



**GLOBAL GYAN**  
LEADERSHIP ACADEMY

# Building Business Acumen: Strategic Thinking

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**ELGi Equipments**

**VIRTUAL DEBRIEF SESSION**





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What?

INFORMATION

Why?



INSIGHTS

So What?



IMAGINATION



INFLUENCE

# What is Changing in New Industry Definitions?



**Who is the customer?**



**What product we sell?**



**How we make money?**



**How we manage our cash-flows?**

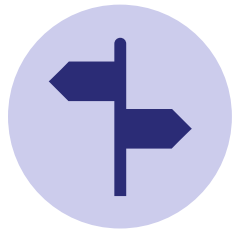


**How we partner with others?**



**New skills that are needed**

# Indigo Mantras for Successful Business



**All actions are decisions  
/ choices.  
Break the “Rules”**



**Make choices aligned to  
ONE primary goal**



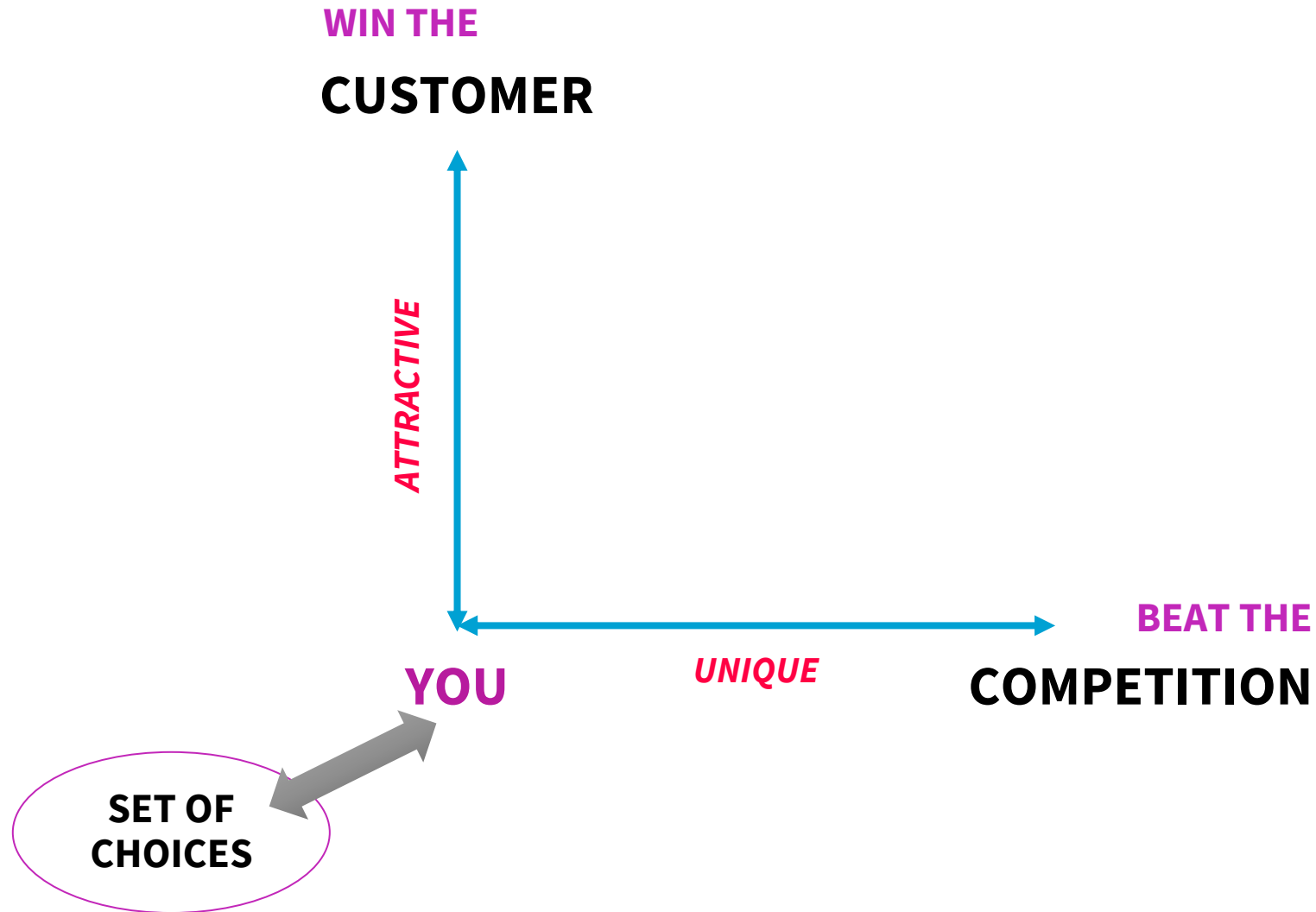
**Primary goal is to WIN  
the Customer  
(create Value)**



