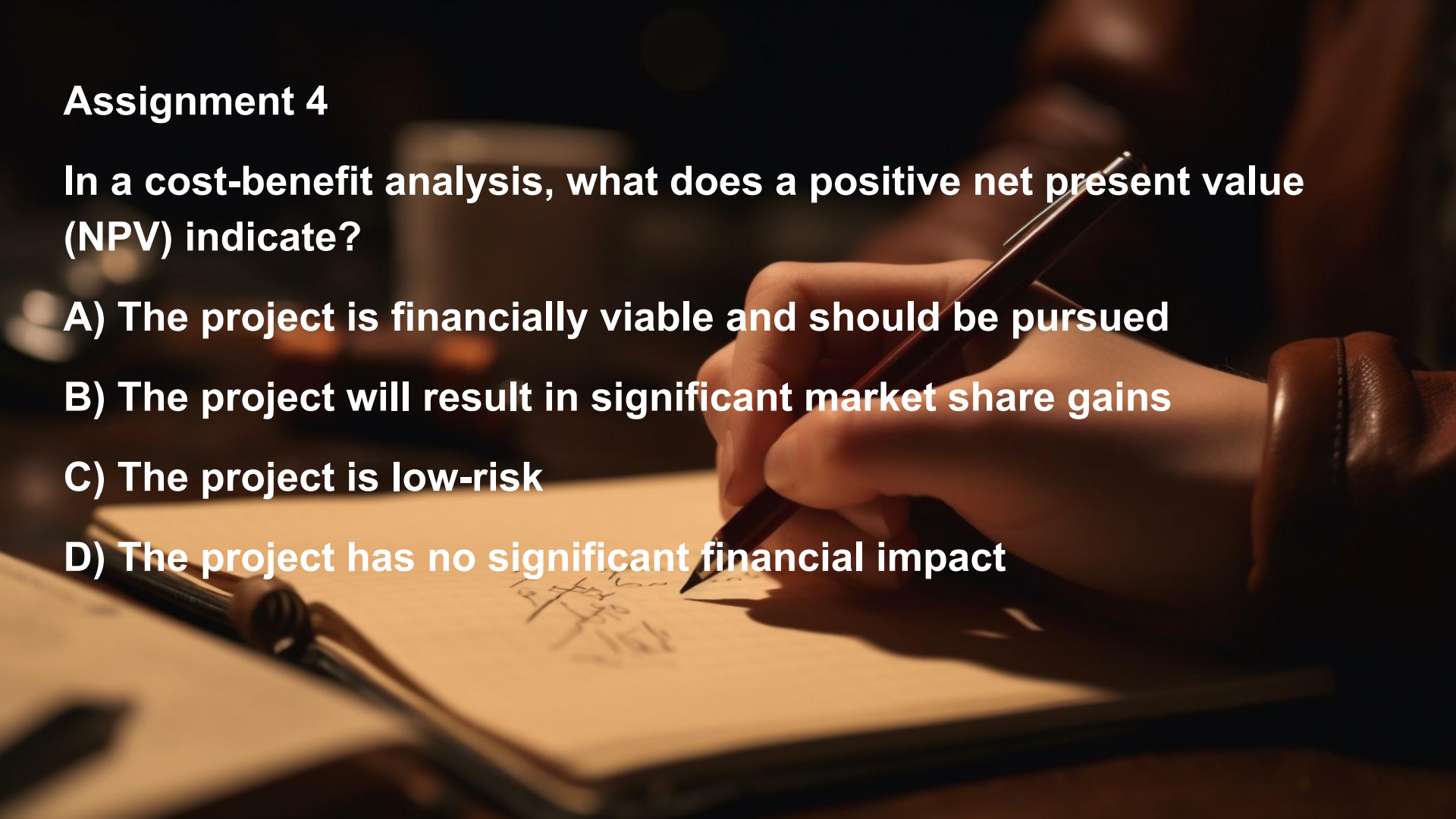
Assignment 5

Which component of a SWOT analysis focuses on factors that could potentially harm an organization's ability to achieve its objectives?

