indian management

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ALL INDIA MANAGEMENT ASSOCIATION

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A SPENTA MULTIMEDIA PUBLICATION

PEOPLE FIRST
Mimi Nicklin

EMPATHY: A FORCE FOR GOOD

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- Online registration available, please visit www.aima.in

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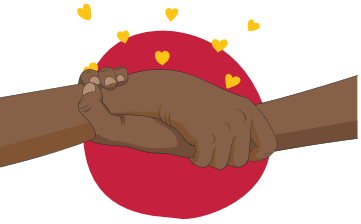

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PRESIDENT'S MESSAGE

Getting a return on empathy

C K Ranganathan is President, AIMA and Chairman & Managing Director, CavinKare Pvt Ltd.

The popular jargon of business is dominated by the return on capital, but it is the return on people that makes a business tick. While capital can acquire people for work, it is the motivation and commitment of the people that determine the extent of returns. Getting the best out of people requires making them feel secure and important, which requires the ability to have and project empathy.

If anybody had lost sight of this fundamental fact earlier, the COVID crisis came as an emphatic reminder of the importance of empathy to an organisation's survival and success. During the pandemic, leaders learned that empathy was essential to retaining the loyalty of employees, vendors, customers, and investors.

Empathy is one's inclination and capacity to identify with someone else's state of mind in a particular situation and the ability to see things from the point of view of another individual or group. Empathy is as much an intellectual attribute as an emotional one.

During COVID, many firms were able to continue and recover mainly by making an effort to understand the pain of their stakeholders and adjusting their products and behaviour accordingly. Businesses and brands reoriented themselves to cater to the urgent needs of the consumers and they innovated in products and packaging, and even repurposed their production facilities and supply chains to serve the changed needs of the consumers. Empathy enabled the stronger partners in the business ecosystem to extend extraordinary support to the more vulnerable stakeholders.

Now, as things have more or less returned to normal, many organization leaders are trying to institutionalize empathy. They now see empathy as a resource and not an obligation. They want to deploy empathy in business to get more bang for their buck. They have seen the multiplier effect of empathy on stakeholders' engagement and initiative and its impact on financial and organizational outcomes. There is a strong realization that there are clear benefits to understanding and responding to the unmet, even unarticulated, needs of the stakeholders.

However, turning empathy into a business resource requires formalising the understanding and practice of empathy. Organisation wide clarity and consistency is essential to generating returns on empathy. It is vital to realise that empathy is not compassion or mollycoddling. It is a predictable behaviour pattern, a culture, that people can have clear expectations from and participate in.

Essentially, empathy is one's inclination and capacity to identify with someone else's state of mind in a particular situation and the ability to see things from the point of view of another individual or group. Empathy is as much an intellectual attribute as an emotional one.

Businesses have historically evolved to suppress empathy because of the extractive nature of relationships and mutually competing interests of the stakeholders. The more competitive the market, the greater the incentive for me-first behaviour. However, as leaders realise that such an approach to management delivers diminishing returns, they are willing to bet on empathy to make

them more competitive. Of course, the COVID experience has given a big boost to the empathy economy.

Still, seeing things from multiple points of view without losing one's own and synthesizing contrary perspectives is a rare gift. For most people, it requires conscious effort and rigorous training, either by self or in a group set up. In a business setting, organization leaders and managers need to be put through programmes to ensure clear and consistent understanding and practice of empathy across the organisation.

Listening and patience are central to productive empathy. More often than not, most problems of individuals and groups are self-solving and they only require the authority figure to allow their reasonable articulation.

Leaders and managers have to learn to listen and communicate with empathy. They need to learn to distinguish between sympathy and empathy and to make judgements that are fair to all stakeholders. Managers also need to be trained in ensuring that their empathy is credible and useful and not mere pretence or hypocrisy. Showing false empathy is more harmful to the organisation than showing no empathy.

Listening and patience are central to productive empathy. More often than not, most problems of individuals and groups are self-solving and they only require the authority figure to allow their reasonable articulation. Often, merely listening to someone present and analysing a challenge or grievance leads to a creative solution. However, most leaders and managers tend to do most of the talking to motivate or drive people, whereas empathy is a slow-cooking process and yields improved outcomes gradually. Merely giving time without giving a hearing is mostly counterproductive.

A desire and determination to have and project empathy can be quite empowering for individual managers and the organization. Empathy enables stronger bonds, pleasant relationships, more collaboration and innovation, and greater resilience. Empathy may be difficult to capture in numbers, but its effect on financial numbers can be huge. IM

The opinion expressed is personal.

EDITOR'S NOTE

Dear Readers,

In the aftermath of COVID, society, in general, seems to have a 're-newfound' focus on empathy, because of the role it plays in nurturing and developing human relationships. The onslaught of challenges—not just limited to COVID—has made us realise that the only way forward is 'together'.

The significance of this empathetic behaviour is not limited to just social circles; in fact, it finds great relevance in the business world, i.e., organisations. Business leaders would do well to realise the importance of empathising with their people, by investing in them. Be it listening to employees, organising participative discussions, having one-on-one sessions to understand their problems and providing tangible solutions, and encouraging them to put forth their ideas and perspectives are some of the actions that will go a long way in making the employees feel like they belong…that they are valued. In return, it will help build trust, raise engagement levels, foster collaborations, aid innovation, and overall, develop a motivated team that is aligned to the organisation's goals.

As Mimi Nicklin, CEO of Freedm and author of *Softening The Edge* puts it in this issue's cover story, "Teams are looking for leaders who connect with their own emotional value - their soul as well as their role, their purpose beyond their position. If we lose out on this empathic connection with our employees, we lose out on the people protecting the shareholder value, and the brand purpose story, that we all so dearly desire."

What is your take on the RoI in empathy? Do write in with your views to **imeditorial@spentamultimedia.com**

Maneck Davar

Maneck Davar

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Indian Management Reader Survey

AIMA
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Dear Reader,

As the apex body of management in the country, AIMA has always been at the forefront of disseminating the latest in management thinking and best practices through our various activities.

One such initiative is the management journal *Indian Management*, which has been bringing you the best of contemporary management literature for several years.

As an exercise to connect with our readers and understand their views and opinions regarding the content and design of the magazine, we are conducting a short survey consisting mostly of multiple-choice questions, which should not take more than five minutes of your time.

We would like to request you to respond to this survey, which can be accessed via the link emailed to you or by scanning the QR code. If you have not received an email with the link to the survey, please reach out to us at indianmanagement@aima.in

Do send in your valuable feedback **by 30th September, 2022.**

Thanking you,
Indian Management Editorial Advisory Board.

BEYOND JUST BUSINESS

Yash Chittal

People first

Employees are driven by the need for leadership that connects with them on an authentic and motivating level, one that values holistic employee health.

✦ MIMI NICKLIN, *SOFTENING THE EDGE*

Yash Chittal

As we move through the third quarter of 2022, it is normal for us as leaders and managers to look to the year ahead and the strategies we want to put in place for the growth of our businesses. But these last few years have changed so much. We may now be far more practised in balancing our work and home lives, but new global financial issues, rising inflation and The Great Resignation has meant our people are still experiencing levels of discomfort and anxiety around the future. The need for shared understanding amongst leaders and their teams is central to our ability to survive these tumultuous times, and organisations that embrace empathy will be the ones that see a return on their investment in terms of profits, growth, and employee morale.

According to Gallup's State of the Global Workplace: 2022 Report1, only 21 per cent of employees around the world are engaged at work. Add on the disrupted work environments we have been trying to balance since homeworking became the norm, and people are overtly reconsidering what work means to them and how they see the future of their career choices. Many employees are questioning their need to maintain an office-based role at all, and none more so than the millennials who have never been a group afraid to challenge the status quo. The generational gap between the younger and the older team members has perhaps never been wider, as the two generations grapple simultaneously to decipher what changes to the way we work means for the future growth of the careers and the organisations that employ them.