**Create Clarity through  
simple Communication  
to all levels**

**STRATEGY IS BORING**

# What is Strategy?



# Strategy Framework

1

## WHAT DOES THE CUSTOMER VALUE?

Who is my target customer?  
What are customer's needs / pain-points?  
What does the customer care about?



2

## WHO IS MY COMPETITION FOR THE CUSTOMER?

Who else can serve the customers' needs?  
What are they good at, what are they missing?  
What are likely substitutes or new entrants?



3

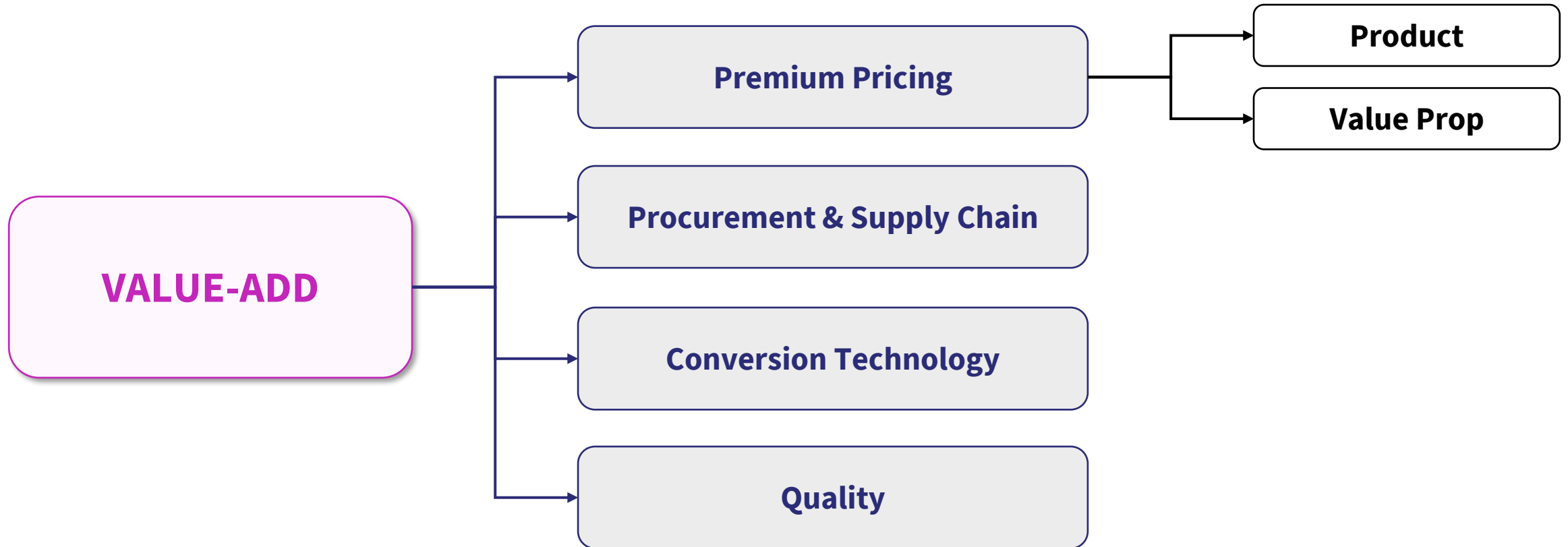
## WHAT IS MY VALUE PROPOSITION?

What makes my offering attractive to customer?  
What makes my offering unique vs. competitors?  
SIMULTANEOUSLY!