A) Strengths

B) Weaknesses
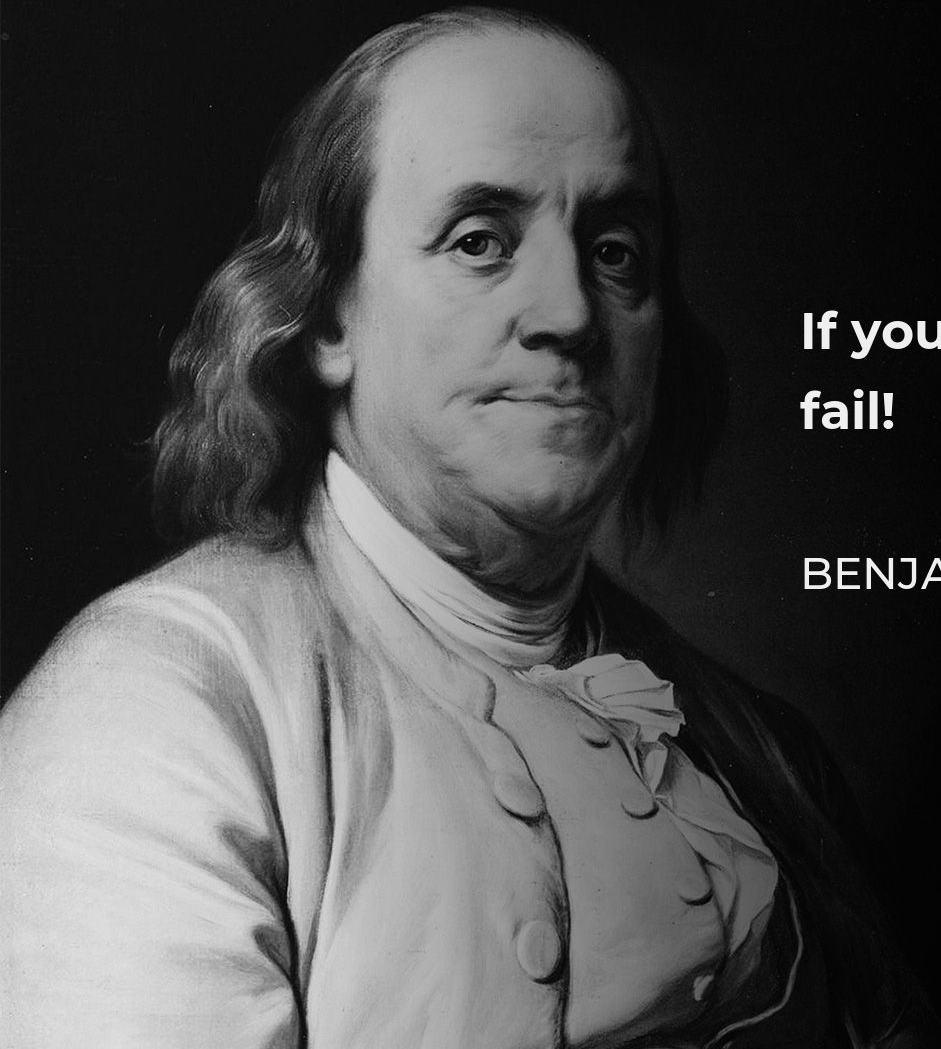
C) Opportunities

D) Threats
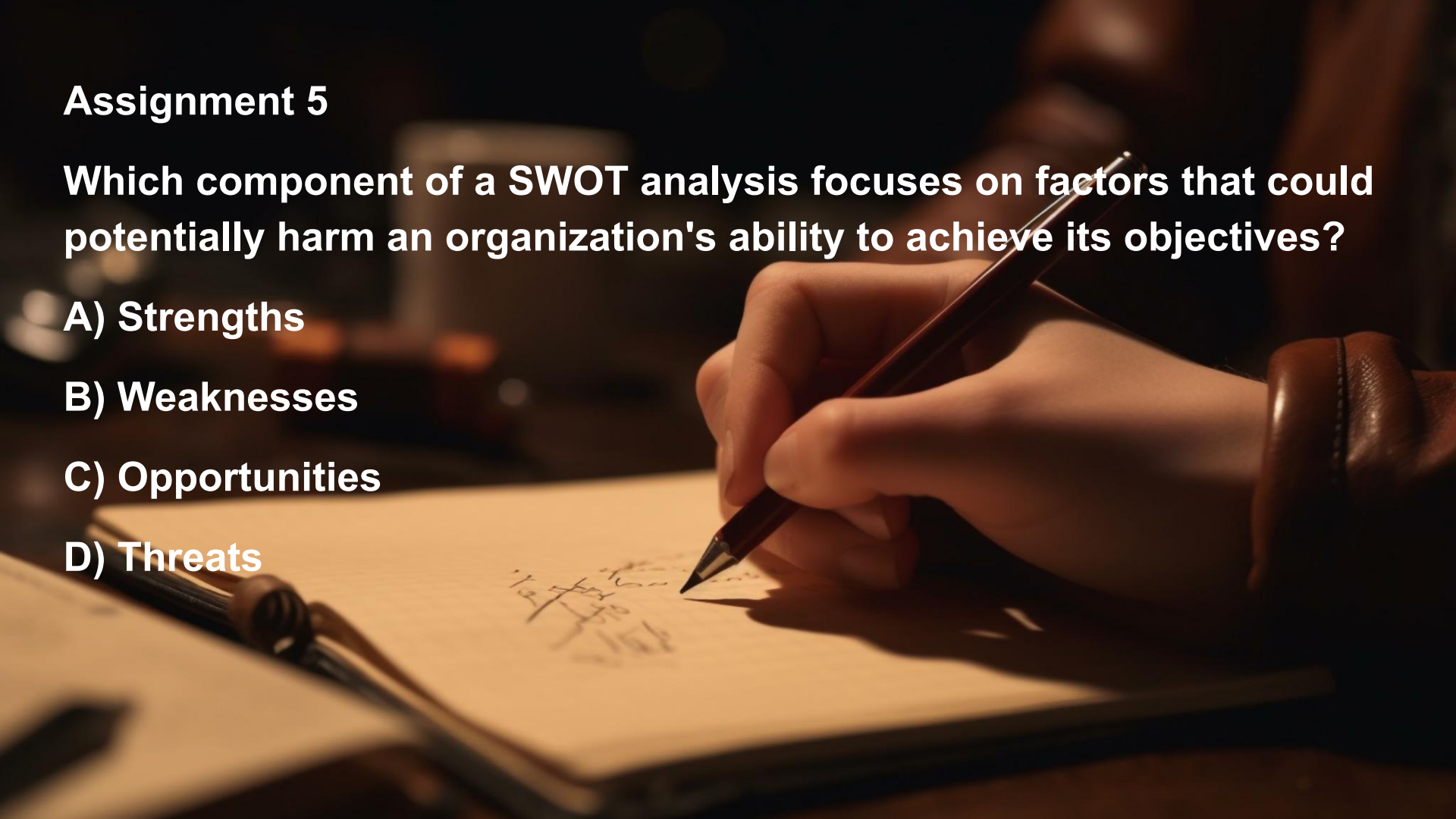
Learning Objective 2

Problem-solving methodologies

Skill Sets to acquire:
Problem solving, Root cause analysis, Brainstorming

Core Concepts

If you fail to plan, you are planning to fail!

BENJAMIN FRANKLIN

McKinsey problem solving process

1. Define problem   Clear, concise problem - Will our definition of problem solve the core issues?

2. Breakdown problem   Break down the problem into elements, mutually exclusive & collectively exhaustive (MECE)

3. Prioritize issues   Based on their impact and the effort required to address them

4. Develop hypothesis   What might be causing the issue?

5. Test and analyses   Heavily data-driven, Rigorously test these hypotheses with data and analysis

6. Synthesize findings   Insights from your analysis to form a coherent narrative

7. Develop solutions   Actionable solutions - specific, measurable, achievable, relevant & time-bound (SMART)

8. Communicate   Implement solutions & establish a feedback loop. Continuous improvement is key

"एकं सद् विप्रा बहुधा वदन्ति।"

Truth is one, but the wise express it in various ways

Rig Veda

1.164.46

Application of DMAIC: Manufacturing Defect Reduction

DMAIC (Define, Measure, Analyze, Improve, Control) is a data-driven improvement cycle used for optimizing and stabilizing business processes and designs. Here's a breakdown of the approach and its application:

Define: Identify the problem, project goals, and customer (internal and external) requirements.
Example: A manufacturing company identifies a high defect rate in a specific product line.

Measure: Collect data to establish a baseline and understand the current performance.
Example: Measure the defect rate, types of defects, and process cycle time.

Analyze: Investigate and identify the root cause(s) of the problem.
Example: Use statistical tools and root cause analysis to identify that a specific machine malfunction is causing most defects.

Improve: Develop and implement solutions to address the root cause(s).
Example: Repair or replace the malfunctioning machine, train operators on new procedures.

Control: Implement controls to sustain improvements and monitor the process.
Example: Establish a maintenance schedule for the machine, conduct regular quality checks.

Other problem solving methodologies

Root Cause Analysis (RCA) is a method used to identify the underlying causes of a problem.
5 Whys: Asking "Why?" multiple times (typically five) to drill down into the root cause of a problem.

Example: A machine stopped working

- Why did the machine stop? → Because it overheated.
- Why did it overheat? → Because the cooling fan failed.
- Why did the cooling fan fail? → Because it was not maintained properly.
- Why was it not maintained? → Because there was no maintenance schedule.
- Why was there no maintenance schedule? → Because the process for maintenance was never documented

SWOT Analysis: Identifying Strengths, Weaknesses, Opportunities, and Threats related to the problem.

Example: Launching a new product

- Strengths: Strong brand, innovative product.
- Weaknesses: Limited budget, inexperienced team.
- Opportunities: Growing market, few competitors.
- Threats: Economic downturn, regulatory changes

Tata Motors foundation for sustainable growth

In mid-2010s, Tata Motors faced a 30% decline in market share, increased competition, & inefficiencies in product dev & manuf

Problem: 30% decline in market share, product quality issues (inefficiencies increasing time-to-market by 25%), High waste & cost leading to operational inefficiencies

Prioritize Issues: 1. Improve product quality & customer satisfaction **2.** Streamline product dev **3.** Enhance operational efficiency

Hypotheses: 1. Enhancing product portfolio will increase market share. 2. Lean manufacturing will reduce costs and inefficiencies.3. Strengthening after-sales service will boost customer loyalty.

Gather Data and Analyze:
- Market research: Identified reliability and features as top customer priorities
- Benchmarking: Tata's manufacturing efficiency was 20% below industry best practices
- Cost-benefit analysis: Projected 15% cost savings from lean manufacturing

Develop and Test Solutions: Launch Tata Nexon, Tata Tiago., Adopt lean manufacturing, Enhance service network
Implement Solutions: $2 B investment over several years, New model launches, lean training, service improvements., KPIs monitor

Impact
- Market Share Increased by 15% within two years
- Tata Nexon received a 5-star Global NCAP safety rating
- Production costs reduced by 10%, waste decreased by 15%
- Customer satisfaction scores improved by 20%, repeat purchase rates increased

Starbucks stagnating growth & increasing competition

Starbucks needed to revitalize its brand and customer experience for growth. Below alternatives were discussed

1. **Traditional Advertising**: Increase spending on traditional marketing campaigns.
2. **Product Diversification**: Introduce new product lines and expand menu offerings.
3. **Digital Engagement**: Invest in digital technology to enhance customer engagement and streamline operations.