The requirement for leadership teams to reboot the way they manage and motivate all generations within their teams has forced corporations to shift culturally, and indeed operationally, at speed. Today we face the critical need to understand, and relate to, the changing realities of our workforce beyond those facing our businesses. Whether these are social, political, or emotional, they reach well beyond the walls of our offices, or home offices, and demand our leadership teams to focus on regenerative direction that goes beyond the rational and connects with people on a far more authentic and motivating level. Teams are looking for leaders who connect with their own emotional value - their soul as well as their role, their purpose beyond their position. If we lose out on this empathic connection with our employees, we lose out on the people protecting the shareholder value, and the brand purpose story, that we all so dearly desire. Teams are looking for leaders who connect with their own emotional value—their soul as well as their role, their purpose beyond their position. If we lose out on this empathic connection with our employees, we lose out on the people protecting the shareholder value, and the brand purpose story, that we all so dearly desire.

As a leader, understanding and empathising with the realities of each team member is no easy feat - but it is one we need to find scale in. On a micro level, empathy will allow us to better co-exist with our colleagues and teams, providing a more collaborative and connected environment that can perform and grow in the months ahead. On a macro social level, where we increasingly see a disregard toward truly connecting as people first and foremost, the strengthening of our shared empathy is both urgent and critical as the world struggles to overcome the traumas of the last few years. Empathy is a perspective shift, and it is one that the CEO of every organisation needs to embrace before that organisation loses perspective—and attendance from our teams—altogether.

The necessity to create connected teams that trust the ability of their leadership to understand them will continue to rise. Employees are driven by the need for leadership that goes beyond the rational and connects with people on a far more authentic and motivating level, within a context that values holistic employee health. The Gallup report found that business units with engaged employees benefit from 23% higher profit than those where teams are disengaged, as well as lower absenteeism and higher customer loyalty. As leaders it will be our ability to recognise, empathise and systemise

the context our teams' work within, and their individual driving force in today's corporate environment, that will maintain the motivation, organisation, and processes that our people need to reach the business vision we are rallying behind.

Empathy is no longer a nice to have, or a one-off training course from the human resources team, this is now the only path to sustainable growth as humanity continues to embrace the inconsistency of our business world. We must embrace Regenerative Leadership and prioritise empathy to drive our growth. We need leaders who

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can understand their teams beyond the output that they create and are focused on transforming and regenerating people, and their organisational construct, by emotionally engaging with the key inputs that people need to thrive as human beings. These will be the leaders that manage to lead their troops to recovery at a pace.

Regenerative Leadership is transformational in its ability to prepare our businesses and teams for a new world of business and consumption. From home working, flexible formats, purpose led goal setting and cohesive sustainable agendas, it covers tenets of organisational success that recent times have proven are more valid and more current than ever before. As we navigate the year ahead it is my prediction that these areas of focus, of empathetic influence in the workplace, will be recognised as the most desired facets of inspirational and impactful leadership. Accenture2, it seems, agrees with me as they placed empathy as trend six in their forecasts for 2021. Leaders must acknowledge that the values their workforce resonate with personally are as critical as the values of the brands they are building. The creation of an empathetic organisation that delivers on this won't happen overnight, but we are now seeing conscious and long-term commitment from senior executives to the critical combination of emotional intelligence, well being at work and trust as performance mandatories.

We can no longer afford to separate our working 'employees' from the 'humans' they are in their personal capacity, nor will we be able to separate our business purpose from that of the teams bringing this purpose to life. Empathy is the key to driving growth and support for our organisations. As we emerge from this period of uncertainty and change, we must be ready to step into a period of regeneration and put our people first, if we are to see a regeneration of our profits. IM

ABOUT THE AUTHOR

Mimi Nicklin is CEO, Freedm. She is also author of *Softening The Edge*.

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1 https://www.gallup.com/workplace/349484/state-of-the-global-workplace.aspx

2 https://www.accenture.com/in-en/insights/interactive/fjord-trends

Yash Chittal

The evolution of, and some crystal ball-gazing, into customer experience management.

✦ SAUMABHA BARUA, TCS

STRATEGY

New frontiers, newer opportunities

Customer services is the cornerstone of building a successful brand and perhaps the most important differentiator for products and services that are increasingly becoming commoditised. From walk-ins and call-centers to deflection to digital and increasing shift to non-voice contact centers and now the paradigm shift that is expected with the maturing of the metaverse and its various manifestations, this paper briefly traces the journey of customer services and the various channels that exist and how they have evolved over the last few decades. All in the quest of providing that exemplar service that will sway and delight your customer to ensure they become your true brand ambassadors.

Customer experience management through an effective and efficient sale and support services constitute one of the most important functions of any industry, especially for the ones which require a direct continuous connect for the products or services that are being sold, often with relationships spanning multiple years. Examples of such industries include banking, insurance, telecom, utility, etc. These industries need to employ a large workforce of customer service agents to ensure that the customers are serviced properly not just to continue the existing relationship but to additionally grow the relationship through upselling and cross-selling of other relevant services/products whenever such opportunities present themselves. Over the years the nature of the delivery of these services has changed dramatically. We will attempt to present how this industry has shaped up in the

Ancient History (>25 years back)	Walk-Ins	Post	Voice call
Nature of Channel	Synchronous	Asynchronous	Synchronous
Delivery Location	Inhouse	Inhouse	Inhouse
Service Cost of channel	$$$$$	$$$$	$$$$
Volume per channel			
Customer Effort Score			
Customer Experience Impact			
Work Aid Tools & Technologies (Indicative, not exhaustive)	NA	NA	*Basic IVR

last several decades as well as try to analyse some of the future trends that are emerging.

Customer services, initially, was a completely voice-based in-house function as it was thought that only the employees of an organisation can best support its customers. However, this meant that organistions needed to carry a large workforce of people on their payrolls which over the years seemed to have an impact on their

The Middle Ages (20 years back)	Walk-Ins	Post	Voice Call	email
Nature of Channel	Synchronous	Asynchronous	Synchronous	Asynchronous
Delivery Location	Inhouse	Onshore/Offshore	Onshore	Onshore/Offshore
Service Cost of channel	$$$$$	$$$	$$$$	$$
Volume per channel				
Customer Effort Score				
Customer Experience Impact				
Work Aid Tools & Technologies (Indicative, not exhaustive)	NA	• Automated Mail Room	• Dynamic IVR	NA

profitability. Organisations tried to reduce costs by way of outsourcing some routine non-core customer voice services activities outside of their organisation. Simultaneously, the outsourced companies also started moving up the value chain and gained expertise in the domains, through which they were able to expand the service lines and take on more complex calls. This outsourcing was restricted to onsite, though, because of issues with diction, accent, culture, security, etc. So, while this strategy helped reduce the costs for the organisations to some extent, the full benefit was not being realised because of the continued high cost of onsite call centers. With the advancement of IT and ITES as well as technologies such as VOIP, this was also addressed gradually through 'near shoring' whereby call centers in nearby countries that had somewhat similar cultures could provide the same quality of service at a much-reduced cost.

With continued cost pressure, there was a need to further optimize the customer service costs. Hence, apart from call centers (which is a completely synchronous channel), non-voice contact channels started getting precedence as an alternate lower-cost alternative. Initially, non-voice was serviced through channels that were completely asynchronous like through posts and emails, but gradually we saw a proliferation of semi-synchronous channels emerging in this space, which included chats, SMS texting, social media like Facebook, Twitter, etc., and more recently Business WhatsApp.

