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RESEARCH ARTICLE

DECODING THE FORMULA FOR EVERGREEN BUSINESS SUCCESS.

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Abstract

The goal of this article is to understand deeply what the most important elements of success of a business. To achieve this objective, the study extensively collected, identified and analyzed best management practices, decode them into qualified factors that contribute most to sustained business performance. The findings suggest that the talented team & innovation are the main concern in determining the success. Other remarkable findings include that culture & structure, Execution & Leadership were all interrelated to each other and essentially need to be satisfied for attaining success. The mechanism through which organizational culture impacts the design of structures and vice versa is explained at the conceptual level. This article provides formula which when executed correctly will lead to increase value for both customer & company as well as sustain in this dynamic world. A schema for understanding the different potential domains for innovation is also added

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Introduction:-

For the initial 50 years of the twentieth century the path for profit optimization of firms was clear and unambiguous. In light of microeconomic hypothesis, this equation was to make an undifferentiated item at any rate conceivable unit cost and to offer it to the market at the most minimal price.^[1] Over the years number of substitutions for the microeconomic theory has showed up in business and scholarly writing. The Figure 1 represents the driving forces for success in 20th Century. An expanding number of firms found that the microeconomic theory no longer enhanced development and profitability. Subsequently, managers and academics began to search for alternative formulas for profit optimization.

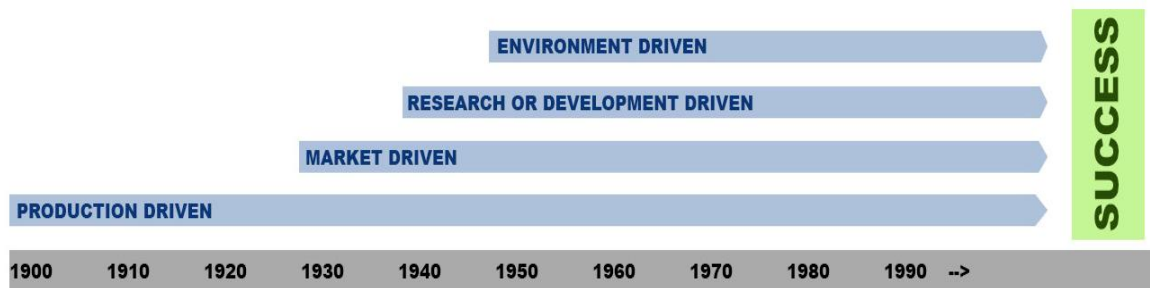


Figure 1. Driving forces for success.^[1]

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It is sensible that we have entered new age described by low development, quick change and complex. ^[2] Markets, products, and organizations have become global, diverse, knowledge intensive and multicultural. The view of the world and its systems as stable and predictable has been replaced with uncertainty, nonlinearity, and chaos.

Innovation – Need of the Hour:-

As per Forbes, the normal life expectancy of an effective Service and Product 500 Company was 67 years in the 1920's. Today it is 15 years. ^[3] More organizations need to innovate to enhance these declining numbers. We ought to be worried about many organizations that are presently effective don't have innovation instilled in the texture of their organizations. They are the ones that need to maintain a strategic distance from the FDH (fat, dumb, and happy) disorder, attempt new things and not rest on their laurels. They need to take risk to keep on achieving great success. They ought to realize that survival today requires more than treading water, and that a considerable lot of the organizations that were once extraordinary are currently gone or on out to a great extent since they quit innovating. Wherever advancements originate from, in any case they are done, and in whatever piece of the business they happen, organizations need to persistently innovate or risk dying. The problem with innovation improvement efforts is rooted in the lack of an innovation strategy. The remainder of this paper is devoted to presenting a formula for such strategic innovation

Evergreen Formula:-

Based on various literature studies, related analysis, personal observation and experience, a set of four dimensions appear to be dominant factor for business success. It is framed into equation as follows:

$$BS = e^L \times \int_s^c (wT + sI)$$

Where,

BS	= Business Success
wT	= Winning Team
ΔsI	= Triangle of strategic Innovation
Limits: C&S	= Culture & Structure (5F)
e ^L	= Execution & Leadership (3S)

In words the formula is stated as follows: “The degree of Business Success is equal to the integration of winning Team & strategic Innovation within the cultural & Structural boundaries, the whole executed under an effective leadership”. Let's take a look at each element briefly.