Chosen Solution: Starbucks decided to focus on digital engagement, launching the Starbucks Rewards program and investing $250 million in mobile order, loyalty program and pay technology. Continuous investment in app updates, data analytics, and customer service enhancements.

Impact of Chosen Solution:

- **Customer Loyalty**: The Starbucks Rewards program increased customer retention and frequency of visits, contributing to a 15% increase in sales.
- **Operational Efficiency**: Mobile order and pay reduced wait times and improved the overall customer experience.
- **Revenue Growth**: Digital initiatives accounted for a significant portion of revenue growth, with mobile orders representing over 20% of total transactions in key markets.

General Electric's (GE) declining revenues & profitability

Problem Statement: General Electric (GE) faced declining revenues and profitability due to outdated business models and a lack of innovation in its industrial and consumer segments.

Alternatives Considered:

1. **Downsize**: Reduce operations and focus on core profitable segments.
2. **Digital Transformation**: Embrace digital technologies to transform traditional industrial processes.
3. **Divest Non-core Businesses**: Sell off non-core business units to streamline operations.

Chosen Solution: GE opted for a digital transformation, investing $1.4 Billion in launching the Industrial Internet of Things (IIoT) platform, Predix, to connect its machinery and leverage data analytics for improved performance. Continuous investment in technology, data analytics, and cybersecurity.

Impact of Chosen Solution:

- **Operational Efficiency**: Enhanced monitoring and predictive maintenance capabilities reduced downtime and maintenance costs by 20%.
- **New Revenue Streams**: The Predix platform generated new revenue streams through software and analytics services.
- **Market Competitiveness**: Strengthened GE's position in the industrial sector by offering innovative, data-driven solutions.

Common follow-up questions

1. How does the McKinsey problem-solving process differ from other structured problem-solving methodologies?
2. How do you ensure that the problem statement is clear and concise before proceeding with analysis? Could you provide an example of how you applied the MECE principle to break down a problem into manageable components?
3. How do you validate or refine initial hypotheses before moving into detailed analysis?
4. What strategies do you use to ensure buy-in and support for implemented solutions?
5. How do you adapt your problem-solving approach when dealing with different types of challenges, such as operational vs. strategic issues?

Assessment

Assignment 1

What is the goal of breaking down the problem into mutually exclusive and collectively exhaustive (MECE) elements?

