

वसुधैव कुटुम्बकम्

VASUDHAIVA KUTUMBAKAM

ONE EARTH - ONE FAMILY - ONE FUTURE

THE INDIA WAY

A Wisdom Approach to Perpetuity Value Creation

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**GLOBAL
PETER DRUCKER
FORUM**



INVEST INDIA
NATIONAL INVESTMENT PROMOTION
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“Indian companies emphasise not only shareholder value but meaning and holistic engagement with employees, community, country, and family. Indian leaders have taken the best of what the West has to offer and brought forward additional ways to make things happen based on their wisdom culture. This amalgam ought to be re-imported back to the Western world.”

~ Michael Useem, Professor Emeritus of Management Wharton Business School

Author ‘*The India Way: How India’s Top Business Leaders Are Revolutionising Management*’

Executive Summary.

The India Way is a movement recasting the foundational assumptions of management theory and practice by blending timeless wisdom with contemporary business models. Led by the Living Machine Institute and the Global Peter Drucker Forum, it emphasises the role of compassion, self-awareness and interconnectedness, challenging the extraction machine model which holds sway. It embodies “*Wholeness*”, integrating the living and machine elements for self-renewing success. This is the prized ability to thrive over longer periods of time, reaping compounding value, which holds the key to collective prosperity.

The Existential Risk of Firms.

The fact that company longevity has been falling steeply in the past decades is a well recorded fact. Companies with an institutional character like GE, Credit Suisse, Toshiba, Boeing, Atos, Avaya, are falling prey to this troubling trend. Such institutions provide society with a durable commitment of value creation and underwrite the progress and prosperity of nations at large. The world is finding out through considerable pain that sickness within golden geese causes widespread social unrest.

We have studied this pattern of ‘self-destruction’ of lasting economic returns through erosion in the Living Elements for over two decades. We are convinced that the root cause arises from the widespread fallacy of treating the firm as a Machine and the over emphasis of tools and techniques of management which further embeds that perspective.

Corporate Ayurveda for Rising Mortality.

The contemporary model of business success is pushing companies into the “ICU” faster than ever before. This sets up a paradigm of high existential risk, mental burnout, and bleeding insolvency of life spans. “*Corporate Ayurveda*,” inspired by India’s wisdom values - *equanimity, renewal and longevity* - is worth a deeper examination. Select Indian companies rooted in the civilisational ethos of “Ayu”, honour time as a flow of meaning and value. They have muddled their way to applying these life-enhancing principles in service of nation building thus creating prosperity.

Defying the laws of gravity.

Our research shows that select Indian business groups have mastered the art of defying modern capitalism’s “*laws of gravity*.” These companies thrive by breaking norms like the need for specialisation, the pursuit of near term growth, conglomerate discount and the redundancy of philosophical roots. Instead, they blend “*Living Elements*” - such as *mindset, purpose, trust, and culture* - with contemporary management processes, creating “*Perpetual Value*.” This demonstrates that perpetuity is not a passive benefit, but earned through the vitality of the living rather than relying solely on market and extraneous macroeconomic factors. This causal relationship, currently not acknowledged, has been established through the pioneering Lasting Value Creators 100 (LVC100) research.

Insights from the LVC100 research.

The key insight emerging from the LVC100 is: *companies with a strong yoking between Living and Machine elements - the “Living led Machine” - achieve greater economic renewal, even amidst external shocks.* The findings show that these Living Elements generate 70%, or more, of compounding returns over a decade.

Further, the research shows that companies cluster into performance bands, based on the health of their Living and their Perpetuity Value. Conventional metrics like ROCE, EVA, and ROI must be understood in the context of the health of the living elements and their ability to create Perpetual Value, rather than on a standalone basis.

Yogis outsmart the Bulls and Bears.

The India Way challenges us to rethink how we view and measure business success. Instead of focusing on the "Bulls and Bears" that determine the flavour of the day, it invites us to consider the "Yogis" who quietly cultivate durable wealth through balance, renewal, and a commitment to the living. Companies with Yogic qualities appreciate that no company, however great, is free from existential risk arising from the decay of the Living.

“I think we in Indian business possess a Brahmastra., a secret weapon... And that is the power of purpose.

Today, the West is rediscovering the power of purpose, but many Indian companies have had this since inception and are doing it with a heart.”

~ Anand Mahindra, Chairman of Mahindra Group

Distinctions of *The India Way*

Indian groups make considerable efforts to nurture and cultivate these life-enhancing elements even as they adopt Western management best practices. Consciously, they blend these apparently contradictory dimensions into a whole.

These aspects fundamentally differentiate enlightened Indian companies from their publicly listed counterparts in the Western world. Their model of success sets them apart, qualitatively, and quantitatively, from short-term linear market returns pursued by Wall Street performers. The ownership of Indian family-owned companies is clearly defined and strongly motivated by an intergenerational transfer, creating a perpetuating logic of time and space. Such exemplary family-owned enterprises are well-placed to harness the compounding economic returns arising from longevity.

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“The opportunity I see in India is that we are now able to bring in a blend of Eastern values and cultural entrepreneurship with Western process and execution. If you had to take man to Mars in five years, you would probably ask the West to do it, but if you have to make sure man survives on Mars, you would probably look to the East.”

~ Sanjiv Bajaj, Chairman, Bajaj FinServ

A Foundation for The Next Management

Richard Straub, Founder of the Global Peter Drucker Forum, marked the successful conclusion of the 2023 Drucker Forum with an ambitious commitment to developing *'The Next Management'*. This initiative attempts to reframe management for the 21st century, echoing Peter Drucker's vision of the 'Next Society'.

The India Way offers a tangible example of a Next Management pathway, dedicated to showcasing and elevating India's approach to leadership. By presenting qualified Indian companies to influential business decision-makers at the Global Peter Drucker Forum, we believe we can spark a fresh narrative of what 'Brand India' means to a world fraught with a poly-crisis of wars, fragile value chains, and strained relationships.

Building a global movement.

The India Way seeks to build a global movement that integrates wisdom-driven approaches into mainstream management. Starting in India, it will expand to include diverse models like the Japanese Sensei Way, the Mittelstand family way and Les Henokiens way, creating an open-source model of wisdom capitalism focused on longevity and life-enhancing principles.

THE NEXT MANAGEMENT

REFRAMING MANAGEMENT
FOR THE 21ST CENTURY

Register for the event:

<https://www.druckerforum.org/2024/workshops/>

“Longevity is a greater test of success and excellence than growth. Growth should be a tool to achieve longevity, rather than pursued for its own sake. To make firms lasting, we need to substitute longevity for size. I think that is the mantra; that is the missing link in today's enterprises.”

~ Vallab Bhansali, Enam Securities

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