MAY THE BEST PROFESSIONAL PREVAIL!

APARNA SHARMA *(DIRECTOR-HR, DBOI GLOBAL SERVICES, DEUTSCHE BANK GROUP)* TALKS ABOUT THE PROCESS OF CANNIBALISATION IN AN ORGANISATION AND HOW IT IS NOT POSSIBLE TO ACTUALLY CANNIBALISE AN INDIVIDUAL

Have you ever wondered what is common between cannibalisation in the context of brands and professionals in an organisation?

In marketing, cannibalisation is the decreased demand for an existing product that occurs when its vendor releases a new and similar product. For instance, when Canon releases a new printer it realises that the existing ones in the market will suffer some erosion of sales or market share; that erosion is referred to as cannibalisation.

Can this be relevant to a firm? Here is a story that tells you how.

Vir was hired as the chief financial officer of a leading consumer durables company. Sales had grown at an unheard-of rate to touch INR 1,000 crore in five years. Even today, the company is growing at 200 per cent per annum. However, the company's IT and financial control systems had failed to keep pace. As a result, there were huge leakages, misappropriation of funds and lower than expected profits.

The CEO was under great pressure to set things right. He needed a competent go-getter CFO for the job. After months of searching, they were unable to find a suitable candidate. One day, the search firm recommended Vir's name. He was based in New York and wanted to move back to Delhi to be with his ageing and sick parents. The only hitch being he wanted dollar-like salaries (*top quartile of the Indian market*).

So desperate was the need that the CEO agreed to all the terms put down by Vir on the condition that he would join within 45 days of accepting the offer. The deal was sealed.

On day one, Vir was in for the shock of his life. Instead of an adequately staffed and competent finance department in the 1,000-crore company there was only a four-member team that included a smart chartered accountant, Aru. Attrition was very high. Five members had resigned in the last one month citing lack of support from the CEO. They said that the CEO was only interested in increasing sales without any commitment to follow even basic financial control.

The first thing was to understand the current state of things, business needs and expectations of the CEO. Over the next two months, he spent hours with the finance and business teams. He spent two days each in the factory and the marketplace to know first-hand issues involved.

At the end of the third month, Vir had prepared a blue print for the finance and IT functions. It included a new organisation structure, positions that needed to be filled, upskilling of current team members, software system roll out plan, contribution of sales and factory teams and a budget. When Vir presented the plan to the managing committee, the head of sales was enraged. He said, "if my sales team has to feed the IT system with the data that you ask for, they will not have time to sell. How can you expect sales to forecast so accurately?" The CEO was quiet and had an expression that said: "This man wants to change the way we have run our business so successfully for five years. Have I hired a CFO or change agent?"

The plan was reviewed for two days. Vir was bombarded with questions. He tried to be calm but lost his patience a couple of times when his competence and track record were questioned. His colleague Aru found him quite aggressive and scribbled a note to Vir that said if his plan succeeded, the CEO and sales director would have to answer some tough questions on the methods used to achieve sales.

Vir was unperturbed, presented a revised plan in the post-tea session on day two and told the CEO either they supported that plan or he was catching the first flight back to New York. Thereafter, the CEO relented and implored everyone to support the plan.

Because of Vir's competence and personality, he was able to attract and retain a team of talented professionals. Over the next one year, Vir worked for over twelve hours a day six days a week. He pushed his team and others very hard. Colleagues hated his guts, confidence and clarity of thoughts. He got to meet his parents only on Sundays. It hurt him deeply, since being with his ageing parents was the primary reason for this job.

January 1, 2009 was when the new system went live. It transformed the company's working and information system, making it transparent. No longer could the inefficient take cover in the name of sales targets. The congratulatory messages never stopped.

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But there was an unexpected turn to the story! Sales growth plateaued in the next three months. Tight financial control meant that stocks were not despatched to distributors who had outstanding beyond 60 days. Company profits and stock price began to head southwards. An emergency board meeting was called.

It started by the CEO congratulating Vir for a splendid performance. In the same tone, he added that the board had decided to appoint Aru as Deputy CFO and with similar powers. Vir protested at not being consulted but the board was firm. Aru had developed into a competent professional under Vir's mentorship; but no functional head likes surprises like these. Over the next two months, Vir found himself being increasingly sidelined. The CEO would consult Aru on major financial decisions. Any suggestions by Vir were shot down as being impractical and detrimental to business. By questioning his wisdom repeatedly and publicly, Vir began to lose confidence in his abilities. Further, the recently introduced systems were gradually being made ineffective. Gradually, Vir found the demand for his intellect dropping. A request for a one-month training programme at Harvard was turned down. The company was now unwilling to invest in him. He felt like an old printer that was now being replaced with a newer model, which was Aru.

Within a few months Vir had no work. It was akin to decreased demand for an existing product (*i.e., Vir*) that occurred when its vendor (*i.e., board*) released a new and similar product (*i.e., Aru*).

Vir was disillusioned. When he shared this experience with me, I told him, "The CEO used your skills to create a world-class software platform and build a finance team. He favoured Aru over you because the resultant business reality was too hot for the board to handle, although no one denies your competence or contribution to the organisation. Your skills will be recognised and appreciated in a more conducive environment."

Last heard the company was close to running out of cash. The banks had refused to bail out the management.

To summarise, you can promote one over the other or play favourites which is a part of organisational dynamics. However, one cannot take away a competent professional's merits, skills and goodwill created in the organisation. He or she possesses a set of skills which shall blossom in an empowering and progressive organisation. One cannot really cannibalise a professional! thf

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