A) To identify all possible causes of the problem

B) To develop actionable solutions

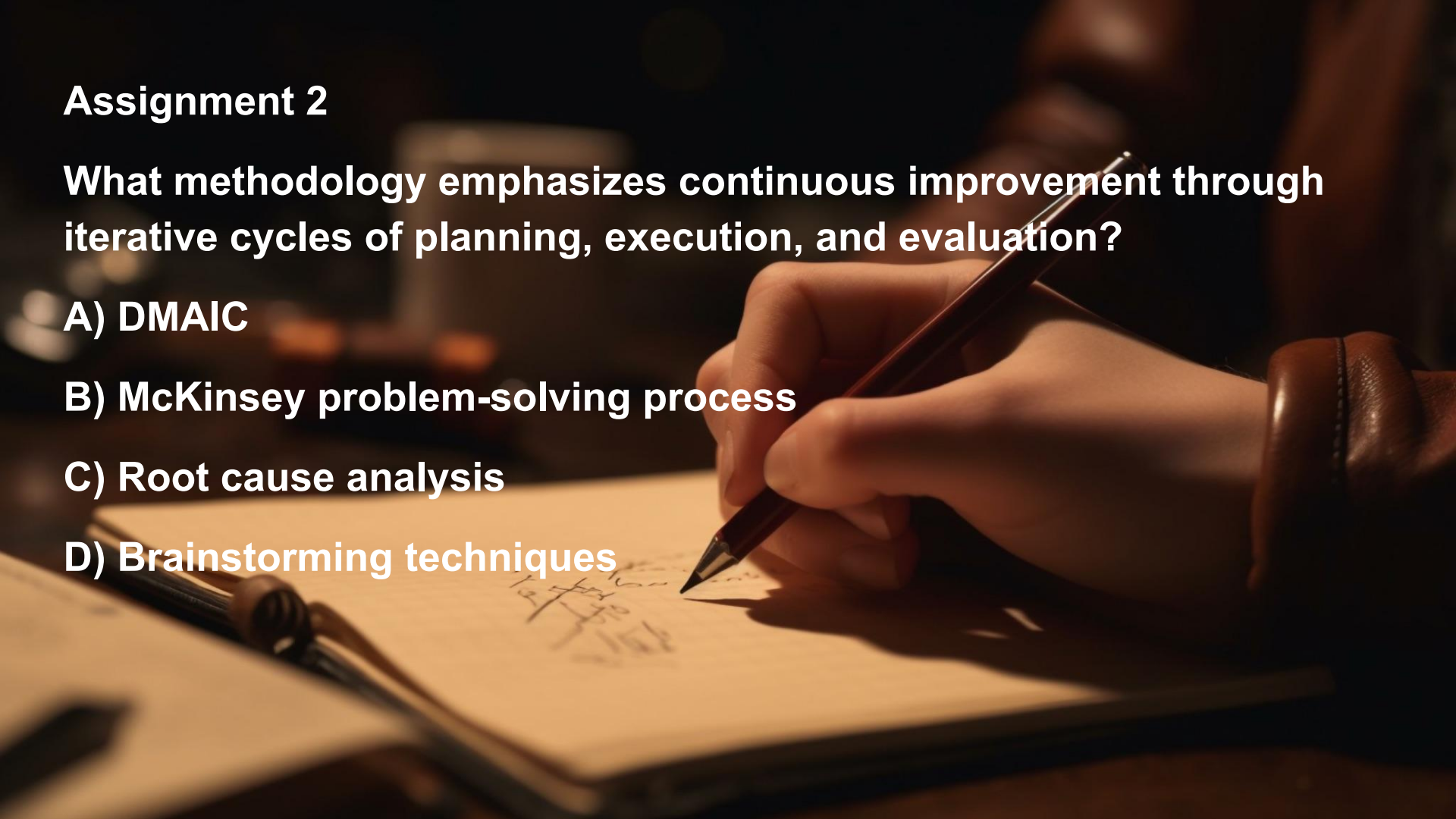C) To communicate findings effectively

D) To synthesize data and insights
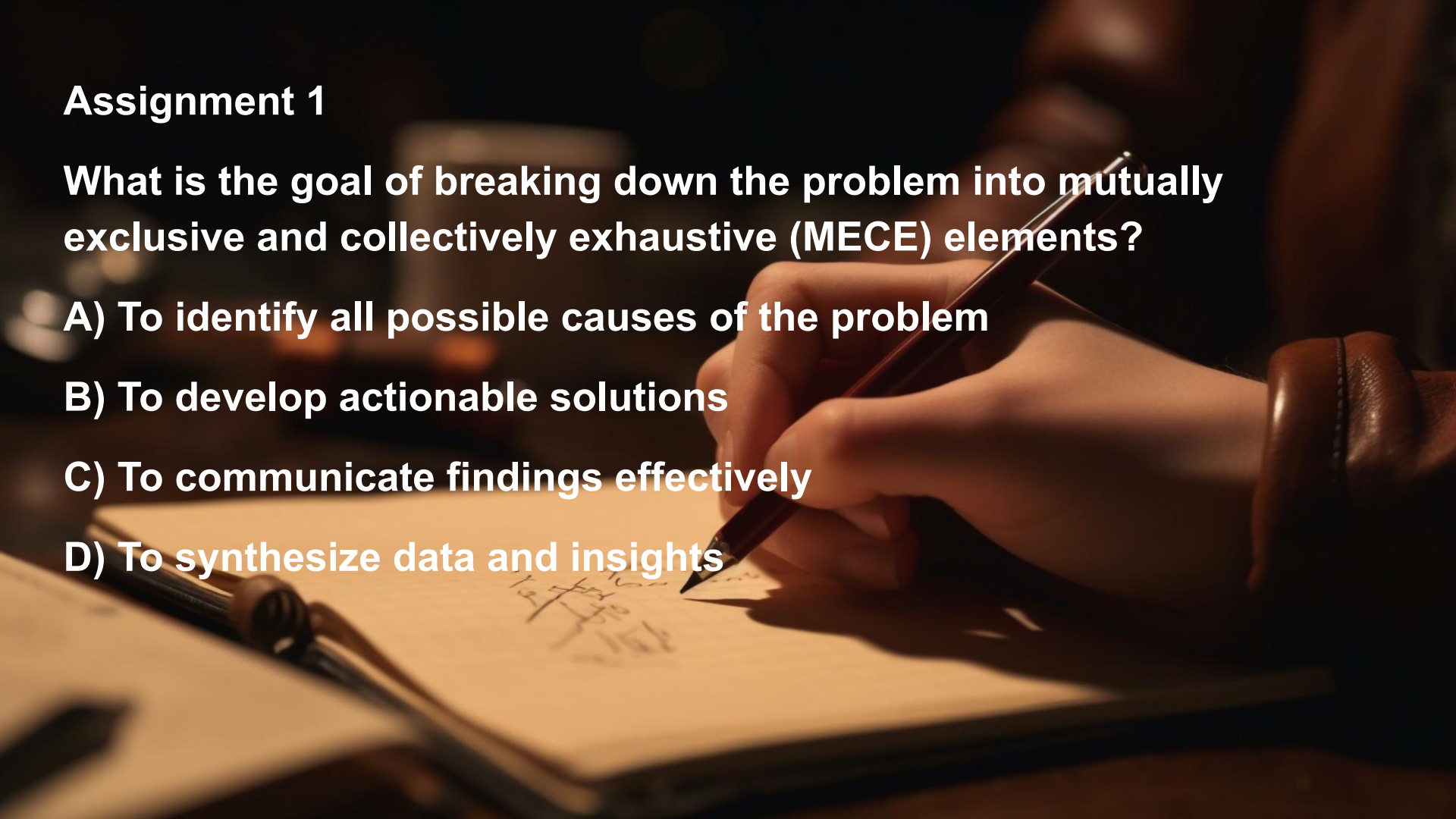
Assignment 2

What methodology emphasizes continuous improvement through iterative cycles of planning, execution, and evaluation?

A) DMAIC

B) McKinsey problem-solving process

C) Root cause analysis

D) Brainstorming techniques

Assignment 3

Which problem-solving approach is structured around Define, Measure, Analyze, Improve, and Control?

A) McKinsey problem-solving process
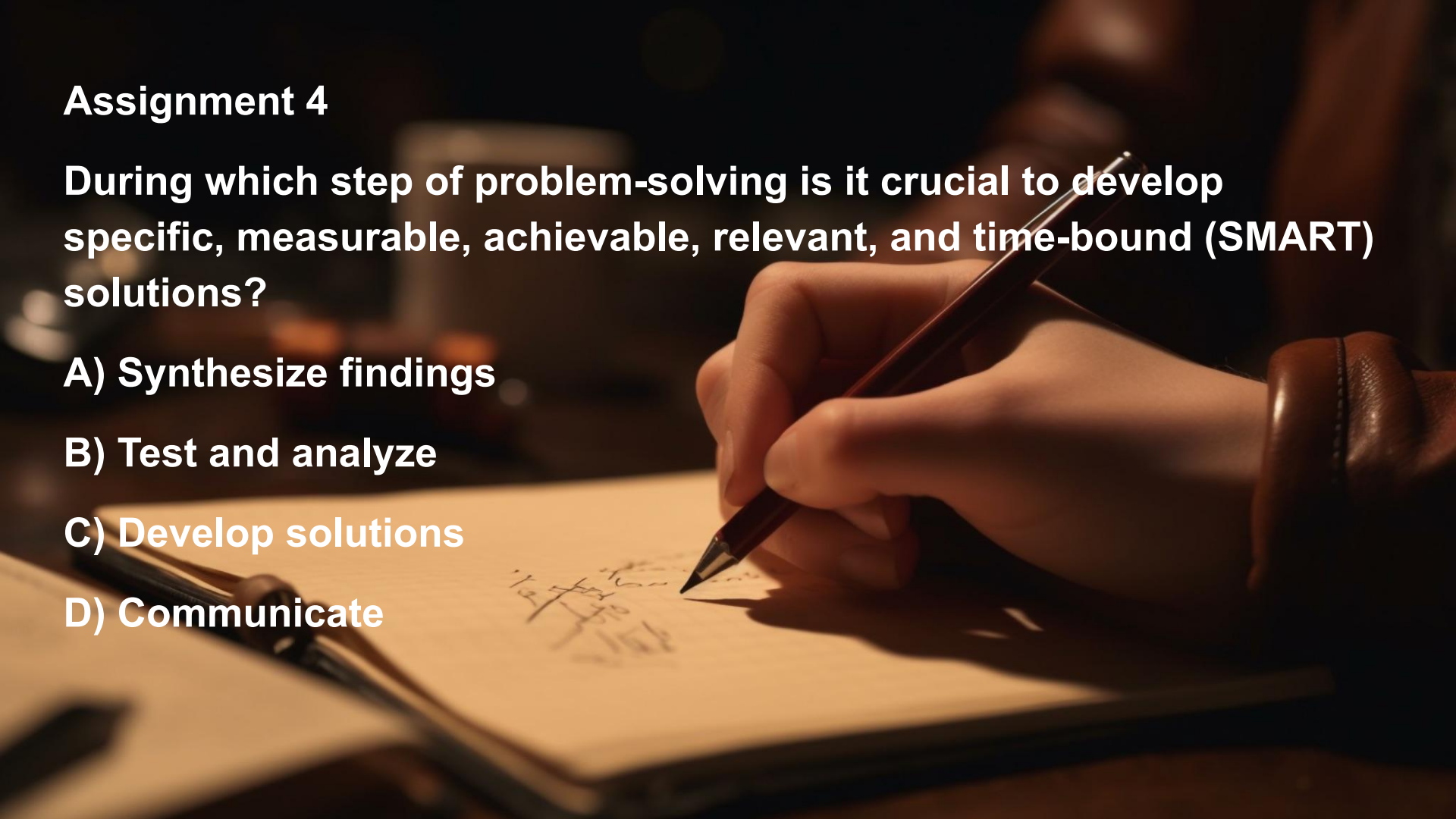
B) Breakdown problem