Winning Team (wT):-

Organizations realize that they should have the best talent keeping in mind the end goal to prevail in the hypercompetitive and progressively complex worldwide economy. The achievement of organization is directly proportional to the nature of the talent they can draw in and keep in their group for which talent and reward management plays import role.

A. Talent:-

Alongside the comprehension of the need to employ, create, and hold skilled individuals, organizations must oversee talent as a basic asset to accomplish the most ideal outcomes. The qualities of individuals who can possibly be the sort of "talent" are:

- Honesty/Integrity,
- Attitude of appreciation, energy and enthusiasm.
- Joy/Desire to be of service to others,
- At minimum a mid-level of competence combined with a high level of aptitude.

One should likewise realize that it's less expensive and more dependable to create stars than to get them. So first class training programs must be made to grow right skills and to hold top performers.

B. Reward:-

The best asset of an organization is people, on whom the greatest investment ought to be made. ^[4] Employee performance relies upon a substantial number of elements, for example, motivations, appraisals, work fulfillment, training and development, etc. Monetary incentive measures, for example, wages, and other benefits have traditionally been utilized to motivate employees to improve performance, particularly labors from production companies. ^[5] Incentives and related frameworks are fundamental to developing capacities and to translating them into better performance. However, studies have demonstrated that compensation does not help efficiency on the long run and cash does not enhance performance significantly (Whitley, 2002). ^[5] Moreover, concentrating just on this perspective may deteriorate workers' attitude, as they may seek after just monetary benefits. Luckily, there are other non-money related benefits that influence inspiration, for example, luxury gifts, travel, social acknowledgment and performance feedback.

Reward strategies are executed through measurements. But, if mere numbers alone considered as assessment for rewards, then it prompts to distorted systems. ^[6] Hence adequacy of these rewards systems additionally relies on upon various social, psychological and economic components. To actualize a genuine performance based reward system, organizations need to build up a proper reward strategy. There are many methodologies that can be utilized. It's vital to understand that there is no 'one-size-fits-all' way to deal with building up performance based reward culture. To be successful, one has to customize and tailor a system that's unique to their business needs and existing HR processes.

Strategic Innovation (Δ S):-

Innovation gets to be "strategic" when it is a deliberate, repeatable process that makes a noteworthy distinction in the value delivered to buyers, clients, partners and the company. A composite framework introduces the potential domains for successful innovation processes built within three boundaries or disciplines. Schema is given in figure:2

A. Boundaries:-

- 1. Increasing value to Customers:** Strategy begins with the customer, not the company's assets. Choices must be taken whether to give superior price value (as lower costs) or superior non-price value (as superb usefulness, grand customer service, or an extraordinary customer relationship). Organization ought to include voice of clients in each progression of product development and catch their input throughout the customer journey. 85% of surveyed corporate leaders believe that strategies aiming at increasing value have more potential to lead to long-term success than strategies aiming at reducing prices ^[2]
- 2. Increasing value to Company:** While watching out for operational efficiency, high performing companies ceaselessly search for better approaches to reinforce their top line. Innovative partnerships with academics, vendors, and organizations from different and/or comparable sectors are often considered to exploit the partners' offerings, processes, and resources, while profiting by internal strengths. Two-thirds of surveyed corporate leaders believe that strategies aiming at increasing revenue have more potential to lead to long-term success than strategies aiming at reducing costs. ^[2]
- 3. Experimenting with new ideas:** It highly matters, what we change when the world around us changes. High-performing organizations understand the dynamics of today's economy. They urge employees to innovate and search for rapid ways to experiment with different ideas and models. Think big, begin little, learn and adjust quick, act smart. They also expect and accept failure.

