In Memoriam

Reflections on Management Contributions of Professor C. K. Prahalad*

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Professor C. K. Prahalad (CKP), recognised globally as a great management teacher, thinker, advisor and a consultant (of the practising community), passed away on 17 April 2010 after a brief illness in San Diego, USA.

The author had the privilege of knowing him for more than 15 years and had conversations with him when he regularly visited Ahmedabad. CKP started his teaching career as a faculty at Indian Institute of Management Ahmedabad (IIMA). He was a distinguished Alumni of IIMA belonging to its first batch of the Post Graduate Programme in Management (PGP). He designed and coordinated the Management Education Program (MEP), a popular executive course at IIMA. MEP is a comprehensive 4.5-month integrated management course for practising managers as an effective alternative to a regular MBA course. The design of MEP was robust, contemporary and yet flexible. The author coordinated MEP on two occasions spread over a period of 10 years in IIMA. Based on its merits MEP lasted for more than 25 years, one offer every year. Indian Institute of Management Ahmedabad recently decided to discontinue MEP.

The author, as a faculty member at IIMA, had taught a second year optional course based on the academic works of CKP, which was a popular course among several batches of the PGP students at IIMA.

In the next few pages, we briefly recapture the contributions of CKP in broad terms and reflect on them to guide the future course of management education (research, teaching and consulting) and practice.

Major Contributions of Prof. C. K. Prahalad

CKP made a name for himself by introducing the concept of core competence to explain the superior performance of Japanese organisations compared with the rest in the world. This was acknowledged to be a dramatically new way of understanding competitiveness of organisations.

CKP broke the monotonicity when he introduced the idea of strategic intent of organisations. Whilst the academic community was still confined to strategy formulation and its implementation, he gave an alternative approach to strategy implementation, viz. strategy as a leverage to accomplish extraordinary performance of the organisation with the existing (limited) resources.

* A revised version of the first CKP memorial lecture delivered at Gwalior organised by ITM, Gwalior, on 15 July 2010.
CKP enunciated innovation as a source of competitive advantage in an explicit and convincing manner. When the academic community and the practising world was trying to catch up with best practices reported globally, CKP introduced the concept of 'next' practices in his work and lectures.

Attracted by the importance of India as an emerging economy, CKP came up with a vision document on India (India@75), a blueprint of action for India to become a developed nation.

His latest book *The New Age of Innovation* with M.S. Krishnan tactfully combines mass customisation, strategic outsourcing, innovation on global supply chains, usage of information technology in reengineered business process, interdependence of the firms at the global level, etc.

In the later part of his career, CKP became fascinated by the developing world. Therefore, he focused extensively on the issues and problems relevant to the developing nations, with an objective to develop a comprehensive managerial approach to resolve and address challenges arising out of accomplishing inclusive growth. This resulted in his work *The Fortune at the Bottom of the Pyramid*.

CKP was a researcher based on practices. He positioned his teaching and research exclusively based on the practising community. He combined his ingenuity and creativity to identify patterns in the practising world and abstracted them routinely as new management concepts and insights. CKP reversed the knowledge cycle, viz. from practices to routinely new knowledge framework, something similar to experimental research in basic sciences.

The *Fortune at the Bottom of the Pyramid* is a new paradigm where CKP modified and magnified the trade-offs between price, features and performance of a product and services. CKP's core argument was that if an organisation dramatically reengineered the product features and performance indicators, the price of the product could be kept so attractive that it can be accessed and used by a large market segment for which it was not originally intended. CKP went on to argue that designing the product and service for the economically weaker section of the society would generate more wealth as a consequence of large volume even when the margins are low. Hence, addressing *The Bottom of the Pyramid* is an opportunity for sustained wealth creation.