C) Root cause analysis

D) PDCA
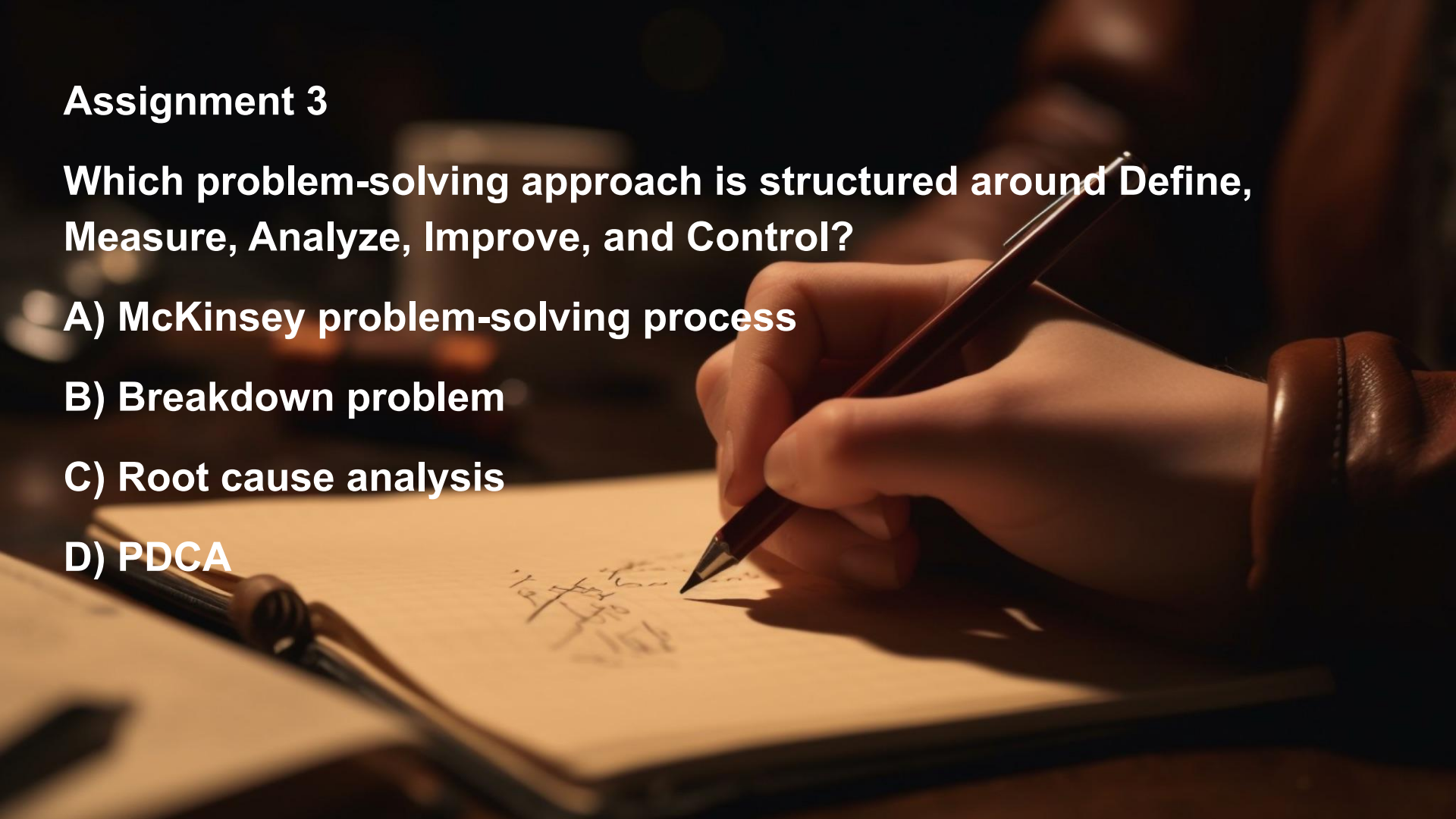
Assignment 4

During which step of problem-solving is it crucial to develop specific, measurable, achievable, relevant, and time-bound (SMART) solutions?
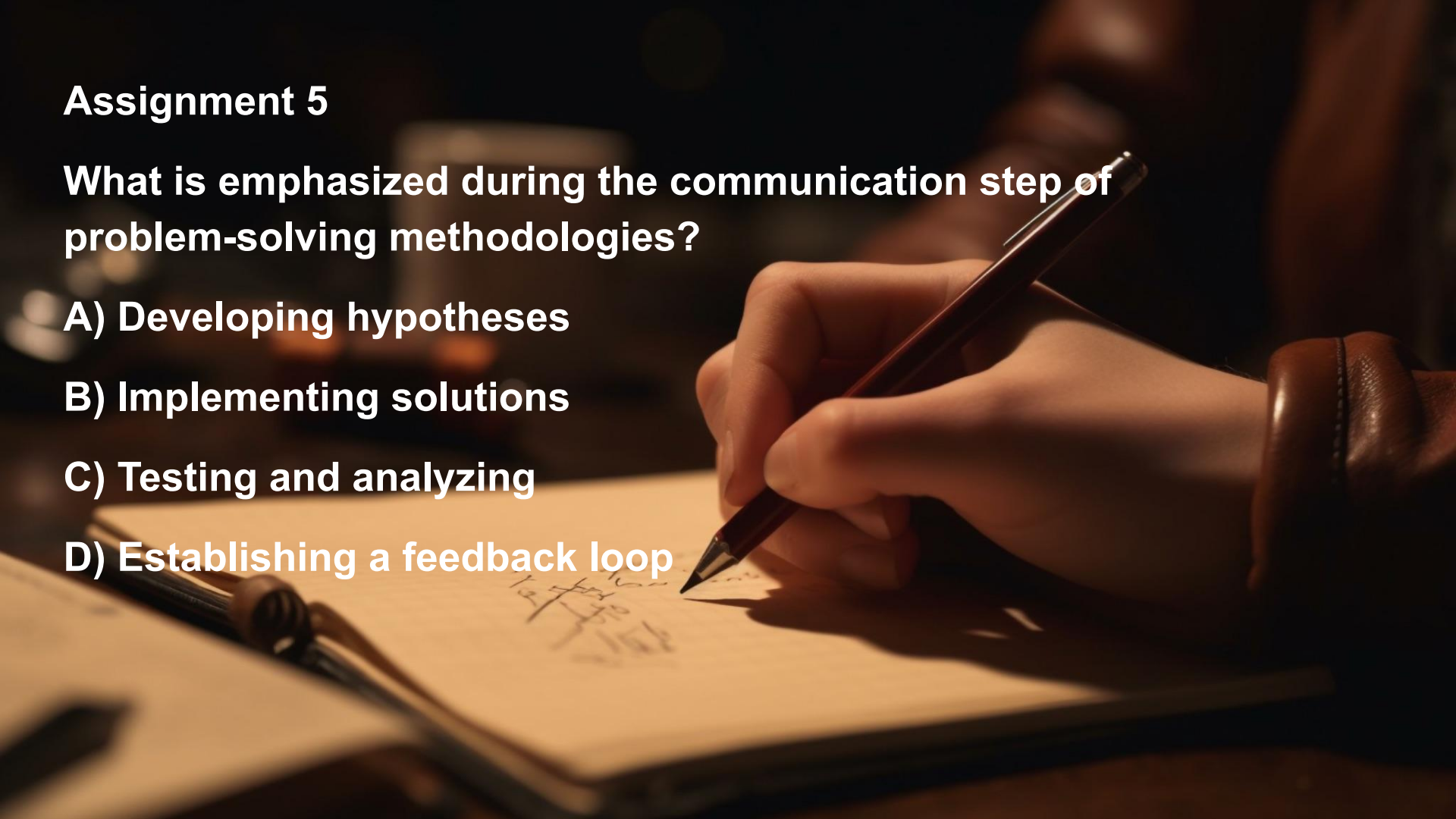
A) Synthesize findings

B) Test and analyze

C) Develop solutions

D) Communicate

Assignment 5

What is emphasized during the communication step of problem-solving methodologies?

A) Developing hypotheses

B) Implementing solutions

C) Testing and analyzing

D) Establishing a feedback loop

Learning Objective 3

Risk Management & Mitigation strategies

Skill Sets to acquire:
Risk management, risk mitigation, RACI, culture

Core Concepts

Risk Management process

Risk mitigation is the practice of putting an action plan in place to reduce the impact or eliminate risks an organization might face

Identify - Continue to heavily document each of the risks throughout the process - bring all functions

Assess - Quantify impact of each risk - Level of risk, $ value and frequency of occurrence

Prioritize - on severity rank, mean accepting an amount of risk in one part of an organization to protect another part, prepare resources for business continuity

Monitor - Execution: let the risks play out and monitor them continuously through weekly meeting, use tool for tracking any changes in the risk profile

Risk assessment and mitigation strategies

RACI (Responsible, Accountable, Consulted and Informed) matrix

- Organize your team & project stakeholders and keep everyone on the same page

Project Budget

- Capture all expenses - labor cost, consultant fees, raw materials, software licenses, travel, rent, admin

Project Risk Register

- List the description of the risk, its impact, the level of risk and who's responsible for it

Risk Mitigation Strategies

Risk avoidance - A large technology company plans to launch a new product in an international market, but a risk assessment uncovers considerable regulatory and political obstacles. The company chooses not to enter the new market, eliminating these high-stakes risks. Instead, it allocates resources to bolster existing markets.

