

Book Launch of “The New Age of Innovation” by Prof.C.K.Prahalad

New Delhi, 17 April 2008



A lively discussion on a new approach to value creation based on individual consumer experience fulfilled from resources from multiple vendors provided the backdrop to the global launch of Prof. C.K. Prahalad's new book, 'The New Age of Innovation', co-authored with Prof. M.S. Krishnan, took place in New Delhi on 17 April 2008. The book was released by Mr. Kapil Sibal, Minister of Science and Technology and Earth Sciences, at a session organised by the Confederation of Indian Industry (CII) and the Aspen Institute India. Mr. Tarun Das, Chief Mentor, CII and President, Aspen Institute India, Mr. Venu Srinivasan, Managing Director, Sundaram-Clayton Limited, and the two authors were present at the session. Both authors are professors at the Ross School of Business, University of Michigan. Prof Prahalad's previous book, 'The Fortune at the Bottom of the Pyramid' transformed Indian industry's view of the poor as consumers.

In his introductory remarks, CII's chief mentor Tarun Das described Prof. Prahalad as a 'visionary thinker' who talked of India in the G7, Indian multinationals in 1989 and 10% growth when India's growth was only at 5% in 2001. Describing the essence of the ideas in the book, Prof Prahalad said that globalization and connectivity, digitization and social networking is leading to a new approach to innovation, where individual consumer experiences are co-created (N=1). Resources and talent are delivered from multiple sources (R=G). This, he said, is a 180-degree change in the concept developed by Model T, where the focus was on products for undifferentiated consumers. He provided a glimpse of this future through two examples from India: health insurance for diabetics, where pricing is based on compliance to a healthy lifestyle and there are many players instead of a single firm; and Emergency management in several Indian states. The latter example shows how every emergency is a unique situation but the new approach could potentially save 1 million lives a day.

Prof Krishnan also elaborated on the concept of the book, providing an example of partnership between India based IT firm Ramco Systems and PHI Helicopters a US

based Fleet management Company to elucidate how the concepts of flexible and resilient business processes and focussed analytics could lead towards a N=1 and R=G transformation. He said that understanding the consumer, and value based pricing, was the key. He also said that India has the advantage in this new approach to business strategy with centrality of IT and human resources and insisted that 'India must seize the opportunity.'

Kapil Sibal, Minister of Science, Technology and Earth Sciences, spoke about how the concept of N=1 and R=G could be successful in government. He felt that outsourcing is not about saving costs for the MNC but about importing competitiveness. Highlighting the fact that this concept could be extended to addressing the problems of agriculture, he said that every farmer, every piece of farmland is unique, so a solution would need to involve various partners. Indeed, a database of individual farmers across the country was being prepared with the help of geo-spatial mapping, which could provide the basis for solutions to greater productivity. He stressed the need for new technology based solutions for such solutions.

Venu Srinivasan praised the book as 'a mastery of lucidity, weaving IT and strategy in a seamless way.' He spoke also of the need to focus on building Indian manufacturing.

In his vote of thanks, the incoming CII Director General Chandrajit Banerjee said that he saw 'a role for CII and Indian industry in the collaborative strategy of new India.'