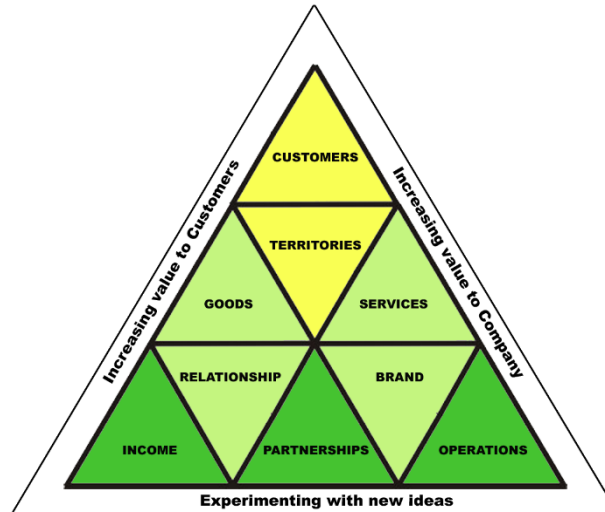


Figure 2. Strategic Innovation Triangle.

B. Potential Domains:-

1. **Market Domain:** Marketing related growth strategies express at whom the business creates value for, running from existing to potential customers or customer segments, and where a business has or could have critical importance:
 - a. **Customers:** Customers are fundamental to any business model. Without them, no organization can survive. So-called customer strategies go for characterizing which segment of people or associations an organization ought to reach and serve, and which ones it ought not.
 - b. **Territories:** Similarly, strategies around sales territories give choices to organizations to create and enter particular markets, regardless of whether local or global.
2. **Value Addition:** Strategies that encompass an organization's value offer concentrate on an organization's customer confronting components, for example, how an organization creates recognizing elements and functionalities, how it upgrades the value of its offering through additional services, how it supports convincing cooperation with customers, and how it exhibit its offering and business on the market.
 - a. **Goods:** A product-based growth strategy comprises of creating an outstandingly grand product or structure of product: by creating unique elements and functionalities, or by being more straightforward or simpler to use than rival products. This permits an organization to win a considerable premium and gain a higher market share.
 - b. **Services:** A service-based growth strategy comprises of improving the value of the core product or structure of product through additional services, for example product guarantees, maintenance plans, or consumer support.
 - c. **Relationship:** Enhancing client experience is about creating and supporting convincing and meaningful interactions with client to engage them and create a sustainable emotional bond with them
 - d. **Brand:** Brand strategies comprise of improving the portrayal of an organization's identity, goods and services to the market, including its clients, prospects, vendors, rivals, and other key business associates.
3. **Operating Model:** An organization can also gain growth by concentrating on its business and operating models, including how it make profit, how it ties with business associates, and how it supports the business over the long run.
 - a. **Income:** Organization can grow by building up better approaches to generate revenue and increment edges.
 - b. **Partnerships:** Partnerships strategies give a path to an organization to bring superior value by benefiting from its own strengths while utilizing the abilities of others. It can occur at numerous levels of the value chain and with various business associations, extending from vendors and consumers to even rivals
 - c. **Operations:** Business can also develop by ensuring their process, procedures, methodologies and other operational activities completely support their value-creation desire.

According to corporate leaders, using a mix of many potential domains is expected to lead to higher performance levels and delivers more sustainable results than isolated improvements, and does so in ways competitors cannot

easily spot or copy.^[2] However, even when multiple domains are used, sustained success is possible only when all three boundaries are satisfied.

