

# CIB on wings



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Initiatives of Change  
Caux Initiatives for Business

Dear Readers,

Greetings from Caux Initiatives for Business!

Much as we hope to be punctual in bringing out CIB on Wings, this month we have faltered. For this we send in our sincere apologies for the delay of this May issue.

While Sarosh Ghandy, Director, CIB and Vivek Asrani, MD, Kaymo Fastener Company, were in Malaysia, a Tea Talk for about 50 persons was held at the UEM Learning Centre. With the focus of the talk on “Business of the Future – Beyond Compliance to Shared Ethics” the two gentlemen with their vast experience in business spoke from their heart. In this issue, we carry a Report of the talk that was hosted by Initiatives of Change (IofC) Malaysia.

Heralding, well in advance, the next CIB International Conference that has been planned from January 22 to 26, 2016 we carry for you some of the key aspects of this event. The motive is simple – to try and bring in you an interest that would be sufficient for you to want to join us.

Until our next issue, Happy Reading!

**Mrs. Ishika Banerjee**

# Initiatives of Change Malaysia

## *A Report of a Tea Talk on Businesses of the Future*

*“I’ve been laboring over the theme (of this evening’s talk) on Business of the Future and quite honestly I don’t know what is going to happen in the future. However, what I would like to dwell on is on what I fear might happen and what I hope will not happen in the future.”*

*These ominous opening remarks of Sarosh Ghandy, Director, Caux Initiatives for Business, was the kick-off of what turned out to be an interesting evening of experience sharing. Mr. Ghandy and Vivek Asrani, MD, Kaymo Fastener Company formed what Puan Shahreen Kamaluddin called, “a well-orchestrated duet.”*

*Following a sumptuous spread at the tea table, a talk had been organized at the UEM Learning Centre on March 28, 2015 by Initiatives of Change (IofC) Malaysia. About 50 participants from all walks of life attended this two-hour programme that focused on the theme, ‘Business*

*of the Future – Beyond Compliance to Shared Ethics’. K. Haridas, Chair, IofC Malaysia after welcoming the guests handed over*

*the event to the Moderator, Puan Kamaluddin, a renowned author and Advisor – Fellow of the Institute of Public Relations Malaysia.*

*Beginning with the traditional IofC songs, a small motley group brought spice to the event with their message-packed lyrics as they sang melodiously, “There are no strangers in the world; only friends we haven’t met.” Though unplanned, the song laid the foundation to*



what Mr. Ghandy was to say minutes later.

Building on his opening remarks, Sarosh Ghandy spoke of his concern with the indiscriminate use of technology in society today. “I am not against technology,” he clarified. “I use it myself. However what frightens me is our dependence on it to the extent of helplessness. While it definitely takes us forward, we make ourselves slaves of it.” Switching gears he shared how each individual has a mind. “Yet we forget that we also have a soul. We use our minds to such an extent that our actions deprive us of living to our fullest potential.”



Recalling an exercise that was conducted at training sessions, Mr. Ghandy shared how on a sheet of paper each delegate was asked to write down the thing that one feels and desires the most. Next they are asked to write ‘why’ they wanted that. This is carried out three or four times. “Inevitably,” shared Mr. Ghandy, “you arrive at the answer that the reason you want something so much is because it makes you happy.”

“Yet,” he continued, “we still search for other ways to make us happy; often looking for it through the mechanistic thrill that gadgets bring us.”

Moving now into overdrive, the Mechanical Engineer and former MD of TELCON, a Tata Company that dealt with heavy construction machinery then outlined one of two ways on which many of our decisions are founded; love or fear.

Building on this theme, he clarified that although it may appear to be digressing from the topic, a closer look will reveal that it is our approach to these facets of human behavior that will determine, to a large extent, the companies

of the future. “Because of our conditioning, we immediately respond to fear. Even if someone in the office acts out of concern and assistance, our first response is of suspicion. We search for a hidden agenda. However, if one acts from love (displayed by an attitude of support and encouragement to our colleagues), with the intention of how we can help the team do better and be more efficient – the results are dramatic.”

“This is what I would like to see in the companies of the future,” said Mr. Ghandy with a simplistic yet profoundly hopeful expectation as he turned his last lap with finesse.”

“I would like to see greater awareness of people around us. Guided by this one motive of how we can help make things better, it would help immensely when we give them what they need to make them more efficient and better at their jobs.”

“This is what we should be striving for; and if we want to make it a reality, a lot will have to change.”

“The companies of the future need technology, but they also need people with a heart and soul. It needs people who are happy; people who come to work because they want to not because they have to. Who want to do things that their

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boss expects because they want to not because they have to.”

“If we can come even close to this approach in running our companies we will have far better ones than we have today.”