**Some observations on Prof. C. K. Prahalad’s work**

Whilst CKP is recognised for his remarkable ability in identifying patterns from the practising community (seemingly unrelated contexts) and giving them shape as management concepts or thought process, several of his ideas and thought process proposed to the management community have their origin in the strategy literature. For example, the concept of core competence has its origins from the resource-based view of a firm. The relevance and importance of innovation in the context of business strategy is fairly well documented. The idea of next practices initiated by CKP is a modified and enriched version of benchmarking.
The charming formula \( N = 1, R = G \) that CKP produced in his book 'The New Age of Innovation' is a palatable version to the practising community of the several well-known concepts on mass customisation, strategic outsourcing and supply chain in the flat world.

The most acclaimed concept in The Fortune at the Bottom of the Pyramid is an innovative way of dealing with price, performance and product features trade-offs.

These observations should not be misconstrued as a critique of the outstanding works of CKP. As a matter of fact, he provided a cohesive argument and neat logical frame of reference for several well-known management concepts and theory to the academic world based on real-life practices. CKP also used his work to build symbiotic and lasting relationship between the academia and practising world.

The concept of The Fortune at the Bottom of the Pyramid, as described in his latest book, is based on experiences and practices in India by looking at Jaipur Foot, Jaipur Rugs, SEWA, Bombay Dabbawallas, Amul, The Aravind Eye Care System, etc.

Whilst every thought leader in strategic management has a dream and desire to become a brand and do everything that is possible by balancing the academic and professional commitments to accomplish this dream, CKP demonstrated to the world that excellence can be achieved by his innovative insights from the practising community by focusing entirely on the practices, and working and advising CEOs. He evolved as a premium brand amongst practitioners. In addition to this, his contributions arising out of insights and observations from the practising community were widely acclaimed by the academic community. In essence, CKP practised blue ocean strategy** in his professional life before a book on this topic was written.

CKP also made his own contribution as member in government, industry and the international arena as a distinguished academician and thought leader of Indian origin. His annual seminars, organised by Ahmedabad Management Association in the Louis Khan Plaza of Indian Institute of Management, Ahmedabad campus, were a memorable annual event attended by hundreds of students and a large number of practising community. In each one of his annual seminars, CKP would bring a new concept to the wider audience.

Needless to emphasise, CKP was the most sought-after consultant, board member, advisor, coach, invited speaker and a distinguished professor.

* According to CKP, every customer is unique and therefore organisations need to design their product and services to meet the expectations and/or aspirations of individual customers. The number of customers in a segment defined as \( N \) is equal to 1. According to discussion in the book, no organisation has all the necessary resources to deliver value to a customer. Therefore, organisations need to leverage the competency of other organisations globally. This is represented by saying the resources (R) are global (G) \( R = G \).

** The essence of this book is to enable managers to see opportunities in unchartered territories. Usually organisations tend to compete in well-known and established clusters. Shareholders wealth can be maximised by looking at new areas, which are not dominated by existing players.
What can we do?

CKP has left a strong legacy of academic excellence arising out of professional practice. He was a shining example among management consultants and advisors. He was an icon among the teaching community.

The policy planners can use his vision document on India (India@75) as an agenda for action to ensure inclusive growth. The practising community can use each of his pathbreaking ideas or framework developed from practice to shape the future of their career and accelerate the stature of their organisation.

CKP has shown a way as to how worthwhile knowledge can be created by closely observing the underlying pattern in several seemingly unrelated situations. This may be an innovative research methodology for a budding researcher. For academicians and those who want to contribute to the practising community, CKP has shown a way as how to distinguish oneself from the crowd.

For the academic community CKP has left a large research agenda on issues related to inclusive growth and potential for wealth creation by addressing the needs at the Bottom of the Pyramid. A focused research agenda by academicians would truly be a contribution to what CKP stood for.

Annexure
Important Works of C.K. Prahalad

Bottom of Pyramid


Value Co-Creation


**Diversified Multinational Corporations**


**Resource Based View, Strategic Intent, Dominant Logic, Core Competencies**


**Strategy and Information Technology**


The support received from S. Basu at IIM, Indore, in preparing and compiling the list of important works of CKP attached with this note is gratefully acknowledged.