Along with this, a very important channel of service was emerging which has now become the mainstay of customer service which is self-service. By exposing many of the processes to end customers that were typically available to agents only for which these customers had to call or mail these contact centers, power to view and in many cases add/modify/delete capability to these databases was placed in the hands of the customers. Of course, proper checks and balances were imposed to maintain the sanctity and security of the data. So, earlier, for a duplicate bill, customers perhaps would

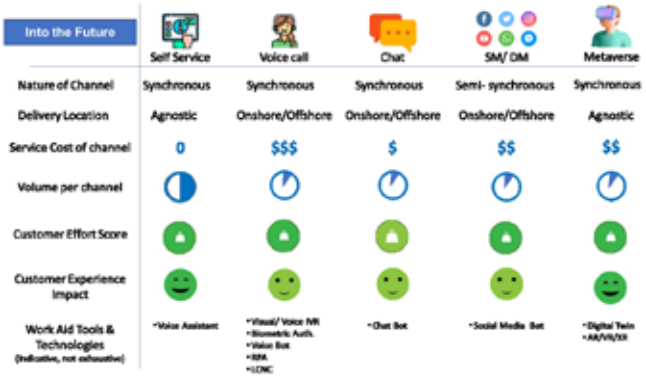
Contemporary Age (Current)	Self Service	Voice call	email	Chat	SM/ DM
Nature of Channel	Synchronous	Synchronous	Asynchronous	Synchronous	Semi- synchronous
Delivery Location	Agnostic	Onshore/Offshore	Onshore/Offshore	Onshore/Offshore	Onshore/Offshore
Service Cost of channel	0	$$$	$$	$	$$
Volume per channel					
Customer Effort Score					
Customer Experience Impact					
Work Aid Tools & Technologies (Indicative, not exhaustive)	• Voice Assistant	• Visual/ Voice IVR • Biometric Auth. • Voice Bot • RPA • LCNC	• Automated Mail Room • Mail Bot	• Chat Bot	NA

have to write or call, today the customer has to just go into his MyAccount portal or mobile app and be able to download the bill in a fraction of a second. To get a refund, a customer would have to call to find out the status; today the entire workflow is made visible to the customer on his My Account page with perhaps, periodic updates on SMS or WhatsApp.

Customer expectations and preferences are however constantly shifting, which is one of the most difficult challenges in the support and services industry.

A parallel theme that was also playing out was automation in its various manifestations. So while contact centers were moving from normal IVR to dynamic IVR, voice IVR, visual IVR, etc. along with technologies such as biometric voice authentication, the call center agents were being aided with technologies such as RPA which allowed capital-light non-invasive integration of disparate applications which were required to service customers more efficiently. Mash up composite screens to display data from various applications, copying data into various applications automatically instead of individually copy-pasting them, automating repetitive tasks by co-bots while agents attended the next call, suggesting next-best-action for agents, etc., all helped to improve the productivity of the call centers. While initially these automations were handled by the technology experts, today we see a multitude of Low Code No Code technologies available which allows the agents themselves to create such co-bots to aid them in their work dispensation.

As mentioned previously, a major stumbling block for moving call centers to low-cost countries is the diction, accent, and in the manner-of-speaking a language in a particular region or country. Today along with spelling and grammatical correction we get to see the instantaneous feedback on the tone of our response/message for written communication. This is especially useful for communicating via letters, emails, chats, etc. In the future, real-time voice synthesisation can be a solution where we auto-correct and auto-convert the voice of an agent, or even transliterate, to match the vernacular nuances of a country or region. Google's Project Relate, focused on helping people with atypical speech to be better understood, can be extended to create such a solution. Similarly, UK's Speechmatics claims



Into the Future	Self Service	Voice call	Chat	SM/ DM	Metaverse
Nature of Channel	Synchronous	Synchronous	Synchronous	Semi- synchronous	Synchronous
Delivery Location	Agnostic	Onshore/Offshore	Onshore/Offshore	Onshore/Offshore	Agnostic
Service Cost of channel	0	$$$	$	$$	$$
Volume per channel					
Customer Effort Score					
Customer Experience Impact					
Work Aid Tools & Technologies (Indicative, not exhaustive)	•Voice Assistant	•Visual/ Voice IVR •Biometric Auth. •Voice Bot •RPA •LCNC	•Chat Bot	•Social Media Bot	•Digital Twin •AR/VR/XR

to have done some stellar work in this area to recognize accented English. Think about, an agent in an outsourced country speaking in English with a particular accent that gets converted into not only a British or US accent but more specifically, into a Scottish or Yorkshire accent, all on the fly!

Customer expectations and preferences are however constantly shifting, which is one of the most difficult challenges in the support and services industry. From instantaneous redressal of their complaints to one-of-a-kind tariff plans, customers nowadays demand more personalised services with immediate gratification.

While the present state of evolution and journey of contact centers have been outlined above, more exciting vistas are presenting

themselves in the form of the metaverse, which perhaps will be able to bring about a completely new paradigm for contact centers. How will the metaverse aid us? In the new world where customers are largely managing their "own-thing" through self-serve. They will come to the contact center only for such activities which are non-routine and for which they have not been able to find the solution to their problem in the FAQs. This then presents the golden moment of truth to provide that differentiated empathetic service that will make them the organisation's voluntary brand ambassadors. We know segmentation of customers is important and that is where the concept of avatars becomes important. We can think of creating personas or avatars of experts for each customer segment and curate the common issues or queries that they face and by leveraging virtual agents we try to provide that level of differentiated service in a 3D immersive way. Say, for example, you need to file an insurance claim for your damaged vehicle. You can use your portable device, which can be as simple as a mobile phone app, to converse with an agent and send the agent a 3D rendition of your damaged vehicle in real-time, discuss the damaged areas, which costs will be reimbursed, and which won't, and get an instantaneous redressal. The options for leveraging the metaverse to provide such differentiated and hyper-personalized customer services are immense.

For contact centers, getting the right resources in a particular location has always been a real challenge. Thanks to digitisation, we have now more choices about how and where to provide the service from across the globe.

The metaverse is expected to have a profound impact on customer sales and services just as mobile phones did on the communications industry globally. Companies will perhaps set up virtual contact centers in the metaverse in the future, where customers will be able to connect with agents to take sales and service to the next level.

For contact centers, getting the right resources in a particular location has always been a real challenge. Thanks to digitisation, we have now more choices about how and where to provide the service from across the globe. But this is just the beginning of that journey. Eventually, digital interactions will be able to provide a much richer experience than just talking to some unknown call center agent. Today we can have live transcription which allows us to capture the conversations, search for the relevant topic across all knowledge bases in real-time to be able to respond appropriately to customers, and action items automatically and route them to appropriate teams using desktop-based automation. However, with metaverse, we may be able to do this by moving participants into a 3D space. We may create an avatar of ourselves which will be a digital representation of us, to connect with agents who will also be avatars of specialists in their respective fields, all in a virtual space that mimics the feeling of being together in real life. This feeling is often referred to as "presence," and organisations are working actively in this space to create a digital world that both replicates and augments our physical reality. The term was coined in 1992 by Neal Stephenson, an American writer known for his works of speculative fiction.) Research and development in computer vision, display technology, audio, and sensors to capture facial expressions, eye movement, body language, touch and feel, are being experimented with. A key feature in the metaverse is the use of spatial audio, which makes speech sound like it's coming from the direction of the person talking. All these will work together to bring to life the experience of "true presence", so critical of customer experience management. This presence can provide a surrealistic experience that no voice call or even a video call can match: Picture a virtual setting where your car is being serviced in a garage and you can observe the

work from your home while experts of the car company, who perhaps live in different locations, are brought in to a visualize a 3D model of the vehicle's engine to understand why it's making an abnormal noise. Or imagine you are entering a service center of yore trying to talk to a service engineer to explain your issue with your router or mobile phone. In the virtual space, you'll be able to interact and discuss the issue, perhaps use haptic devices to repair it also. (Like we have Alexa today in every home, maybe we will have robotic arms in every home of the future to do these kinds of work!) Similarly, for a utility company, it can be a meter reading which you are disputing on a bill versus what is displayed in the meter or for discussing the cost of a new connection where you need to estimate the line charges from the nearest pole, and you literally walk the talk and the estimate is done, instantaneously.

The metaverse may feel like an empyrean world as of now...but as technology continues its precipitous journey, it will evolve into what feels more like an extension of our physical world.

