

Only the Paranoid Survive

by Andrew S Grove

**Harper Collins Business, London,
1988, ISBN 0 00 638827 2
Price UK Pounds 9.99.**

This book has been authored by Andrew S Grove, President and CEO of Intel Corporation. Andrew S. Grove emigrated to the U.S from Hungary in 1956. He is one of the co-founder member of INTEL (Integrated Electronics). In 1979 he became the president of INTEL and thereafter in 1987, the Chief Executive.

Intel is one of the most successful Computer Chip Producer and Semi Conductor Company in the world. It provides for the brain of the Personal Computer (PC) and their microprocessors power roughly half of the world's PCs used by consumers, worldwide. Under Grove's leadership, Intel has emerged as the world's largest computer chip maker and is one of the most admired companies, globally.

The book is an anecdote of Intel and its struggle to get over crises which

the company experienced due to fierce competition from the Japanese, the drama of the Pentium flaw, and unforeseen changes brought on by the Internet. This book depicts the experiences of the CEO and the people within Intel and the philosophy and strategy employed by the CEO to ride over the crises and emerge successful.

The Book has been organized in a manner that is reader friendly and at the same time follows a structure which makes the reading easy for the lay person not probably acquainted with the world of computers and microchips. It begins with a preface and contains nine chapters in totality. From the very beginning Grove takes a direct approach in coming to the point by mentioning that this book is about managing the whirlpool of change which every company and manager would have to undertake in any form of business. He says that in managing business one has to constantly deal with customers and partners and 'speculate about the intentions of competitors'. In doing so, one needs to constantly draw on observations based on interactions on daily basis with all stakeholders who make a difference in the success and failure of business. As he says "what this book is about is the impact of changing rules. It's about finding your way through uncharted territories". The whole idea Grove opines is to provide a framework though which cataclysmic changes can be dealt with and this book which is based on his and his company's experience in doing so is a case in the point.

"Only the paranoid survives " as the name suggests, is a book which tells us how to cope up with this crisis. Such crises are termed by the

author as "Strategic Inflection Points "(SIP). According to this book there are two important points of strategic management namely, strategic plans which deal with unforeseen change and strategic actions which take place in the present.

In explaining what causes an SIP Grove uses the six forces analysis (mostly based on Michael Porter's work) and opines that a SIP is caused by 10X change in one of the following forces:

- Competition (e.g. a big super store - Wal-Mart - comes to a small town and closed down small retailers)
- Technology (e.g. when sound took over silent pictures)
- Customers (e.g. what Intel itself faced)
- Suppliers (e.g. Airlines pointing out to ticket agents that the commissions are going down)
- Complementors (e.g. changes with the internet and share broking)
- Regulation (e.g. the Federal break-up of AT&T in the USA in 1968)

The vital question which arises here is that how does one survive in the wake of unexpected change which one cannot foresee? Grove in this book suggests three steps in the transition from what he terms as pre-SIP environment to "the other side of valley of death":

- Enduring the period of chaos and confusion and trying to make sense of what is going on?
- Let chaos happen for sometime while efforts are made to find novel ways of getting back to business

- Ride through the chaos though single- minded determination and try to reset goals, however, nebulous they may be initially

For Intel, the realization that it could not compete with the Japanese in the memory business made them redirect their entire strategic intent and plan which proved to be a turning point for the company where it decided to limit its scope of activities only to the chip business. This strategic decision changed the long- term direction for good. The decision to shift manufacturing facilities from memory business to chips by managers and supervisors down the line itself acted as a strategic decision which affected operational decisions within the firm and triggered waves of lesser decisions when the actual shift took place.

The book can serve as an excellent case study to understand and learn

about concepts and practices relating to management and strategic leadership, communication and empowerment of people. It also gives an insight into why a company must listen to its customers to survive and sustain in times of changing needs and preferences. More importantly it needs to listen to its people who are in actual contact with the customers who play a vital role as a major stakeholder in business.

The book also provides examples of companies who have both succeeded or failed in surviving through changing times. Companies like Intel, HP, and IBM provide excellent cases of survival, whereas the likes of Wang Labs, Mostek and others portray pictures of gloom and failure. Groves' skepticism about gee- whiz technological innovation like

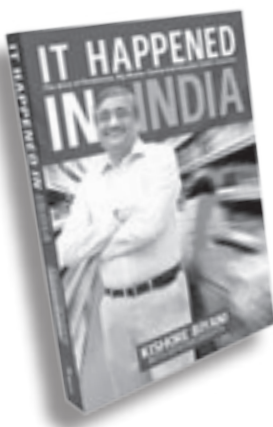
"Internet applications" provides an excellent example of how Intel

maintained its strategic focus to ride over the hump before it tasted its sweet share of success.

As far as the organization of the book is concerned one must appreciate the anecdotal style which has been used by the author to make the book more reader- friendly. It is also not a thick book and therefore can be used as carry book for reading with enjoyment without having the hands to carry a load full of pages. The chapters are neatly organized and limited and that makes for easy reading of the book.

