Securing the Dream Job

Aspirants should think like strategic marketers and adopt a value-based approach to job searches

ARINDAM

PRADEEP ANAND

There are many advantages to being enticed away from a strategy/marketing consulting practice to be a vice-president at a reputed American retained executive search firm. An important one is that conducting executive searches in North America, Europe and India provides insights into how executives, who are in professional transitions, can market themselves successfully.

For most of us, employment is the only way of producing wealth to take care of the needs of our families. But in order to maximise wealth generated during an employee's lifetime, a candidate must be a strategic marketer.

As they are transiting jobs, many employees get into a mode of frenetic activity. They create resumes and blast them off to businesses and their search firms. What they don't often realise is that this is a waste of time as the odds are against them. Successful candidates stack the odds in their favour by being strategic marketers. Deliberate in their actions, they get ready, take aim, and finally fire.

GETTING READY

A strategic marketer understands that there are three dimensions to a customer buying a specific product or a service. The first dimension is Value; the second is Uniqueness; the third is Trust.

These three dimensions drive customers to buy from one vendor versus another. Businesses recruit specific employees (and not others) because the chosen one is perceived to be a unique and trusted person who can deliver the highest value to the company.

People around the world have a uniform understanding of the words, Trust and Uniqueness. Value, on the other hand, is a much misunderstood term. It creates many shades of perceptions. For internal and external consistency, I define Value as benefits minus cost and expressed as an equation this is what it looks like: Value = Benefits – Cost.

A candidate can promise the highest value by either increasing delivered benefits or by reducing the cost or by doing both. However, firms have certain expectations of benefits from an open position. They also have certain cost estimates regarding the position. The winning candidate must exceed the benefits threshold at the firm and be competitive on the cost front.

TAKING AIM

Aiming requires a target and a bull's eye. Just as a strategic marketer chooses target customers, candidates must choose their target companies. Job seekers have finite resources and it is important to marshal and focus them on selected companies. Even within these firms, it is important to paint the bull's eye on the person who has the highest appreciation for a candidate's value, the hiring manager.

A resume is the candidate's artillery, shot from a distance at an unseen but perceived target. It needs to be designed and executed with the same finesse as any marketing collateral that must capture the attention and interest of a reader. Content must reek of value and convey it very quickly to a gatekeeper, who is often deluged with resumes. To be considered, a resume must stand out.

Most resumes are hurriedly constructed documents that provide a history of employment with responsibilities. They are ambiguous and are low on all three axes of value, trust and uniqueness. Successful resumes are replete with numbers — absolute, percentages and currencies — to convey the magnitude, scale and scope of the candidate's previous employers, and their responsibilities accomplishments at these firms.

AND, FINALLY FIRING

There are two major phases in this stage — securing an interview and closing the deal. Of these, securing the interview has more uncontrollable hurdles and obstacles than closing the deal.

Getting in front of the hiring manager for an interview involves a four-step approach. At first, a job seeker reaches out to an Associate, who in turn introduces the job seeker to a Bridge, who then introduces the candidate to a Contact, who leads to a Decision Maker.

This ABCD (Associate, Bridge, Contact and Decision Maker) approach can be short circuited at any time with a direct referral to the Decision Maker.

Networking is a means to meet the Decision Maker. It is a numbers game — the more associates the seeker brings in at the outset, the larger will be the network that will propagate towards the targeted managers. Through this network, the value-based resume gets a credible push from one trusted node towards the next one, and, ultimately, to the hiring manager.

Value and trust are embedded in the information that reaches the hiring manager. However, uniqueness is a somewhat uncontrollable variable. The candidate is unique only in comparison to someone else. The candidate with a value-laden resume will be interesting enough to be called for an interview, where the aspirant can establish uniqueness in person and reinforce the trust dimension.

The ABCD process is dynamic and has many subtleties. To experience these and gain from them, the aspirant has to be self-motivated and show up at events and places for planned and serendipitous meetings with people who can help.

An alternative to securing an interview through a network of personal contacts is the impersonal approach. This method utilises many alternatives available on the internet — job sites, company websites and others.

Here too, a value-based resume can provide the uniqueness that will result in an interview where trust can be established. The impersonal method of reaching the hiring manager has low rates of success but it also has low follow-up costs. The personal networking route has greater success but the searcher does have to spend time and other resources to thank and update people who have been helpful during the hunt. It pays to be courteous.

Finally, before closing the deal, the value equation should be revisited, except this time it is recast to read: Potential Value = Potential Benefits – Potential Cost. If the selectors are convinced that the candidate can deliver more benefits to the firm, a better contract can be negotiated.

The purpose of a job search is to be employed with the maximum compensation package that meets the goal of producing wealth to take care of oneself and one's family. This value-based approach will help the executive get there faster.

(The author is President of Seeta Resources, a Houston, USA-based consulting firm and the author of An Indian in Cowboy Country.)

Can We Get Low Priced Pure Juice?