While many of these can be accomplished by our ever-evolving phones and tablets, the more advanced use cases will require either augmented reality (where a digital layer is superimposed on top of our physical environment) or virtual reality (which is a completely immersive experience). The hardware for these kinds of captures is in the works. We may have some virtual reality glasses and headsets and haptic devices to control our avatar, but more refined and less conspicuous tools will be required to create this kind of magical customer experience. For example, today there is hardware available that enables users to create high-fidelity virtual objects using their cameras to take photos from their standard-issue phones in a matter of minutes. These objects can then be transplanted into other virtual environments or overlayed into real environments for say, checking how a particular piece of furniture will look in your living room before you go and buy it online. Similarly, newer mobile phones now track 30,000 points on our faces via infrared sensors. While this is most commonly used for Face ID, it can now be connected to create (and stream) a real-time, high-fidelity avatar of a contact center agent who can virtually assist multiple customers at the same time, like we do chat services today. Long term, the goal is a light and comfortable device that you can wear at ease, switching between AR and VR whilst enabling natural interactions between yourself and other metaverse users. Developments in this space are happening at a rapid pace and AR headsets are beginning to look more and more like normal glasses. The much sleeker, lighter, and more capable, Microsoft HoloLens 2 (as compared to the previous version) can help connect in real-time and work together on a holographic canvas overlayed in your physical environment to quickly resolve issues on the spot. While pricing is prohibitive at this time, it's a matter of time and scale, before it becomes affordable.

The culmination of this is for the virtual world and the real world to co-exist, with immersive interactions between the two providing that superlative customer experience. Along with the software, the hardware, networking, interoperability standards, security, and privacy concerns are hurdles to overcome.

We're nearing a threshold at which the technology is beginning to truly transform customer experience management. The metaverse may feel like an empyrean world as of now, just as IoT was two decades back or the internet a quarter of a century ago, but as technology continues its precipitous journey, it will evolve into what feels more like an extension of our physical world. Customer sales and support services and customer experience management will never be the same again. IM

ABOUT THE AUTHOR

Saumabha Barua is General Manager at Tata Consultancy Services and currently leads the Intelligent Process Automation and Consulting & Transformation Practice for Utilities, Energy & Resources, and Manufacturing verticals.

Recommended reads

Born Digital: The Story of a Distracted Generation

Author: Robert Wigley
Publisher: Whitefox Publishing

Born Digital is a provocative and in-depth analysis of the growing problems faced by human interaction with technology.

The book puts together the latest research from scientists around the world on the impact tech is having on our brains and the risks it poses to society, from fake news to lack of empathy, increased suicide rates to threats to democracy.

Professor Bob Wrigley's critique is a fascinating insight into the challenges the world faces over the next decade, offering some essential wisdom on how governments, Big Tech, business, educators and parents can tackle the dangers of tech, and shape it as a force for social good.

Costing the Earth: How to Fix Finance to Save the Planet

Author: Eric Archambeau
Publisher: WhiteFox Publishing

Problem-solving is one of the most important skills for business leaders and employees alike today, so why are we so rarely taught how to do it properly?

This new book by IMD Business School professors, Arnaud Chevallier and Albrecht Enders, breaks down the science behind problem solving and decision-making. It provides a robust, research-based, three-step master plan that they argue will help us to make better decisions, faster, when we are faced with any kind of problem.

While it is based on business management theory and psychology, Solvable is more than just a business book and presents complex ideas in an accessible way, guiding readers on their quest for answers.

The Creative Thinking Handbook

Authors: Chris Griffiths, Melina Costi, and Caragh Medlicott
Publisher: Kogan Page

The new edition of this book is a must read for anyone who wants to tap into their full potential and overcome stagnation.

Written by world-leading experts on the application of innovation, mind mapping and marketing management and drawing on their work with important institutions such as TEDx, the Royal Family and the Dalai Lama, *The Creative Thinking Handbook* teaches us how to think 'without the box', overcome 'thinking traps' and learn to develop great ideas in business.

With practical tips and exercises for enhancing creativity, including brainteasers and stimulating tests, the book takes readers back to the basics of creative thinking, debunking myths around creative solutions, and inspiring us to future-proof our businesses through practical innovation and the use of our imaginations.

The Future is Young

Author: Bruno Lanvin and Osman Sultan
Publisher: IMD International

An optimistic book about navigating the uncertainty of the next decades, The Future is Young inspires us to consider the next generations hopes and ambitions as part of the equation in order to tackle global challenges in a forceful and pro-active way.

Shaping the future with a fact-based and value-oriented proposition, economist Bruno Lanvin and talent specialist Osman Sultan, define how recognising the talent of young people and allowing them to be innovators for the future can shape the future positively and lead to prosperity.

Out with the old and in with the new, The Future is Young addresses global issues such as technology, innovation and talent management, influencing the conversation on how we can make the future more solid, and less volatile, by engaging younger generations in the collective effort.

The Future of Competitive Strategy

Author: Mohan Subramaniam

Any established business looking to expand and grow into the digital era should consider this book on harnessing the power of data and building competitive strategies for success in the digital era.

Subramaniam uses case studies from a range of successful traditional companies, such as Caterpillar and Whirlpool, to show how legacy firms can grow into the future with competitive advantage via successful digital transformations and by utilising the power of data.

Aiming to enrich customer experience and profit from 'traditional meets digital' innovation, the book gives a valuable insight into how we can overcome competitors that have access to similar data and addresses privacy and security issues associated with data sharing.

Yash Chittal

An organisation that truly empowers people is one that is built upon a cultural feedback loop where employees can opine their thoughts fearlessly.

✦ CAROL SCHULTZ, AUTHOR, *POWERED BY PEOPLE*

A talent magnet

When you walk into a high-performance organisation, you can feel the difference instantly. The people are more knowledgeable and confident about the expectations policy than being unsure of what is expected of them. "High-performance work systems are increasingly being used to label the transformed high-commitment organisation associated with the abandonment of Taylorism." - Steven Wood (1999). The organisational systems of these companies are flexible, customer-oriented, and team-oriented. The observation can be checked by the performance indicators such as market share growth, social impact, etc.

Up ahead is the proverbial road to business success.

It is a narrow road, flanked by a constantly changing landscape. There are potholes, steep drop-offs at the edge, and sharp turns that hide what's coming next.

Luckily, you are on a bus.

It is a big bus, with everyone on your team seated exactly where they should be, gazing out the windows. The driver seems to be doing a great job. You have not veered into the opposite lane (much). No one has fallen out, and everyone is traveling to the same destination on that bus.

This is how you get down the road to success, right? You get the right people on the business bus heading in the same direction. No matter what pops up on the road ahead, you have a bus full of people ready to meet the challenge because they're in the right seat—and you are certainly the right driver.

If that is working for you, you must be on the Who's magic bus because this does not happen in the real world. A group of passive bus passengers is not going to contribute much to a productive culture. They are just along for the ride.

Consider that these bus passengers do not have a map out, suggesting a better route. They are not ponying up information on whether you should slow down or speed up. They don't even have to agree with one another. They just get taken someplace by

the driver, the only one who is really paying attention to where everyone is going. The only things aligned on this bus are the tires.

As the driver, you are not too keen on this arrangement, either, because you are under a ton of pressure to make the right decisions. Get everyone lost, and you will hear lots of opinions from the passengers after the fact. Ask for feedback while driving, and you will end up swerving off the road under the deluge of suggestions. After all, every passenger on that bus probably has their own way to get to where everyone is supposed to be going.

American author Jim Collins popularised the ubiquitous 'bus' model in his book Good To Great. While I like a lot of what Collins has to say, this comparison was a swing and a miss. For 30 years, I have seen it lead to confusion, confrontation, and disagreement.

