Management Challenges

M J Xavier
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My concerns

• Will managers be respected and paid as much salary as today? Will there be a need for MBAs?

• Will the world survive beyond 2050? What do we do to sustain the world before we can sustain our business and economy?

• Even if the world survives, can we live in peace, if we are going to leave out large masses of people below the subsistence levels? What do we do to bridge the income disparity?
.. President John F. Kennedy in 1960s would not have seen satellites, VCRs, camcorders, photocopiers, fax machines, answering machines, digital watches, e-mail, cellular phones, and laptop computers.

Kotler on Marketing (1999)
Convergence

Communication

Computing

Information Technology
Communication

- 1876 - Telephone (wire)
- Alexander Graham Bell
Communication / Computer

- Communication
- 1936
- Black & White Television

- Computer
- 1941
- Electronic Computer

BBC London November

Zuse Z3 (replica)
Communication / Computer

- Communication
- 1950
- Tape recorder / Colour TV

- Computer
- 1950
- First Commercial Computer (Leo 1)
Communication / Computer

- Communication
- 1960
- Transistor Radio

- Computer
- 1960
- Electronic Calculator

- IT

- Word Processing

Bild: Xerox PARC - Copyright: ACM
Magiska linser - verktyg i form av genomskinliga fönster Framtidens fönsterverktyg kommer att vara "genomskinliga" om det går som forskarna vid det amerikanska forskningscentret Xerox Parc vill. En verktygslinjal
Communication / Computer

- Communication
- 1970
- Video Recorder

- Computer
- 1970
- Pocket Calculator

- IT
- 1970
- Robots
Communication / Computer

- Communication
  - 1980
  - Mobile Phone / Personal Stereo / Video Camera / CD

- Computer
  - 1980
  - VLSI Micros

- IT
- 1980
- E-Mail / Internet
Communication / Computer

- Communication
- 1990
- MiniDisc / Playstation / Digital Camcorder

- Computer
- 1990
- Lap Top / PalmTop

- IT
- 1990
- Mobile Word Processing
THE THREE WAVES OF ECONOMIC CHANGE

AGRICULTURAL WAVE
1750-1850

INDUSTRIAL WAVE
1960-2000

INFORMATION WAVE

PERIODS OF DISLOCATION
Industrial Revolution Freed Our Bodies
From Physical Labour
Information Revolution Would Free Our Minds.
What is the future of management?

- IT has automated all the functions.
- Only strategists and analysts will be needed.
- We are producing far too many MBAs than needed.
- Consequently the salaries will come down.
- Only skilled persons will be respected and not those who manage them.
Las Vegas and Experience

Virtually everything about Vegas is a designed experience, from the slot machines at the air-port to the gambling casinos that line the Strip; from the themed hotels and restaurants to the singing, circus, and magic shows; and the forum shops mall that recreate ancient Rome to the amusement parks, thrill rides, video arcades, and carnival-style games that attract the twentysomethings and the older parents a reason to bring their kids in tow.

Of course, there is another side to the Vegas experience: the readily available alcohol, drugs, nudity-filled nightclubs, and prostitution.
Not just homo economicus

- *homo economicus* - the rational utility maximizer
- *homo sapiens* - man the thinker and communicator
- *homo faber* - man the toolmaker and creative being
- *homo ludens* - man the player
When the rate of change is slower inside than it is outside, the end is in sight.

Jack Welch, Chairman, GE
Change

- He that looks not before finds himself behind.
- It takes all the running you can do to keep in the same place. If you want to get somewhere else you must run at least twice as fast.
- There is nothing permanent except change.
- Panchatantra Story
Sustainability:

• Accepted age for the Earth and the rest of the solar system is about 4.55 billion years. It took billion of years to produce world oil, gas and coal reserve.

• Recorded history of Homo Sapiens is about 5000 years old.

• For 5000 years, man used wood, wood charcoal, wind and water power.

• Since the industrial revolution, man has been using coal.

• Man has been using oil for one hundred years. How long would it last?
Production of CO2 Since 1700
Are We Racing Toward Extinction?
Timeline for Mass Extinctions
Millions of Years Ago

- Ordovician-Silurian - 435 mya
- Late Devonian - 370 mya
- Permian-Triassic - 240 mya
- End Triassic - 205 mya
- Cretaceous-Tertiary - 65 mya

Two happened due to flooding, One due to sea-level falling and two others due to asteroid hits.
Reasons:
- Global warming
- Excessive Cooling
- Ozone depletion
Is there a potential Sixth Major Extinction?

Species are becoming extinct at a rate of about
4000/year
100/day
1 species every 15 minutes
2050

• 50% of all species on the planet will be either endangered or extinct
  – Habitat destruction
  – Global Warming

• 25% mammalian species would be extinct

• 15% bird species would be extinct
Inclusivity:

• Rising income disparity

• Marginalization of poor

• Greed among business people

• Corrupt business practices

• Separation of business society
### Incidence of Poverty

<table>
<thead>
<tr>
<th></th>
<th>People Below $2/Day Late-1980s</th>
<th>People Below $2/Day Late-1990s</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>China</strong></td>
<td>67.4%</td>
<td>50.1%</td>
</tr>
<tr>
<td><strong>India</strong></td>
<td>83.2%</td>
<td>78.8%</td>
</tr>
<tr>
<td><strong>Africa</strong></td>
<td>76.1%</td>
<td>76.1%</td>
</tr>
</tbody>
</table>
Bottom of The Pyramid

- Purchasing power parity (in U.S. dollars)
  - >$20,000: 100
  - $2,000–20,000: 2,000
  - <$2,000: 4,000

Population (in millions)
Moaists in India

[Map showing the distribution of Moaists in India with flags in Andhra Pradesh, Jharkhand, Bihar, West Bengal, Chhattisgarh, and highly affected states indicated in red, moderately affected states in orange, and marginally affected states in yellow.]
Thank You