

Technology, disruption and the evolution of managers

BY INVITATION



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With the changes in technology, the nature of business and management is changing rapidly. Several functions are getting automated and hence the need for people is declining.

At the same time thanks to digitalization, more and more activities are getting recorded and tracked and huge amounts of data are getting generated.

In some industries, existing business models are getting disrupted and new ways of doing business are emerging rapidly. Thanks again to technology, microsegmentation is now possible in many businesses and, especially in services, mass customisation is now a reality.

I recently heard a very interesting talk by a CXO of one of our leading telecom service companies.

He explained that earlier they use to have a single set of tariff plans for each telecom circle even though regions within the circle were heterogeneous and the same plans were not relevant everywhere.

At the end of every month, once the customer acquisition and churn data came in, the company managers used to sit down to make some modifications in the tariff plans in order to meet the needs of the regions where they were not performing well.

Today, in contrast, subject only to regulatory requirements, it is possible to customize tariff plans in real time and the sales force has the opportunity to align the company's offerings to the needs of the market.

What does all of this mean for tomorrow's manager?

Intel's legendary CEO Andy Grove once said, "Only the paranoid will survive".

Given the fact that businesses as diverse as hotels and taxi services have got disrupted today, most companies are worried about how their industry may be disrupted by unexpected competitors in the near future.

Just like it used to be said that it is better you cannibalise your own product before someone



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else does it to you, a contemporary manager has to not only look out for how his business may be disrupted by others but also how he himself could possibly disrupt the business.

This is one important skill that is needed today.

With all the data being generated, today's manager needs to know how to use the data more creatively. While he himself need not be an expert in statistical tools and techniques, he needs to be able to work with the analytics team to identify ways in which data can be used to understand the customer and market trends, optimize supply chains and craft new business strategies.

Though companies will require less people in future, the need for people will not disappear. Hence people management skills will continue to be important.

Much has been written about how millennials are different from earlier generations in the work place.

They appear to be more self-centered and have shorter attention spans. At the same time, they are independent and well informed.

The ability to get the best out of millennials and future generations in the work force will be critical to managerial effectiveness.

While automation will change the way organizations work, people will shun an organization that lacks the human touch. Managing a blend of machines and emotional connect poses a new challenge to managers. Interestingly, this subject is hardly discussed in MBA pro-

grams.

It is widely accepted that fast change will be inevitable, if so the ability to experiment quickly and at low cost and rapidly ramp up successful experiments before being ready to change once again will be important. Agility and flexibility will be the core mantras of the successful manager.

Last but not the least societal expectations of the corporation are likely to be more demanding. In such circumstances, it will be difficult to get away by causing negative externalities to society.

Whether organizations are proactively involved in corporate social responsibility or not it is unlikely that they will get away by causing harm to others. Tomorrow's manager therefore needs to imbibe a sustainability ethic to manage the expectations of diverse stakeholders.

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