Overall, a must read for all those who are intimately interested and connected with business.

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IT HAPPENED IN INDIA :The story of Pantaloons, Big Bazaar, Central and the Great Indian Consumer by Kishore Biyani with Dipayan Baishya

Rupa & Co., New Delhi-110 002, 2007, pp1-268.

The book under review is a business travelogue very intimately woven in a sequence of ten chapters. The book is not just Kishore Biyani's (KB) personal-

ity or success story. It is neither another family business growth revealed nor unfolded. KB's story is of success brought about by a business family supported by internal customers and the society. KB as an adolescent was a rebellion. His ability to question anything which is not amenable to logic and searching for solutions built up the entrepreneur who was ready to take on challenges! Business, time and opportunity waits for none! KB waited to strike at! The story begins with created and excited customers in a queue for picking up products to optimize their baskets in two major cities- Kolkata and Mumbai.

KB moves on to narrate his childhood- people at home, family influences and relationships and his *dandiya* experiment which gave an insight as to how to manage a crowd. KB was

interested in thinking new, while his family members were interested in sustenance and presentation. When sporadic growth is foreseen, creation and destruction consistently moves assets and liabilities.

KB had internship with the support of family members. As an intern he failed in several businesses which he took up at once. Failure in many of these businesses made him realize the best option under circumstances. He had been experiencing the environmental changes which made him assess the requirements of a challenging business. The challenge is to assess risk and face it. KB did this admirably well! Selling products to customers is not easy. Ideas have to be generated. Some of these ideas need to be converted into designs to match with the patterns in consumers' mind. KB realized one of the basic principles of marketing-product nature evolves the marketing system. Retailing requires several products of varying natures that need be sold under one roof. The real challenge is in designing an attractive format to make consumers come, buy and buy repeatedly. This was attempted well by placing consumers in a pivotal position around whose needs the design and format was attempted. KB observed existing chains in Mumbai (Akbarally and Benzer), Chennai (Spencer) and Bangalore (Kids Kemp and Nilgiris). He further looked at national chain stores - Raymond and Bombay Dyeing. Pantaloons, Big Bazaar & Central were thus born! 'Observation' - what a great intangible instrument it is! KB was able to manifest new ideas by continuously observing consumers and the existing formats in retailing. *Mandis* and *Melas* are places and occasions wherein consumers of all diversities will have unifying shopping experience. In a country where

shopping is a societal joy, wholesaling or retailing were never places of harmonious relations. KB's mind works here on backward linkages with suppliers. The idea KB has is establishing co-makership to ensure continuous supply, there by assessing availability of products to consumers. KB adhered to meeting another principle of marketing availability (opening retail chain 24x7 is another great idea). KB's idea of integrating wholesale functions with retailing is an evidence in itself of failure of wholesaling institutions such as Agricultural Product Market Committees (APMCs). Supply chain through co-makership and contracting would ensure rewriting the roles of existing wholesaling institutions.

APMC Acts are being changed to ensure entrepreneurship takeover the governmental regulations. India, in the years to come will have many more KBs to manage supply chains. The narration of KB never speaks of profit. KB speaks of value created utility, based on social values. One can feel KB as an entrepreneur-leader to business and a man who has the nation and society in his mind.

Business cannot continue successfully unless decisions are made at different levels at appropriate time. Timing of decisions can be likened to timing of ball and bat in cricket. A wrong timing or a mismatch may cost heavily or lead to loosing an opportunity. Business need to go on at the speed of thought! KB demonstrates this in decisions on location choice, product selections, HR decisions and establishing rapport. His investment decisions are based on not just gut feel, but on trust and futuristic feel - the relationship. Consumers would react impulsively on a day of national importance. *Sab Se Sasta Din* on 26th January - the Republic Day turned out to be a success because of availability

of time, and an environment created for a unique shopping experience. The overcrowding at these places reflect consumer interest in buying cheaper, better and trustworthy products. KB has introduced Indian Consumers to a new shopping style drawn from formats well knit to Indian Societal fabric. Such experiences need be replicated on all days of festivals - religious, national or otherwise!

The two decade story of KB is unfolded by as many as 46 friends and colleagues who made things possible. The narrative support had obviously been one of praising KB for his success, while the scripts of Rama Bijapurkar and Darlie O.Koshy looked to me an objective and a careful assessment.

The 268 page book is presented with appropriate chapter titles and quotations. The book should have had narrations in italics (which was conspicuous on page 215-216). The reviewer could see one mistake on page 213, III, line one. The narrator Dipayan Baishya has done a great job in presenting this book to the readers.

A business leader need be a learner! KB has also been influenced by books. Those books have found a place suggesting the forthcoming entrepreneurs and business leaders to find time for reading and updating. The world of business expects many such documentation from KB, the Retail Maharajah!

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