Culture & Structure (5F):-

The most imperative factor pulling in top talent is organization's culture. In some quarters of the business world, culture is still viewed as delicate—it's not considered as important as, say, operations.^[7] In accentuating issues and critical thinking, we fail to sustain trust, discovery, and creative ability. In making numbers, measurements, and material performance the methods and the objective, we disregarded our aggregate requirement for deep engagement, motivation, qualitative inquiry, pattern arrangement, narrative and meaning. We fragmented our values, our conduct, our families, our spirituality, our lives, and our work. We separated our bodies from our minds, our minds from our hearts, our hearts from our soul, and our souls from one another. We suffer now from the lack of individuals equipped to perform the new functions.^[8]

As indicated by a Bain survey of 365 organizations in Europe, Asia and North America, even those organizations that figure out how to cultivate high-performance cultures regularly discover them difficult to maintain. They additionally found that almost 70% of business pioneers concur: Culture gives the best source of competitive advantage. The progress of a sustainable culture that expects and boosts innovation at each level and capacity of the organization really undergirds every component of the innovation framework. The common elements of this winning culture are as follows.

- A. Fun:** making the way of culture where individuals enjoy the work they do and the people that they do it with. The most straightforward approach to check whether you've done this well, is just to walk around the place and check whether individuals are smiling. Smiling workers normally show people who are having a good time at work, making the most of their occupation, and having fun around with their associates. At the point when employees live it up will probably stay faithful to the organization.
- B. Family:** the way that employees characterize a "family like atmosphere" is that they realize that their superiors and companions truly care about them as an individual. This is the kind of culture were individuals demonstrate true concern and affection for each other, both as esteemed members from the team and as esteemed members from the community.
- C. Friends:** individuals who are exceptionally connected with and faithful to their organizations often consider much of their colleagues to be their close friends, some of the time even their best friends. This is not something one can command, it develops naturally from the initial two elements of fun and family.^[9]
- D. Freedom:** in organizations with a remarkable culture, individuals are given the training, resources, time and support to carry out their tasks amazingly well – and afterward they are given the freedom (empowerment) to go beyond and succeed all alone. Work satisfaction assumes a noteworthy part in stimulating new and beneficial ideas. Workers must be given the chance to do what they observe to satisfy in their roles to harness the creativity important to set up a innovative thought process. One of the quickest ways to kill the imagination and engagement of skilled worker is to attempt to micromanage their work which must be maintained a strategic distance from.
- E. Felicitate:** In an organization that has greatly engaged and satisfied employees, one of the fundamental things that inspires them is getting sincere, honest and genuine praise at least once every seven days.^[9] This compliment does not need to originate from the supervisor, it can be gotten from any of the colleagues, and the key is that it must be particular and honest to goodness. If people feel acknowledged for their work and are included in decision-making, their upgraded eagerness and inspiration will prompt to better efficiency and loyalty.

This kind of culture (5F) is what employees are looking for where they would give 110% of their discretionary effort. In order to embrace this new corporate philosophy, organization structures will also need to become more agile and flexible. If organizational culture and structure are not in accord, there will be serious tensions and problems which will affect the organization's functioning and its results. Organizational culture justifies the behavior and rules imposed on workers and administration by the organizational structure within the context of legitimate qualities and standards of behavior. On the other way, organizational structure standardizes the culture, i.e., mirrors its qualities, norms, and attitudes. However, the organizational structure can reinforce or even change the current organizational culture. Therefore, the relation of organizational culture and structure is dual as illustrated in figure 3.^[10]

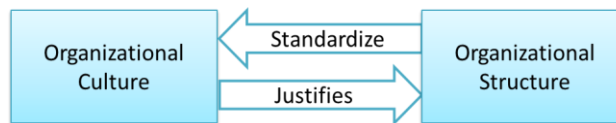


Figure 3:- Mutual relations between organizational culture & structure.