*When Vivek Asrani took over the microphone it was, in a sense, a tribute to Mr. Ghandy. For not only did he share how the latter's approach to leading with love has made a big difference in the way he runs his company but also how it has brought purpose to his business.*

*Beginning with the four principles [(1) Integrity; (2) Win-Win; (3) Customer Delight; and (4) Excellence that he had laid down in his company which soon became the culture of the organization, Mr. Asrani first shared how being ethical had become the best business strategy.*



*Recounting the early days of his business, he shared how his office staple pin manufacturing company found itself suddenly competing with the unorganized sector. Small shanties had sprung up producing pins with*

*shorter lengths, using poor quality material and selling with no invoices. What was worse was that they were selling their product cheaper by at least 25% of Kaymo's value. Vivek found himself competing with a parallel economy that all the while depleted his market share.*

*To add to his woes, because of the company's limited production capacity, it gave rise to duplication of Kaymo products. Spurious goods with identical packing and company name were sold all over the country. Could a small, family-run business with limited resources fight little shanties that were more like fly-by-night operators?*

*The young man who at that time was barely 30 years of age was faced with two choices: either to compete with these unorganized sector players by being better at their own game of unethical practices or move up the value chain. He chose the latter and diversified into industrial staples, nails and fastening tools.*

*In another experience he shared how in the*

*third year since the launch of industrial fastener tools, Vivek found himself negotiating an order that was equal to his company turnover. There were only two companies that were in the race for this contract, the other being a very big company. Unfortunately for him, the purchase department was one of the most corrupt departments in that private sector company. Staring directly at the cross-roads, this young MD needed to make a choice. Should he take the bite and push his turnover up several times higher (and shred the first of his four principles) or should he stay true to what he believed was the best business strategy? Again, he chose the latter. After having turned down the order he gathered his then small team of 4 or 5 staff and asked, "What does it still take to be market leaders?"*

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*What do you think has greater consequences – losing the profit from the order or losing the culture of the company?*

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*This situation pushed them to bring out their best. They were forced to explore innovative and creative ideas in order to grow and expand. Smiling nonchalantly Vivek then drew a 'then' and 'now' comparison to bring to perspective the result of being forced to work better. He said,*

*"From 6 to 7 products we now have 400. From 2 models of pneumatic tools, we now have 80. From having no dealers, we now have 150. From 5 staff we have expanded to 60 all over India, with 18 or so looking after sales. From no service centres, we are now India's largest service centre, managing over 3500 spare parts with 31 authorized centres all over India. And we now have a network of 25 suppliers from around the world that manufactures products for us with the Kaymo OEM label, design and brand. "I bless that corrupt purchase officer," tailed off Vivek, "for pushing us in the right direction. If not, we would have been fat and*

*lazy and would have lost all drive for innovation and creativity.”*

*Anchoring themselves to this principle, which as Vivek poignantly stated was ‘non-negotiable’, it not only helped Kaymo Fastener Company set an operative standard to run their business but also kept them poised for longevity. “For had we given in,” he said, “in the long run, we would have perished.”*

*Elaborating further on how it was important for the top leadership to constantly communicate the value system of the company to all its stakeholders, he shared, “how one does something is as important as what one does.” Building on this thought, Vivek recounted a story of the time when one of his senior officers came to him with a dilemma. Acknowledging to his boss the ethos of the company and the policy for zero-tolerance of corruption he shared his situation saying that the Purchase Officer of the prospective buyer company sought a 2% commission on the total value of purchases. Vivek continued to share how his senior employee tried to convince him by telling him that it was too big an order to lose. “Sir,” narrated Vivek of that meeting, “You know and I know. No one outside of us needs to know. This order will help boost the company’s sales tremendously.”*

*Gently reigning in this employee, the MD of Kaymo Fastener said, “ ‘Tomorrow you are going to have aspirations to rise up the ladder. Your successor would have to know of this agreement with the Purchase Officer of the client company. It will then be a situation where you know and I know and he knows. Now step back a bit and let’s look at this objectively. While on the one hand the order will boost sales on the other, from this time on your successor would start to doubt everything that he has been told in the company. In addition, everything that we say in the future is going to lack conviction. Not only that, but in the future, they will resort to such tactics when under pressure. This cancer will grow. Now you do the Math. What do you think has greater consequences – losing the profit from the order or losing the culture of the company?’*

*“ ‘Having said that,’ continued Vivek to his senior Manager, ‘What does it take for us to get this order? Is it price? Or Quality? Or Delivery? Do what it takes without compromising on the principles.’ It took two years for us to get the business but we got it,” concluded Vivek.*

*Narrating how being ethical makes you courageous because there is nothing to hide and nothing to fear, Vivek narrated an incident how the Income Tax Department was due to*



*discharge a refund and how the Officer at the time was holding it up with an expectation of receiving something to release it. "The man is just not willing to heed," complained the concerned Kaymo Fastener Accounts Manager who was dealing with this matter.*