Joining the Dots

NIDHI NATH SRINIVAS

We are a nation of juice guzzlers. That's natural in the world's second largest fruit growing country. Yet amid this abundance, hygienically packaged juice is still a middle-class luxury. A single serve 200-ml pack sells for ₹ 15, making it more expensive than a cola.

As the biggest beverage brands – Indian and foreign – sell juice, there is ample efficiency and scale. So why is it still beyond the common man's pocket? Why can't we get a glass for ₹10? ET helps you join the dots.

For every brand, the biggest challenge is managing commodity prices. India grows 70 million tonnes fruit annually, of which mango and banana make up 50% share. No other fruit grows on industrial scale. So, juice concentrate is wholly imported.

Dependence on apple concentrate from China, orange from Brazil and Florida, kinoo from Pakistan, grape and cranberry from the US leaves prices open to buffeting by any factor that affects crop production overseas. A brand can either buy the expensive concentrate, knowing it will eat into margins, or drop the juice from its range. There is no third option.

The only way to hedge risk is to buy and hold more concentrate if you foresee a problem. That wreaks havoc on working capital limits.

Currently, a juice 'drink' sells for ₹10 because it has between 10% and 16% pulp. Rest is water. 'Nectar' has more than 20% pulp. But juice must have more than 30% pulp. In pure orange juice, pulp is often 90%.

Expensive packaging is the other killer. Out of the ₹15, laminators cost ₹4. A brand has to invest in world-class filler machines and nozzles to prevent bacterial growth in hot weather. Cost of transporting cartons in covered trucks is extra. Shops refuse to keep unsold cartons for a day longer than necessary.

Sure, juice can be sold in glass bottles. But only the two cola companies – Coke and Pepsi – have the network to collect and re-fill empty bottles. They too use tetrapacks for 200 ml.

With no control over concentrate and packaging prices, brands walk into the market to discover their biggest competitor has no such constraint. The roadside stall has negligible overheads, zero wastage, no inventory costs, and a creaking hand-operated machine. Yet the freshness, the taste and the extra pinch of "masala" customised to each palate is priceless. No brand has been able to bottle it.

When packaged juice offers no price advantage, consumers prefer the freshly squeezed ones. To make matters worse, branded players can flog only desi bestseller – mango. Bottled nimbu pani is a distant second. They have no technology yet to handle sugarcane juice and coconut water, the perennial pavement favourites. Apple and orange juice – multi-million dollar blockbusters in China – have failed to tempt India. Guava and litchi are too small to matter.

Meanwhile, advertising has quietly shifted from thirst to health. Brands know cola will always be our preferred thirst-quencher. Plus, two people sharing a 600-ml cola bottle for ₹20 each works out cheaper. Emphasis on drinking juice at home for breakfast also moves focus from the expensive single serving to the one-litre family pack.

> **Companies are in a bind because they have no weapons to fight their biggest rival – the pavement stall**

But the middle class breakfast table is no walkover either. Vegetables juices – aloe vera, lauki, amla, carrot – are replacing fruit juice. No large brand has yet found a way to source, produce and market these yogic diet choices. Usually the scale and profit margin is so tiny and the supply chain so cumbersome, that no large brand is interested. So the field is left open to dozens of small factories often selling to just one city.

It is not that the juice business is slow. Volumes are growing 25% annually. But often that worsens the problem of supply chain management and price risk.

On an industrial scale, juice is a capital-intensive commodity business. Unlike the cola world, no brand has a secret formula. Companies are in a bind because they have no weapons to fight their biggest rival – the pavement stall. Rising commodity prices makes concentrate expensive, inadequate technology limits the challenge to taste.

Our daily glass of juice is the site of a struggle between the packaged and the fresh. The smart kiosk owner knows this and charges accordingly. The first brand to sell us hygienically packed juice for ₹10 will sweep the stakes.

Getting Global Exposure in India

The success of stock exchanges offering derivatives products on foreign stock indices will depend on the level of Indian investor awareness

AKIL HIRANI & ANINDITA JAISWAL

The Securities and Exchange Board of India (Sebi) recently permitted Indian stock exchanges to offer derivatives contracts, i.e., futures and options contracts, based on underlying foreign stock indices to Indian clients. A formalised and regulated framework to authorise and facilitate Indian bourses to offer products linked to foreign indices in India was introduced even as cross-listing agreements were being discussed between certain Indian and foreign stock exchanges.

The move to permit Indian exchanges offer derivatives contracts based on underlying foreign stock indices is very welcome, as this will permit Indian investors to diversify their global portfolio investments in a controlled and regulated manner. The investment options available to Indian investors will expand, and they will be able to leverage off global indices such as S&P 500, the Dow Jones Industrial Average (DJIA) and the FTSE 100.