Speed of decision has become increasingly important, with strategy development cycles becoming shorter and shorter. In light of a dynamic external environment, organizations must learn quickly and create a fast, flexible, flat structure that reduces bureaucracy and simplifies work. Departmental boundaries must be broken that avoid data sharing and collaboration. Nothing wrong with bureaucracy fundamentally. Processes and protocols are essential for any organization to function well. However, an excess of formality can hinder progress, diminish employee's excitement, and drain their energy. Additionally we need from our leaders Structural readiness. This denotes to the company structure's flexibility that backing innovation and to assign existing, qualified staff to high-priority operations – without question – one of the main obstructions to implementation.^[11]

Execution & Leadership (3S):-

Recommendations are meaningless unless you can act on them effectively. Creative minds are of no use, if you cannot instill a high level of disciplined execution where your great ideas are turned into massive action. It takes strong leadership at every level of an organization, determination and a willingness to make innovative culture a top priority. Leadership is a philosophy. It's an attitude. It's a state of mind. And it's available to each one of us. Successful leaders will perform following creative roles in the new leadership paradigm

- A. Spiritual Visionaries:** Spiritual visionaries are people who decipher the universe and individuals' roles in that— or if organization is taken, its part in business and society and its worker's roles in accomplishing its mission. An optimistic effective leader defines a very clear picture of the future—a vision for the team and blueprints for action to achieve those goals
- B. Social Artists:** Social artists are individuals who continually work on themselves to develop skills & wisdom to provide consultation, leadership, and guidance on changing paradigms. Social artists work in collaborative networks to create social innovation. They use powerful conversations to build trust, encourage forward thinking and create energy within the team. The behaviour displayed by the leader also influences the subordinate's mindset
- C. Scientific reflector:** leaders are proactive, seize opportunities before competitors do and tackle problems early. They work to change the organizational culture by implementing new ideas; eliminate waste, increase productivity. Delegate decision making wherever required.

Execution is a derivative of very clearly communicated expectations, visibility around key performance indicators, high levels of accountability and high levels of employee engagement. Investments in technologies and systems like ERP, CRM or SCM etc also influences success. The right tools clear the path for smoother execution and may improve the end product. But tools mean nothing without the right expertise and the right ingredients behind them. Software should support the process, but it can't stand alone.^[12] Disciplined attention & flawless operational execution is what really counts.

Limitations & Future Work Considerations:-

This fundamental research is mainly concerned with generalizations and with the formulation of a theory; can also be iterated as "Gathering knowledge for knowledge's sake". While each factor of business has its own specific objectives, the formula as a whole has one overarching goal: Evergreen business success. It can be used as practical management tools which assures the firm's profitability & sustainability. It is primarily intended for strategy formulation or validation, redefining of existing strategies to make sure it's successful. The formula can be highly effective to entrepreneurs & decision makers – at all levels and in all functions of an organization – anyone who is struggling to make choice among multiple options. This vital decision is what turns the company from a nonprofit into a moneymaking endeavor in long run, whether across growing or declining market environment. Formula given will be relevant across industries like Automotive; Communications, Media; Chemicals; Building; Nutrition; HR Services; Hospitals; Retail, and Fabrics, but not limited to. Although this qualitative research addressed a major limitation of past studies, that being the lack of explicating the relationship/critical-link between all major variables,

it does not consider these factors in an empirical contextual, rather provided as a 'conceptual umbrella'. But this is an excellent base from which subsequent research will be undertaken on validation of these relationships in diverse environmental contexts. It would also summarize key trends, challenges/opportunities, and illustrates how this formula is applicable, through real-life examples in follow-up studies.

Conclusion:-

In the business world, the mandate for innovation is inescapable. If a company doesn't adapt to fit changing realities, it risks losing its position in the market. The formula provided is intended to tell managers which management practices they need to focus on and how they can improve it. The triangle of strategic innovation helps to grasp the full potential of future growth opportunities, and also corporate leaders will need to reinvent their business with above stated 5F & 3S techniques to achieve evergreen success.

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