Risk transfer - Work with a third-party logistics provider (3PL) for your shipping and delivery needs. The contract often includes clauses that transfer the risk of damaged or lost goods during transit to the 3PL. Upon damaged products, the 3PL is liable to compensate your business for the losses.

Pay an insurance company a small fee to avoid the full financial implications of unforeseen events like accidents.

Risk acceptance - Many startups know they have a high chance of failing early on. But they're willing to take that risk because the possible rewards, like growth and profit, make it worthwhile. If risk rises above acceptable risk levels, or if your risk appetite changes, you might need to switch to a different strategy to protect your business

Risk reduction - An oil drilling company in a hurricane-prone region may invest in advanced high-tech weather systems to better predict. This move will help them reduce the likelihood of costly disruptions due to natural disasters.

If you identified that you'll run out of funds to complete a project, you could switch to more affordable materials or scale back the project size. You could also look for extra funding.

Risk Management Framework

| Sl.	Risk Description	Likelihood (High/Medium/Low)	Impact (High/Medium/Low)	Mitigation Strategy
1				
2				

Building a strong risk culture

- **Use data** - Align internal and external data usage with strategic objectives and establish processes that proactively prioritize and address risks

Automation software for tracking timelines and budgets or build virtual project simulations , to use emphasis on data analytics, process automation and detecting and monitoring threats can help reduce cognitive biases
AI and ML can collect data from multiple sources and projects, compare, analyze and optimize information — then turn it into strategic insights for the entire project ecosystem. ie. Project estimation can be done using AI by analyze large amounts of data to find patterns that deliver more accurate estimates.

- **Measure the impact** - Assessment KPIs for managers — helps establish a culture of accountability
- **Talk it out** - Discussing risks openly will ensure risk management culture in front of the entire organization
- **Plan for the worst** - Creating contingency plans (and budgets) for major disruptions will ease the impact and provide a competitive advantage
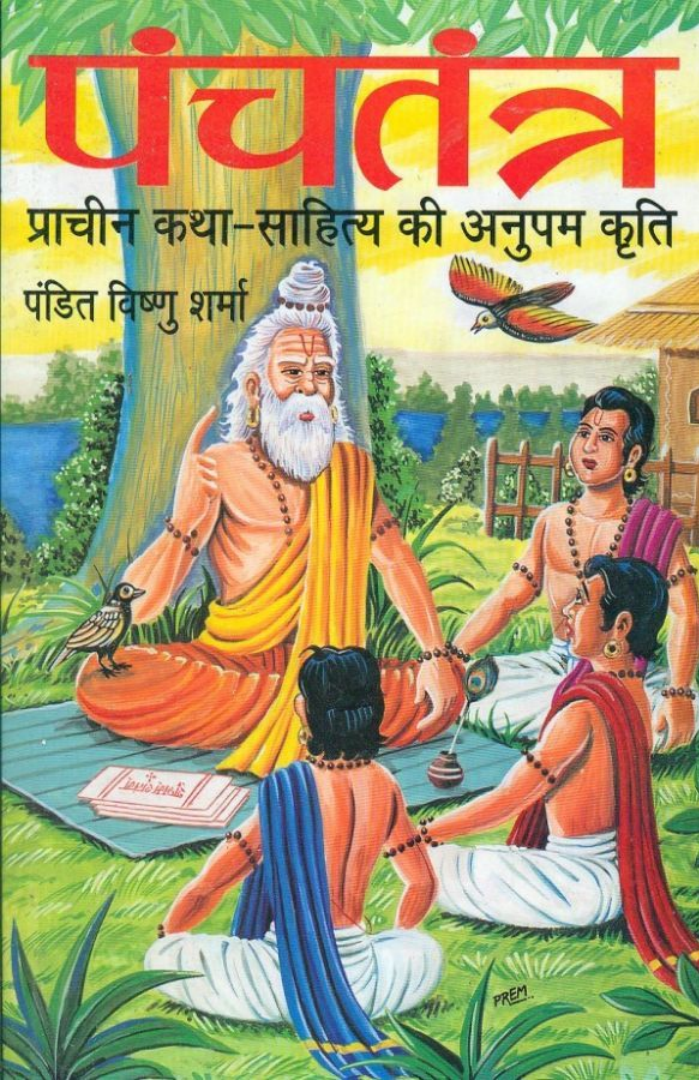
"Think before you act;
consider the consequences"

Panchatantra

The Monkey and The Crocodile

Example: Reliance Industries' Strategic Diversification

- **Diversification: Petrochemicals and Refining in late 1970s and 1980s**
  Reliance began diversifying from textiles into the petrochemical sector, driven by the vision to control the entire supply chain, from raw materials to finished products, which provided significant cost advantages and market control. By entering the petrochemicals sector, Reliance tapped into a growing market that had better margins than textiles. The shift towards petrochemicals aligned with global trends where oil and chemical industries were seeing rapid growth. This sector offered high value-added products and was less labor-intensive compared to textiles.
- **Telecommunications and Information Technology in 2002 and 2016 (Jio)** ventured into telecommunications was a major strategic move to tap into the burgeoning IT and telecommunications sector.
  A more significant leap was the launch of Jio in 2016, which revolutionized the Indian telecom landscape by offering low-cost data and free voice calls. Jio quickly gained a massive subscriber base, disrupting existing market dynamics and placing tremendous pressure on competitors. Jio positioned itself as a lifeline of India's digital growth, offering not just connectivity but also a suite of services like streaming, e-commerce, and digital payments.

- **Reliance Retail in 2006** it became the largest retailer in India by revenue and number of stores. It covers groceries, electronics, fashion, and lifestyle. The stake sales and partnerships in 2020 to Google, FaceBook etc. were aimed at bringing in technological expertise and financial muscle to further expand the digital and retail services, positioning Reliance as a dominant player not just in retail but in the entire digital services ecosystem. In retail, Reliance's strategy is to integrate its digital services with its physical stores, positioning itself against competitors like Amazon and Walmart-owned Flipkart in India.

Example: Amazon Go Stores launch

One notable case study of successful business problem-solving is how Amazon used its problem-solving skills to launch its Amazon Go stores. The goal was to address the issue of long checkout lines and waiting times. The solution involved using technology such as sensors, cameras, and machine learning algorithms to allow customers to simply walk in, grab what they need, and leave without stopping at a checkout.

It required a collaborative effort from teams across the company to design and implement the technology. Effective problem solving involves identifying the root cause of the problem, generating multiple solutions, evaluating them based on their feasibility and impact, and implementing the best solution. By focusing on customer needs and leveraging innovative technology, Amazon created a unique shopping experience that other retailers have since replicated. It shows that effective problem-solving skills can benefit individual businesses and drive innovation within entire industries.

Example: Coca-Cola's Product Portfolio Decision

Responding to Health Trends:
- **Late 1990s and 2000s**: Coca-Cola began to feel the impact of changing consumer preferences towards healthier options. The increased awareness around the health risks associated with sugary drinks, such as obesity and diabetes, pressured the company to rethink its product offerings.
- **Acquisition of Vitaminwater (2007)**: Coca-Cola acquired Glacéau, including its popular Vitaminwater brand, for $4.1 billion. This was a strategic move to enter the fast-growing enhanced water market and cater to health-conscious consumers.

Expanding into Non-Carbonated Beverages:
- **Acquisition of Minute Maid (1960)**: The purchase of Minute Maid marked Coca-Cola's entry into the juice market, diversifying its product linebeyond carbonated beverages.
- **2007 Introduction of Honest Tea**: Investing in Honest Tea allowed Coca-Cola to capture a share of the organic tea market, further diversifying its beverage portfolio into healthier, non-carbonated options.