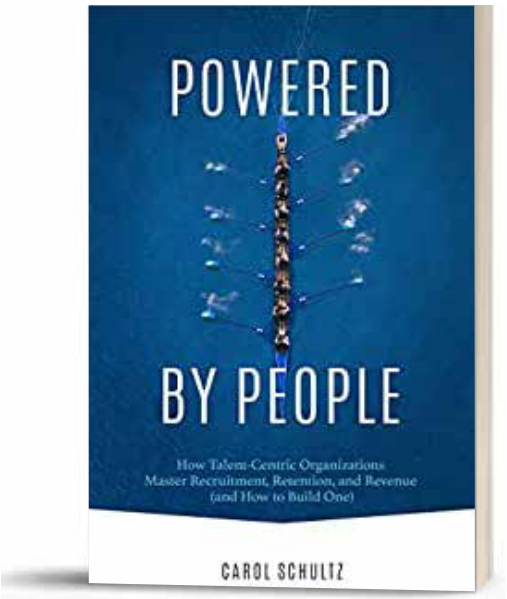
So, what is a better way to analogise a business, its team, and you, the fearless leader?

What if you thought of your business as a sweep rowing team?

If you have got your five-member executive team sweep rowing, and one person is not coordinating with the rest, decides not to row for a bit, or has an oar tilted just a little differently, the boat goes off course. You are no longer pointed in the direction you all want to go. You either have an aligned rowing team, or a wandering boat at the mercy of the current.

Bus or boat? Passive or active? Skewed individuals or an aligned team?

You can build a well-oiled, aligned organisation that is wildly profitable, completely positive, and a magnet for talent. At my advisory firm, Vertical Elevation, we call this a Talent-Centric Organization, or a TCO.



If you are not a TCO, what are you? Your organisation can be centered on a lot of different things, but talent is the one that matters. Anything else, and you will deal with constant recruitment issues, product failure, talent loss, and everything that comes with building an ineffective team.

The three basic principles of a TCO

If you are going to become a TCO, you must follow three basic principles.

First, focus on your people. Absolutely everything you do must focus on driving better experiences for people. That includes your team, users, customers, and community.

It can be easy to focus on the customer experience because it is so obviously tied to revenue and provides more immediate feedback. But the employee experience is just as important as the customer experience. In fact, the employee experience drives the customer experience. If you ignore it, your customers will eventually feel it.

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Second, build diverse teams that do not suffer from groupthink. A diverse team brings many strengths to the table in talent, experience, and contextual understanding.

I often ask clients about their company's gender and cultural makeup. I do not do it just to check off boxes. I do it to determine the level of groupthink and how it is affecting the company. Groupthink gets you nowhere, fast.

When everyone comes from the same background, there is only one understanding of how to do things, and more unwitting mistakes can be made in record time. Multicultural and diverse teams automatically have more solutions to choose from. Build these teams, then empower them.

Many leaders throw 'empowered' around as a useful buzzword or a key to their mission statement, but they struggle to actually put it into practice internally. Empowered employees are able to take initiative. They have a say, they can participate, and they can make decisions. They have permission to take risks and innovate.

Finally, you have to shift how you think and, therefore, how you work. The learning process has no endpoint. It is continuous, and it means you have to be willing to learn new things, be able to communicate with your team, and be open to change.

Part of the empowerment puzzle is tied to whether leadership is open to change. Leaders who are detached or unwilling to change create a team rowing out of sync, sending their sweep boat spinning in every direction but forward.

If you want to create an organisation that truly empowers people, you need a cultural feedback loop where employees can tell you what they do not like, trusting that what they say will not come back to bite them down the road.

Think of a tree growing from the side of a cliff. It is not an ideal place to grow. It is rocky and gravity is eager to wreak havoc. But the tree still pulls it off and grows up toward the sun. It knows it is either going to grow both its roots and canopy, or it will plummet to the bottom of the valley floor.

Obstacles do not stop growth; they merely reroute it. Organisations that grasp this are no trying to make it happen; they are making it happen. They are as committed as the tree, shifting how they work and think.

Are you willing to even consider if you need to make a change?

Will you actually make that change if you see the need?

If you are not willing, gravity has you firmly in its grasp, and it will pull you down. IM

ABOUT THE AUTHOR

Carol Schultz is founder and CEO, Vertical Elevation. She is author, *Powered By People: How Talent-Centric Organizations Master Recruitment, Retention, and Revenue (and How to Build One).*

Yasir Chital

Jim Everhart, a freelance strategist and writer and author, Brand Vision, dispels myths about business strategy and how it works.

MYTH BUSTER

Strategy-driven branding

According to a research reported in the *Harvard Business Review*, 95 per cent of a company's employees, on average, are unaware of, or do not understand, the company strategy. My new book, *Brand Vision: The Clear Line of Sight Aligning Business Strategy and Marketing Tactics*, hopes to change that by offering simple, easily implemented tools making sure a company's marketing program connects to its business strategy.

MYTH 1: Every brand needs a Facebook strategy. Or a Twitter strategy. An Instagram strategy. An email strategy. Don't they?

In a word, "No."

When you say you have a strategy for something like Instagram, you're trying to say you have a plan that has been thought out, considered carefully. That the things you are proposing are important, well worth the effort. And that you are not suggesting something haphazard. You may even have tried to outline the business case, proving the company will benefit. That is all well and good.

Unfortunately, some people go further than that. Directly or indirectly, they are saying their Facebook strategy is so important, it does not need to coordinate, complement, or play well with anything else their company is doing. Because it is so important, so special. It is free-standing. It does not have to work with their advertising. It is too critical to fit into their marketing program. And yes, it is even more important than their business strategy. It is above all that.

Sorry, I am not buying that. Because tactics are not strategy.

A brand has one strategy. Just one. It can employ dozens, hundreds, or even thousands of tactics (like Facebook posts) in furtherance of that strategy. But you get only one strategy. As a marketer, it is your job to make the most of it. And to make that strategy come alive through marketing.

A rogue 'strategy' not only doesn't support the business strategy, it undermines it.

Myth 2: Marketing deserves a free pass when it comes to business strategy

They never actually said it, but some of my colleagues or former clients seemed to be operating under the assumption

that marketing does not have to follow all this boring strategy stuff. You know, with Facebook and Twitter and all the cool, flashy media, shouldn't marketing get a free pass?

The answer is not just "No." It is "Emphatically, no." Maybe even "Hell, no."

Marketers need to understand that strategy is more important than design and aesthetics. More important than Instagram or Facebook. From a marketing perspective, those tools exist to support strategy. Period. And the role of creative efforts is to articulate and implement the strategy in communications at all levels.

If your great idea does not work with and even enhance (or, better yet, illuminate) the corporate strategy, it goes. It is really that simple.

A brand has one strategy. Just one. It can employ dozens, hundreds, or even thousands of tactics (like Facebook posts) in furtherance of that strategy. But you get only one strategy. As a marketer, it is your job to make the most of it.

MYTH 3: We need to be digital first.

Admittedly, too many marketers in the early part of the century dragged their feet, still thinking in print or conventional marketing terms. They were not fully utilising the new capabilities represented by the advances in the latest technologies, especially social media.

But we have gone through that. And now it is time to retire that bit of advice. Not just time to retire it, but to discard it entirely.

I admit I was never 100 per cent comfortable with the 'digital first' craze. Here is why: quite simply, digital communications are essential tactics in any marketing strategy. But they are only tactics.

An 'enhanced digital centered business marketing strategy' is nothing more than a

tactics-driven business marketing strategy. Or really, it's no strategy at all, just a bunch of tactics strung together on a wing and a prayer.

Any modern program, of course, is going to have digital tactics. You'd be shooting yourself in the foot if you didn't. But the tactics need to come out of the strategy, not the other way around.

And rather than "digital first," the catchphrase should be "strategy first."

MYTH 4: Gate content if you want leads.

Content gating has been around almost since the beginning of the internet. I sat in one meeting where an aggressive marketer wanted to gate all of his company's web content. And I've seen many occasions where gating was routine, even for information like data sheets or product catalogs.

Multiple sources quote David Meerman Scott's estimate that users download ungated content 20 to 50 times more often than gated

content. The reason? No one wants to cough up their contact information gratis. They want something in return, like proprietary information or research. CAD drawings or free samples.