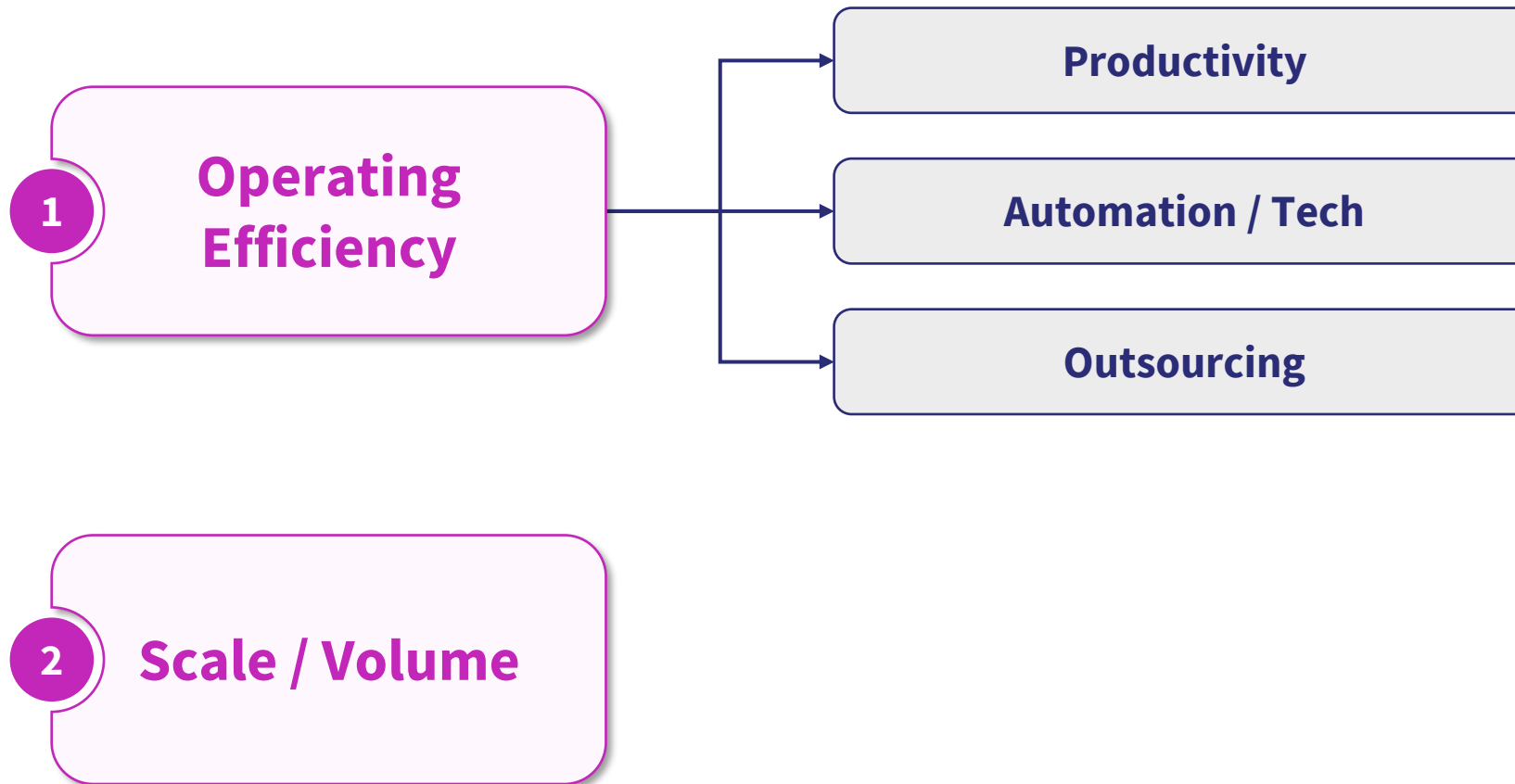




# Gross Margin: What does it mean?



# Operating Margin: What does it mean?



**Increase in Receivables and/or Inventory  
causes NWC to go up**

**Increase in NWC consumes cash  
(from borrowings or your bank balance)**

**On the other hand, decrease in NWC  
releases cash to the business**

**CASH IS KING**




# Value Creation: Return on Capital Employed

$$\text{ROCE} = \text{PROFIT MARGIN} \times \text{ASSET TURNOVER}$$



Pricing  
Operational Efficiency  
Cost Management  
Automation  
Supply Chain



Capacity Utilization  
Faster Sales  
Faster Collection  
Outsourcing  
Investment timing



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## Module 2

# Strategic Perspectives



**Analyzing the  
Industry**



**Strategy Equation**



**Strategic Choices**



**Decision Making**



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## Your Partner in Action

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