Entry into Dairy and Plant-Based Drinks:
- **2014 Launch of Fairlife**: Through a partnership with Select Milk Producers, Coca-Cola ventured into the premium dairy market with Fairlife milk, which offers higher protein and lower sugar than regular milk.
- **Acquisition of AdeS (2016)**: Coca-Cola acquired the plant-based beverage brand AdeS from Unilever, marking its entry into the plant-based beverage market, aligning with global trends towards vegetarian and vegan diets.

Strategic Expansion into Energy Drinks:
- **2020 Full Acquisition of Monster Beverage**: After initially acquiring a minority stake in 2015, Coca-Cola completed the full acquisition of Monster Beverage in 2020, significantly strengthening its position in the rapidly growing global energy drink sector

Example: IBM's Turnaround Strategy

Shift to Services and Software (1990s - Early 2000s):
- **1993 Leadership Change**: Gerstner's appointment marked a radical shift. He abandoned plans to break up the company and instead consolidated IBM's vast resources to focus on high-value services.
- **Creation of IBM Global Services**: Gerstner expanded IBM's consulting and IT services. This division quickly became one of the world's largest IT consulting organizations.
- **Software Emphasis**: By emphasizing software over hardware, IBM diversified its portfolio, providing middleware, enterprise applications, and systems software.

Acquisition and Divestment Strategy:
- **1995 Acquisition of Lotus Development**: The $3.5 billion purchase of Lotus Development Corporation helped IBM cement its foothold in enterprise productivity software.
- **2002 Acquisition of PwC Consulting**: This move strengthened IBM's consulting capabilities and accelerated its transition to a service-oriented company.
- **Sale of PC Division (2005)**: IBM divested its personal computer business to Lenovo, signaling a departure from low-margin hardware sales.
- **2009 Acquisition of SPSS**: Purchasing SPSS, a predictive analytics company, advanced IBM's analytics offerings.

Embracing Cloud and Cognitive Computing (2010s - Present):
- **2011 Launch of Watson**: IBM introduced its Watson cognitive computing platform after winning the "Jeopardy!" game show. Watson became the foundation for IBM's investments in AI and data analytics.
- **2014 Cloud Expansion**: With a clear shift to cloud computing, IBM acquired SoftLayer, expanding its global cloud infrastructure footprint.
- **2018 Acquisition of Red Hat**: The $34 billion acquisition of Red Hat, an open-source software leader, marked one of IBM's boldest moves, establishing it as a leader in hybrid cloud computing

Common follow-up questions

1. How do you ensure that risk management activities are integrated into day-to-day operations across different departments?
2. Can you discuss a time when your team successfully mitigated a high-impact risk with a low probability? What strategy did you employ?
3. How do you communicate the importance of risk management to employees at all levels of the organization?
4. How does your organization measure the success of its risk management efforts over time?"
5. How do you ensure that employees at all levels are equipped with the necessary skills and knowledge to identify and manage risks effectively?

Assessment

Assignment 1

What is the primary goal of risk assessment in the risk management process?

A) To eliminate all identified risks

B) To identify potential opportunities

C) To prioritize risks based on likelihood and impact

D) To allocate resources for risk mitigation

Assignment 2

How does building a strong risk culture benefit an organization?

A) By avoiding all potential risks

B) By reducing the need for risk assessments

C) By fostering proactive risk management behaviors

D) By transferring all risks to external stakeholders

Assignment 3

What is a common strategy for mitigating high-impact risks with low probability?

A) Risk avoidance

B) Risk acceptance

C) Risk reduction

D) Risk transfer
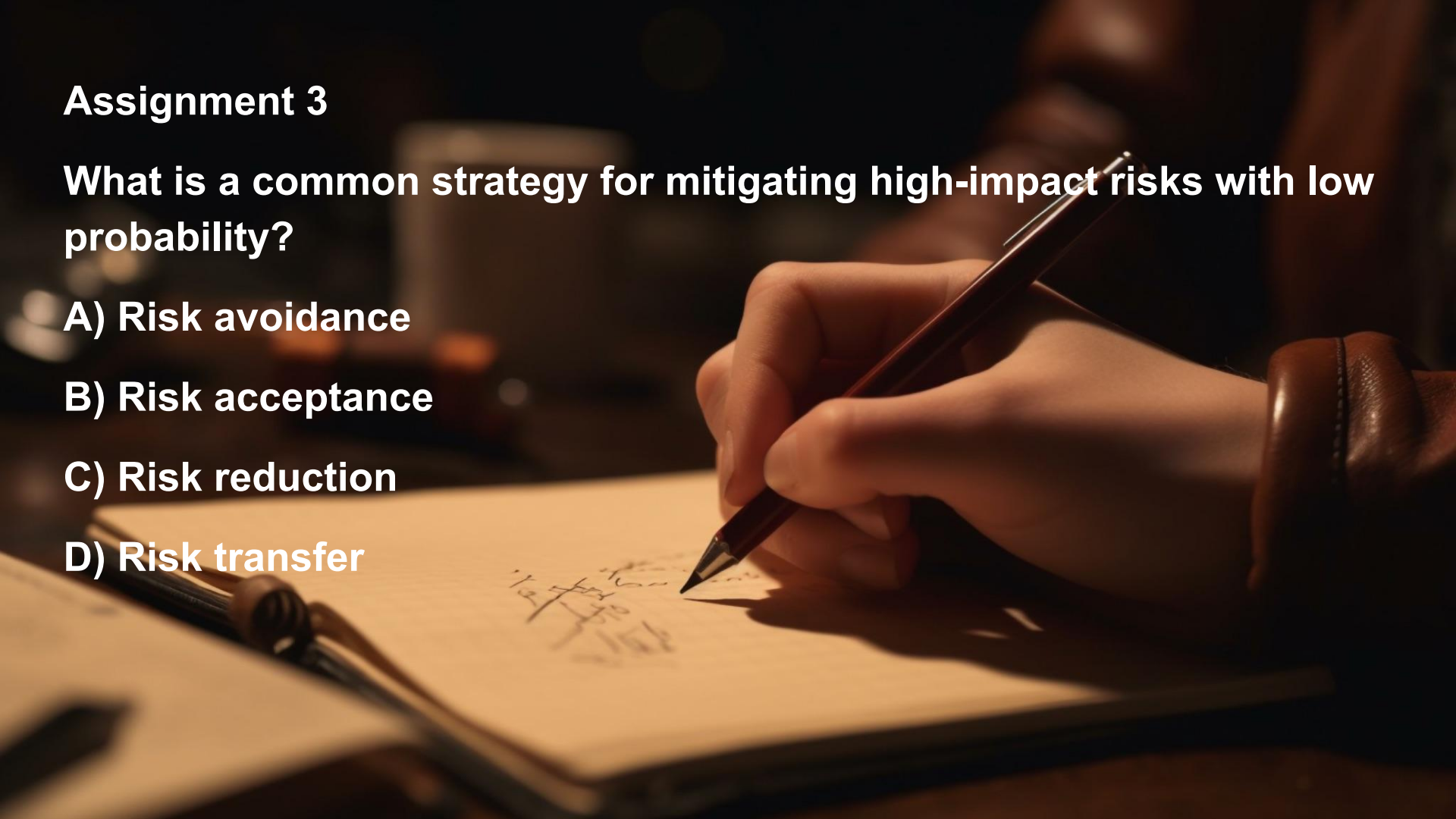
Assignment 4

How can organizations promote a strong risk culture among employees?

A) By minimizing communication about risks

B) By rewarding risk-taking behaviors

C) By centralizing risk management decisions

D) By avoiding risk assessments altogether

Assignment 5

What role does continuous monitoring play in effective risk management?