Datasheets or even case studies simply aren't enough. Most people expect to get them without registration. And for good reason: your company benefits every time someone downloads them. And if you don't give them that information without conditions, perhaps a competitor will.

Compared to the old, pre-internet days, today's instant downloads are a bonanza for marketers. No printing, no postage, no handling costs. The prospect downloads the data using their equipment and their printers (if they go that far). All in real time. All at their expense.

What sense does it make to penalise your audience by requiring that they register when you want them to have that information?

I get it. Everyone wants leads. But by putting your needs ahead of theirs, you are making your problem their problem. That is not a good look. And not a great way to start a relationship.

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MYTH 5: Search has better RoI than online advertising.

Or than public relations. Email. Social posts. Or whatever.

Can you calculate the response rate of individual tactics? Obviously, the answer is yes.

But should you go so far as to try to determine the return on your marketing investment from individual tactics? My answer is, "Definitely not."

Since the 1960s , marketers have known that prospects need to see a message many times before they act. The count at that point, was seven—even touches before anything happened.

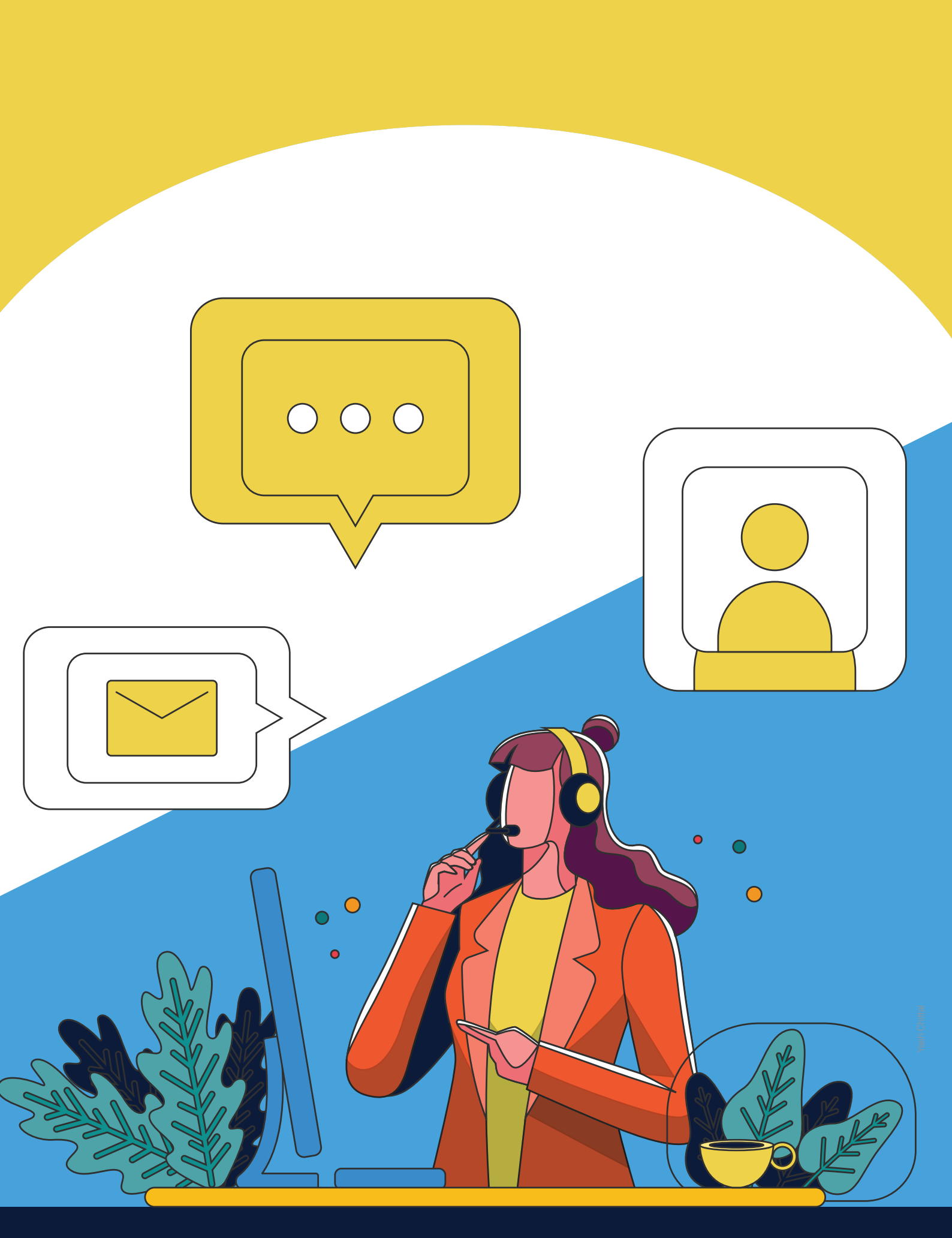
In today's over saturated media landscape, that number has not gone any lower. Prospects see ads, open emails, read PR placements, see tweets, hear a hallway conversation, and then do a search. So which tactic gets credit for the lead?

The reality is that the sale belongs to the entire program, not any individual tactic. And rather than arguing over which one worked, we would do better to think in campaign terms, anticipating, and planning for, a multi-touch experience. With tactics designed to work together to achieve our marketing and business objectives.

You rarely hear that story these days because there is so much fragmentation. Specialised vendors who want to sell you on their solution, whether it is a programmatic ad purchase, an email program, an Instagram plan, Facebook ads, or analytics.

It is not surprising that marketers are looking for a silver bullet. The one thing that will work no matter what. Because integration of all these media and tactics is hard. Very hard.

But it is what works. Always has. Always will. IM


Yash Chhabd

In today's business landscape, organisations can either work towards turning 'frictionless' or be overtaken by those who do.

✦ BILL PRICE AND DAVID JAFFE, CO-AUTHORS,
THE FRICTIONLESS ORGANIZATION

Smooth run

Imagine dealing with a business that offers products that always work, deliveries that arrive as promised, instructions that are clear and understandable, and self-service that's easy to use. Their customers never have to contact them for the wrong reasons. They've created a frictionless customer experience.

Frictionless companies work hard to reduce customer service issues in every aspect of the business, so it is no coincidence that they are market leaders in their categories, such as Amazon in retail and online services, Apple in consumer electronics, Dyson in household appliance production, USAA in financial services, and Xero in SaaS accounting software.

These successful companies have long worked out that becoming frictionless has four undeniable benefits:

1. Being frictionless reduces cost

For many years, the media has promoted the view that companies that want to cut costs will offer lower or inferior service by cutting staff or slashing hours. While it is true that having fewer checkout staff or a lower contact center headcount saves money, doing so creates queues that quickly impact a business's reputation.

In contrast, a frictionless strategy cuts costs in ways that are more sustainable by removing the need for customer contacts in the first place and reducing processing times.

For example, if order processes are streamlined and effective, customers will receive what they want accurately and on time; they won't need to call or email the company about delays or errors, and the cost per transaction will fall.

When companies reduce friction, they save a huge amount of money because they have:

- Streamlined processes so they take less time.
- Reduced returns and refunds, thereby saving effort and costly make-good concessions.
- Met customers' expectations, cutting the need for queries and contacts.
- Built more effective websites, apps, and other channels that reduce contacts, complaints, and queries about how these channels work.
- Replaced assisted contacts with self-service channels that customers want to use.

Yes, there is a cost to reducing friction. For example, an organisation may have to build the functionality to allow customers to track their orders and be notified of major changes to a

delivery schedule. However, that cost will be repaid many times over if it prevents customers from having to ask for help or express their frustration.