*Vivek while passing by the Tax office, a few days later decided to visit the Officer. Politely introducing himself with, "I understand that you are unwilling to release the refund because you are expecting something," Vivek then explained to the man on the seat that it wasn't that the Accounts Manager could not pay the money but that the company was not going to allow him to. After describing a bit of the business and what they stood for, Vivek then told the Officer that all the business dealings were via invoices. "We are doing this to partner with you so that our tax paid can be routed for the right development it has been assigned for. If I compromise on this, we would both be doing a great disservice to the nation."*

*Appealing to the good in the other, Vivek witnessed how the corrupt officer turned his attitude completely. He began to describe how he too is involved with a lot of social work for the upliftment of society. Needless to say, the*

*refund was released without having to bribe the officer. Besides, there was nothing to be afraid, because we had done nothing wrong.*

*Recounting the time when his wife's company that dealt with imported furniture had a raid by the Sales Tax Department he shared how 10 officers had spent over 15 hours in the office searching for anything that was out of place and could not find anything. "It is like a child giving an exam," he said. "If the child has studied he does not need to be afraid to answer the 20 odd questions that are placed before her/him.*

*Moving in line now with what Sarosh Ghandy spoke earlier, Vivek shared how business must go beyond profit to adding value in another. Profit is like petrol in a car. Without petrol, you cannot drive the car. However, you do not drive the car for the petrol but rather to get you to a certain destination.*

*"Similarly," he continued, "Business cannot run without profit. However you do not run business purely for profit. The purpose of running a business goes way beyond profit."*

*Using an analogy, Vivek compared his small company with large corporates by saying that*



companies like the Tata's or Infosys can be compared to a forest while in contrast, Kaymo can only be compared to a blade of grass. "Yet," said this young man, "I always tell my staff that though there is no comparison in the size, the one thing we can ensure is the colour. We can always remain green as they are." So despite the size, practices and policies with regard to employee welfare were already put into place.

The company now sponsors 50% of the course fee for any staff member that decides to pursue further education while permitting the balance 50% to be treated as a soft loan payable in 3 to 4 years. Mothers are allowed a three-month maternity leave while fathers can avail of a month's paternity leave. Access to a library containing books and periodicals that are selected by the staff members is made available; and they ensure that they never skip the annual company outing which includes families too.

Elaborating further Vivek said, "The purpose for our existence is to create value beyond ourselves." So when Ayesha, who benefitted from the education sponsorship to do her MBA eventually decided to leave Kaymo Fastener Company for Rediff, "I was genuinely very happy

for her," said the greying, bespectacled MD with all sincerity. It thrilled him to see someone grow. It gave Kaymo a sense of creating value.

He concluded his talk by quoting the wise Confucius who said:

*If there be righteousness in the heart, there is beauty and character.*

*If there is beauty and character, there is harmony at home.*

*If there is harmony at home, there is order in the nation;*

*And if there is order in the nation, there is peace in the world.*

This beautifully summed up the whole theme of the Tea Talk. Questions that followed and a couple of songs by the small group of singers made the evening wonderfully interactive and very meaningful. ■

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there is beauty and character.*

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there is harmony at home.*

*If there is harmony at home,  
there is order in the nation;*

*And if there is order in the nation,  
there is peace in the world.*





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# CIB 2016 International Conference

We take great pride in the technologies we utilize; state-of-the-art equipment we purchase; money and time to maintain these capital assets and lengths we go through to ensure that the materials we purchase are of the finest quality. We feel proud of the Intellectual and Capital Assets that we possess and compare them with what our competition has. We use these as a selling point to beat the competition and get

additional business to fatten our profits!

What about our Human Assets? They create and optimise the use of the technologies we utilize in our businesses. They select, purchase, install, operate and maintain the capital assets that we purchase and make the products we wish to sell in the markets to make our profits. In our advertising and public relations literature we refer to them as

**Caux Initiatives for Business**



**Making Business an Engine for Sustainable Growth**

**6<sup>th</sup> International Biennial Conference**

**January 22 to 26, 2016**



“Our Greatest Assets”! But do we treat them that way?

With the growth of the Service Industry the business environment has become increasingly more reliant on the Human Asset in business. The “Knowledge Worker” has become a very dominating part of our business. His needs are very different from the manual worker and the manner in which s/he needs to be led are also very different.

Recent years have witnessed growth of the “Woman Worker” in the business environment. Women are no longer relegated to perform clerical and secretarial functions but are seen as valuable contributors to business in every professional field. They are making their contribution in vastly increasing numbers and with their advent their needs and aspirations need to be addressed and fulfilled.

In addition, other great concerns are degradation of the environment, child labour and

forced labour and other such undesirable practices. There is a need for greater awareness and solutions.

Are we meeting these challenges?

If business is to be the engine for sustainable change and economic growth in our world, apart from being ethical while remaining competitive, it also needs to find answers for the needs and aspirations of the “Human Asset” in business.

To help find some of these answers Caux Initiatives for Business, a program of Initiatives of Change, is focusing on these issues during its Biennial International Conference in Panchgani, Maharashtra India which will be held from 4:00 pm on January 22 to 2:00 pm on January 26, 2016.

*For more details write to:*  
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