A) It eliminates all identified risks

B) It reduces the need for risk assessments

C) It allows for timely adjustments to risk mitigation strategies

D) It transfers all risks to external stakeholders

Case Study

Role Play:

The decision to implement global delivery model at Infosys

To engage participants in a role-playing exercise to understand the execution challenges and leadership decisions

Activities:

- Assign roles to participants (e.g., Nandan Nilekani, project manager, training coordinator, client representative).
- Present a scenario where participants need to address a specific execution challenge (e.g., cultural integration, technology infrastructure development).
- Each group discusses and devises strategies to overcome the challenge.
- Groups present their solutions, focusing on the leadership and execution aspects

Link to case: **The Decision to Implement the Global Delivery Model at Infosys**
https://docs.google.com/document/d/1ydR4wBi7EbRo9Dq3oqNW7VTzXeuNFFCp/edit

Interactive Exercise

Interactive Group Exercise - Strategic initiatives for Infosys' continued growth & success

Simulation based on a real-world scenario

1-2-4 ALL APPROACH + VOTING

Infosys SWOT analysis https://drive.google.com/file/d/1D1xzLllO9ke2qfhRVkT_6agv3D2x8HRH/view?usp=share_link

Interactive Exercise

Interactive Group Exercise - Strategic initiatives for Infosys' continued growth & success

1. Form small groups of 4-5 participants each
2. Each group has Infosys case study and brief explanations of the following frameworks
3. Assign each group one of the following frameworks to apply to Infosys:
   a. SWOT Analysis (Strengths, Weaknesses, Opportunities, and Threats)
   b. PESTEL Analysis (Political, Economic, Social, Technological, Environmental, and Legal)
   c. Porter's Five Forces (threat of new entrants, bargaining power of suppliers, bargaining power of buyers, threat of substitute products, and competitive rivalry
   d. TOWS Matrix (SO (Strength-Opportunities), WO (Weaknesses-Opportunities), ST (Strength-Threats), and WT (Weakness-Threats).
4. Each group presents their analysis (5 min) & strategic recommendations to the entire workshop.
5. Consolidation and Discussion: Key takeaways from each group, integrate frameworks to form a comprehensive strategy,

Assignment questions

- Apply SWOT analysis to evaluate a strategic decision your organization is facing. Provide recommendations based on your analysis
- Describe a problem-solving scenario you encountered in your role. Discuss how you applied root cause analysis to identify and address the underlying issues
- Identify potential risks in a project you're currently involved in. Propose mitigation strategies to address these risks
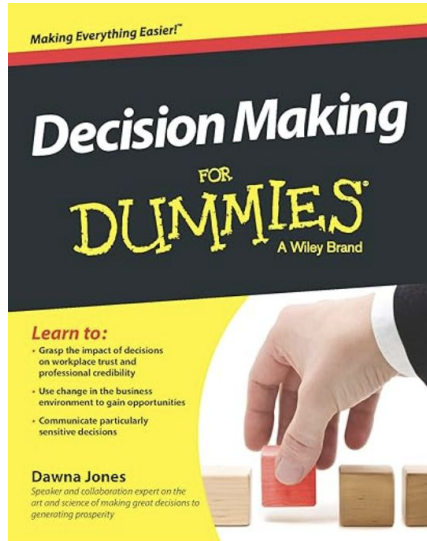
Questions &

Further Reading

Q&A
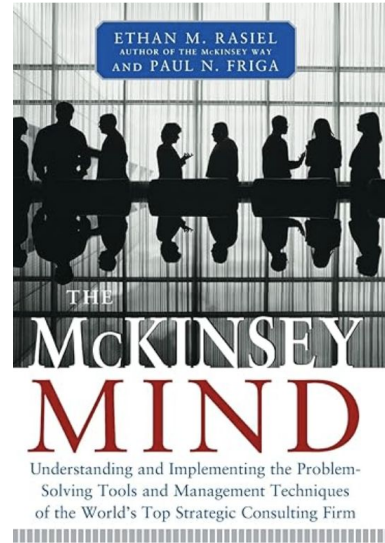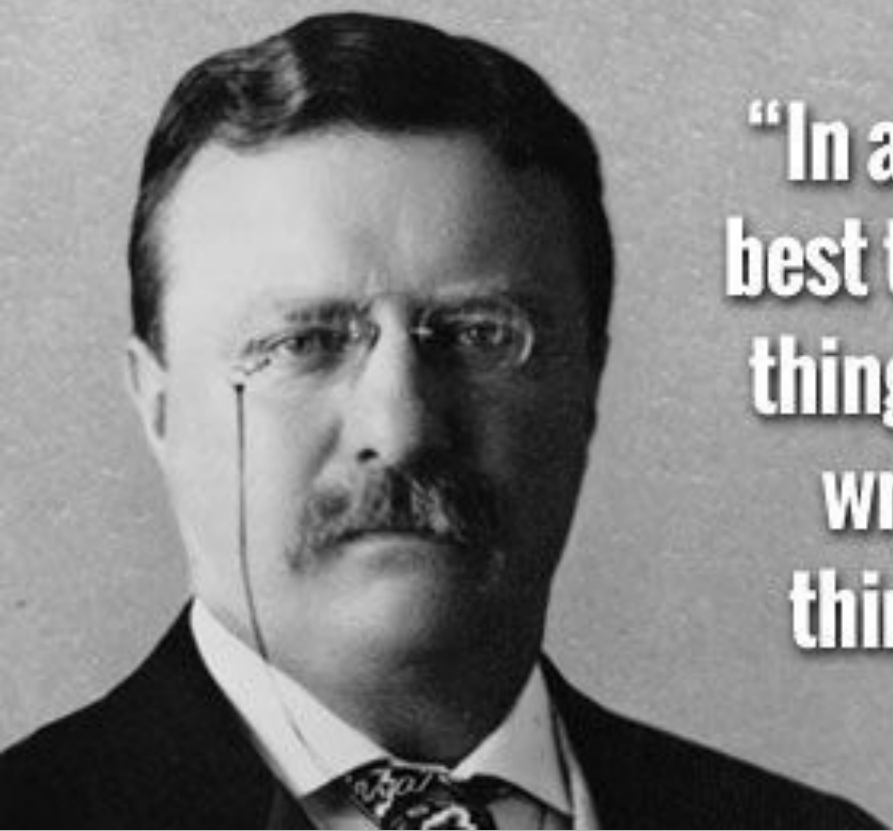# Feedback

Recommended Books


"Decision Making for Dummies" by Dawna Jones

"The McKinsey Mind: Understanding and Implementing the Problem-Solving Tools and Management Techniques of the World's Top Strategic Consulting Firm" by Ethan Rasiel and Paul N. Friga

"In any moment of decision the best thing you can do is the right thing, the next best thing is the wrong thing, and the worst thing you can do is nothing"

- Theodore Roosevelt
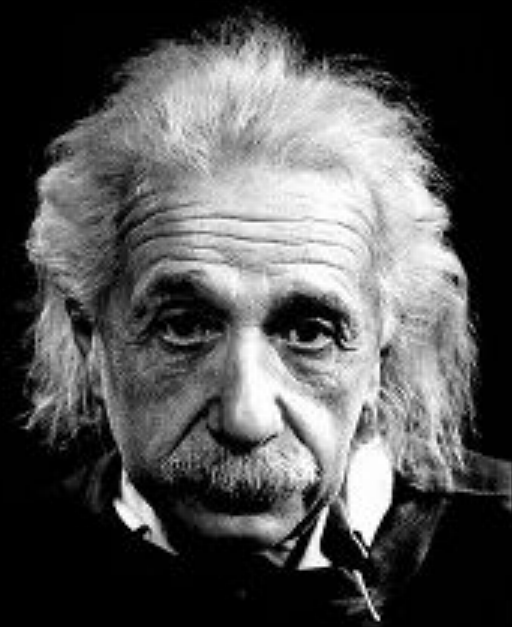
We **CAN'T** solve problems by using the same kind of thinking we used when we created them.