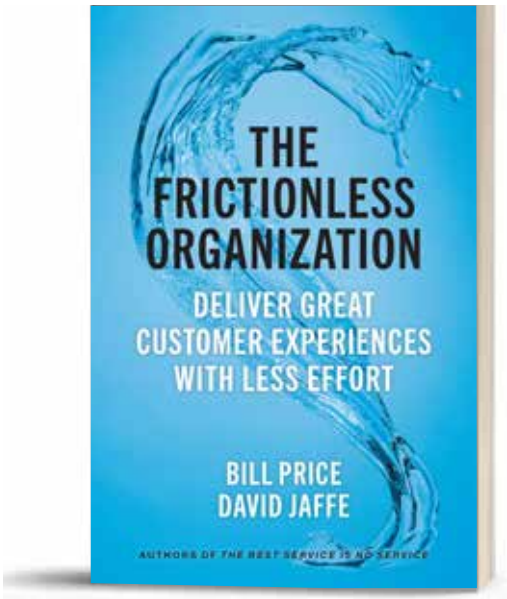
2. Being frictionless drives customer and revenue growth

Studies have shown that customers who have good experiences buy more. It seems intuitive that customers who have had on-time delivery from a company, when and where they expected it, are far more likely to place another order with that company, while customers who had to chase their orders or received them late will probably shop elsewhere next time.

According to one study by the Temkin Group, "77 per cent of customers would recommend and provide a referral to a company to a friend where they've had a great experience."The growth of Amazon is a testament to this. It could not have been achieved if Amazon's processes did not work so well.

Amazon's ACSI scores remain some of the highest, and being frictionless has meant that customers have turned to Amazon for an increased range of products and services.

Netflix's flexible experience enabled the company to invest heavily in original content, further deepening its must-watch reputation with millions of subscribers.



3. Being frictionless delivers a true competitive advantage

Companies that reduce costs through less friction create a sustainable advantage via low cost and high recurring revenue. In contrast, organisations that reduce service levels (such as speed of answer, speed of delivery, or length of checkout queues) put themselves in a difficult place, since customers will leave and revenues will likely fall.

The lower costs delivered by becoming frictionless also drive other advantages. Amazon, at one point, compared its CPO (contacts per order) with that of another major online retailer and found its own to be 75 per cent lower. This meant that the cost of each transaction enabled the company to reinvest these savings in lower prices (to drive more revenue) and greater marketing benefits like free shipping. A strategy that delivers both revenue and cost savings is clearly a winning one.

ABOUT THE AUTHOR

Bill Price is founder and President, Driva Solutions. He is co-author, *The Best Service Is No Service, Your Customer Rules!* and *The Frictionless Organization: Deliver Great Customer Experiences with Less Effort.*

Yet being frictionless is not just about cost. Frictionless businesses have created new ways to share value with customers.

One example is Netflix, which, like other digital media sites, offers a different experience from traditional TV. With Netflix, deciding what you watch and when to watch it is a low-friction and more controlled experience. The customer can select the viewing device and tailor the watching experience—no more cable and antenna constraints.

Netflix's flexible experience enabled the company to invest heavily in original content, further deepening its must-watch reputation with millions of subscribers.

4. Being frictionless enables business survival

One of the impacts of digital disruption and the emergence of digital-only innovators is that low-friction business models are now essential. Older-style businesses are burdened with high-cost physical networks and clumsy processes, and they face possible extinction if they do not reduce this friction.

Consider these examples:

- Zoom has gobbled up market share from Cisco's WebEx by being simple to use.
- Many regional high-touch banks are now challenged by new 'fintech' players.
- Amazon has forced many conventional retailers, including BestBuy, Target, and Walmart, to add online channels (with various degrees of success).
- In insurance, disruptive businesses are emerging that price risk more precisely to each customer's need and offer low-cost channels and self-service.
- In wealth management, digital or robotic advice models are emerging that undermine high-cost financial advice models.
- The airline industry was disrupted by low-cost carriers with simplified business models and self-service facilities, forcing incumbents to adopt innovations like self-serve check-in and online booking.

The outlook is clear: being frictionless is key for a business to survive. Will your business embrace these changes and thrive, or be left behind? IM

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David Jaffe is founder and co-owner, LimeBridge Australia, He is also founder, Chief Customer Officer Forum (Australia). He is co-author, *The Best Service Is No Service, Your Customer Rules!* and *The Frictionless Organization: Deliver Great Customer Experiences with Less Effort.*

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Yash Chittal

Industry 5.0 will focus on socio-environmental sustainability thereby bringing the power back into the hands of humans.

✦ DR SINI V PILLAI, *KERALA UNIVERSITY OF DIGITAL SCIENCES, INNOVATION AND TECHNOLOGY* AND SINDHU PILLAI, *CINCH BUSINESS SOLUTIONS PVT. LTD.*

De-to re-humanising

In the past, manufacturing took place in small workshops with basic tools. The Industrial Revolution marked the transition to newer manufacturing processes in Great Britain, Continental Europe, and the United States. The steam engine, the age of science, mass production, and the rise of digital technology—known as IR1.0, IR2.0, IR3.0, and IR4.0—were the major Industrial Revolutions that changed the world.

IR1.0 was dominated by industries include mining, textiles, glass, and agriculture. Material cost and production time were impacted as demand was greater than supply; hence, there was great pressure on the lower working class. In IR 2.0, electricity allowed factories to develop modern production lines. Ford came to be known as the 'father of the assembly line' and 'automotive mass manufacturing'. There was great economic growth with increase in productivity, but at the same time, unemployment increased as many factory workers were replaced by machines.

IR 3.0, also known as the Digital Revolution converted technology from Analog to Digital. The use of derived technologies—computers, microprocessors, cell phones, the internet, and the use of digital logic resulted in automation and mass production. Combination of physical assets and advanced digital technologies like Internet of Things (IoT), Artificial Intelligence (AI), robots, drones, autonomous vehicles, 3D printing, cloud computing, and more resulted in a more flexible, responsive and intelligent data driven system in the current era of IR 4.0. Now, IR 5.0 marks the return of humans wherein automation will not replace humans but assist in augmenting their irreplaceable value, offering a fair growth environment.

IR 5.0: Power back to the humans

Quoting Elon Musk, "Humans are underrated." Musk blamed excessive automation to be a mistake. Humans are the soul of any business, and human creativity, perception, and emotion cannot be replaced by robots. IR 5.0 explores the concept of humans working alongside robots and smart machines, where robots and machines are helping humans to inculcate the personal touch of humans by way of creative, perception, and emotions into automation and efficiency. To make it clear, 'cobots' or collaborative robots work amongst humans, and respond in real-time rather than the pre-programmed and isolated manner that

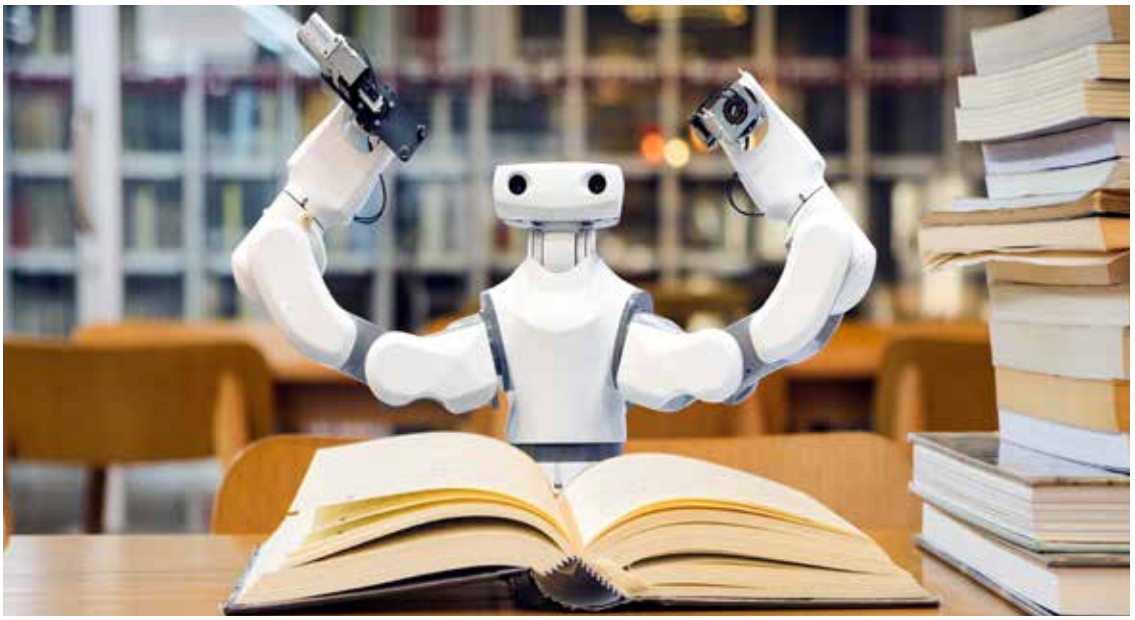
industrial robots generally operate on.

Boston Dynamics, one of the pioneers in cobots, has developed Spot and Stretch who are helping industries with dangerous work zones to help humans with data regarding safety checks. Spot is working at Hyundai as a safety inspector. AI-powered robots have already found their space for book arrangement, sorting, retrieval, material handling, and inventory at NY Public Library, Temasek Polytechnic Library, UMKC Library, University of Chicago Library, Shanghai Library, and so on. Robbie can scan more than 32,000 books per day at Temasek Library and Bobbie is a social robot interacting with students and guests in delivering newspapers, magazines.

AI-based systems have greater opportunities in robotic surgery and a surgeon has an opportunity to carry out the procedures with telepresence.

Shanghai library has a humanoid robot which will interact with students and clarify their doubts. The application of the humanoid robot Pepper at libraries in Germany and Switzerland promotes the idea of the library as a place to meet and work together in a pleasing, friendly atmosphere. Humanoid robots will soon find their prominent space in Indian libraries too. The future is that promising with technology.

Additionally, AI-based systems have greater opportunities in robotic surgery and a surgeon has an opportunity to carry out the procedures with telepresence. Hyper customisation by building technological platforms capable of expanding to any size and scale offers maximum possible product/service customisation flexibility to every customer in their requirements of pricing and convenience. The value of human intuition and associated problem-solving capabilities is irreplaceable even in a manufacturing concern, as there are many tasks that are executed efficiently and safely because of human judgment. There would be reduction in energy use, water use, emissions, waste generation, incorporating life cycle analysis to examine fully the environmental impact of different activities. Interactive products provide a 3D view of the



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product and give a user feel to the consumer guiding them on its usage and features in an interactive transparent way.

With the onset of the pandemic, remote and hybrid workplaces became a reality. The four-day week, one of the most powerful applications of human centric IR5.0, aided developing and developed countries in effective workforce mobilisation for productivity attainment and vanishing extended hours at the workplace. There were fewer redundant tasks, unproductive meetings, costly consultant hours, expensive on-site expenses; surprisingly all with an increased productivity angle to it. Work-life balance seemed to have been achieved.

Trade unions across continents are advocating the four-day week and some countries are already there, with Belgium having favoured it. The United Kingdom has followed suit by introducing the four-day working week starting June 2022. Microsoft, in 2019 experimented with the four-day work-week concept and that had a tremendous impact on their productivity. As IR 4.0 is still on, the characteristics of IR5.0 will focus on productivity requiring all to think and do differently which require the education system to run beyond degrees to deal with the challenges of sustainability and resilience for human centric interaction experiences. A responsive supply chain is always sensitive to the needs of the customer and does not depend on a physical order.

Blockchain technology is being used to seamlessly collaborate and maintain a trustworthy network between various suppliers, payment platforms, and inventory storage. Walmart is one of the biggest retailers who are successfully using blockchain technology in their supply chain management. Quick deliveries, customer satisfaction, accommodating seasonal, and open communication lines as agile as a business culture for rapidly changing customer demands by combining cognitive (human) and cyber physical (artificial) intelligent systems highlights the key characteristics of IR 5.0 supply chains. Smart organ printing, which is a 3D bioprinting and tissue engineering, collaborates in the making of live tissues using 'bio-ink'. This technology greatly helps in the formation of tissue-like or cell-like structure, forming the basis for regenerative technology, where severed or amputated limbs/body parts may be regenerated to suit the body intended.

No doubt IR 5.0 is human centric with focus on socio environmental sustainability and brings the power back into the hands of humans. Industry 5.0 will bridge this gap to create future systems and services that focus on social and environmental aspects utilising data and technological advancements from Industry 4.0. IM

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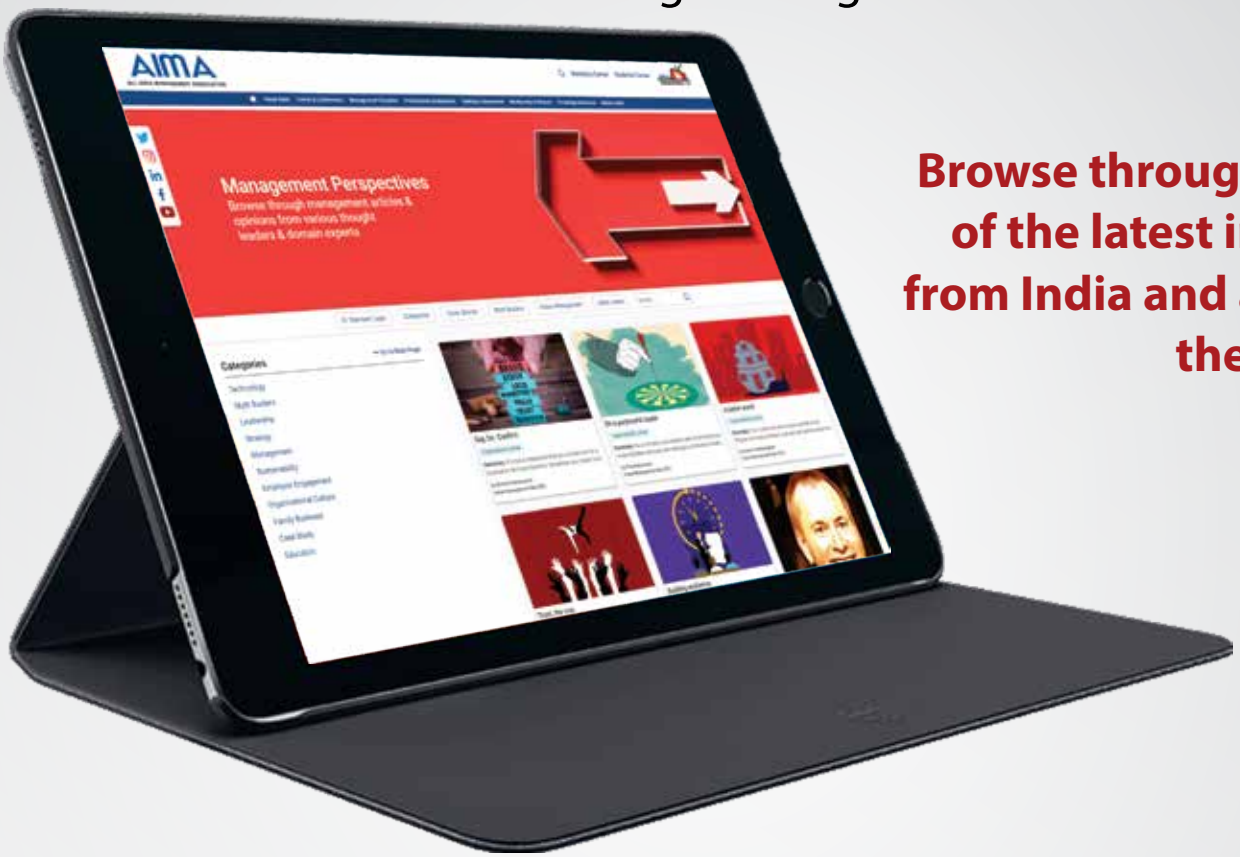

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