Having said so, the success of this much-awaited move will substantially depend upon the level of investor awareness about foreign indices and their constituent stocks. Indian exchanges will therefore have to initiate investor awareness programmes to educate and inform investors on the underlying foreign indices and their related aspects. Moreover, merchant bankers and intermediaries will also have to play an active role in mitigating investor risk. The last thing that Indian investors need is aggressive or uneducated investment in these types of instruments to their detriment.

GUIDELINES

Eligibility criteria: For any Indian stock exchange to offer derivatives contracts on a foreign index, the foreign index must fulfil the following eligibility conditions:

- The foreign index should be of one of the exchanges listed in Annexure A of the circular (such as CME Group, Nasdaq or Australian Securities Exchange);
- The foreign index should be among the top 15 indices globally in terms of trading volumes, or have a market capitalisation of at least $100 billion;
- The foreign index should be "broad based," i.e., the index should comprise at least 10 stocks, and no single stock should have more than 25% weightage in terms of free float market capitalisation.

It is pertinent to note that the eligibility conditions should apply to foreign indices not only at the time of sale of the derivatives contracts on the Indian exchanges, but on an ongoing basis. As such, if any of the eligibility conditions cease to continue, then the Indian exchange cannot offer the derivatives contracts with such underlying foreign indices.

Currency denomination: The derivatives contracts with underlying foreign indices to be traded on Indian stock exchanges should be denominated, traded and settled in Indian rupees.

Position limits: The position limits and disclosure requirements of trading members and clients that are applicable to derivatives contracts with underlying Indian stock indices will also apply in the context of derivatives contracts with underlying foreign indices.

> **The investment options available to Indian investors will expand, and they will be able to leverage off global indices**

Information sharing: The Indian stock exchange offering the derivatives contracts with underlying foreign indices will have to ensure that the Indian investors have all material price sensitive information, and details of regulatory and corporate actions relating to the constituent stocks of the foreign indices, as are available in the public domain.

Risk management framework: The Indian stock exchanges proposing to offer derivatives contracts with underlying foreign indices will have to submit their application in this regard along with their risk management frameworks to Sebi.

Investors: Only Indian residents are permitted to trade in derivatives contracts with underlying foreign indices offered by Indian stock exchanges.

IMPLICATIONS

From the perspective of Indian exchanges, they can now make use of these new derivative products to compete for enhanced market share, which they have been trying to do in the past through private arrangements with foreign exchanges. Thus, while Sebi's move will enable the Indian exchanges to actively venture into a new range of derivative products, it will also protect and safeguard investor interests against unregulated and uncontrolled cross-listing arrangements and private arrangements between Indian and foreign exchanges.

On its part, Sebi will have to ensure that it processes the applications of risk management frameworks expeditiously to ensure smooth functioning of the system.

Additionally, Sebi needs to specify more clearly consequences if any of the eligibility conditions cease to continue. It may be too arbitrary to direct the Indian exchange to discontinue offering the derivatives contracts with such underlying foreign indices because one of the eligibility conditions has ceased to apply.

Finally, such types of transactions will lead to tax issues, and investors will have to pay tax on profits derived from such transactions.

(A Hirani is Head of the Transactions Practice and Managing Partner, and A Jaiswal is Associate, Majmudar & Co)

MERGER SCRUTINY UNDER COMPETITION ACT

Thresholds Up, Waiting Time Lowered

Indian & global companies may see the changes as a sign that the government is willing make merger control smooth

SAMIR R GANDHI & RAHUL RAI

Almost a decade after the Competition Act was first introduced into the statute books, the government finally decided last week that it was time to operationalise the provisions relating to merger control. In doing so, India has joined the ranks of several jurisdictions across the globe that require all big-ticket mergers and acquisitions to be cleared by a competition regulator who assesses whether the transaction is good for competitive conditions in the market-place.

So for instance, Kraft Foods' hostile takeover of UK confectioner Cadbury required approval from the European Commission, as did Tata's acquisition of Corus. While merger control has been around for some time globally, it is a recent addition to the regulatory landscape in India where the notification of Sections 5 and 6 of the Competition Act along with the publication of the draft merger regulations has been watched closely.

Indian industry has in the past been quite vocal about its reservations and complained that seeking merger approval would only delay time-sensitive deals, and was reminiscent of the days of the license raj. Equally however, some realised that it was important for India to have the requisite tools to assess whether mergers could result in market distortions. It is this debate that has now culminated in the introduction of a revised merger control mechanism and it will be interesting to observe whether this adequately addresses concerns on both sides.

Revised Threshold Under Competition Act, 2002

	FOR COMPANIES PARTY TO M&A: ASSET	FOR COMPANIES PARTY TO M&A: TURNOVER	FOR GROUPS PARTY TO M&A: ASSET	FOR GROUPS PARTY TO M&A: TURNOVER
In India (₹cr)				
Current	1000	3000	4000	12000
Proposed	1500	4500	6000	18000
In India & outside				
Current	$500 mn globally, including ₹500 cr in India	$1.5 bn globally, including ₹1500 cr in India	$2 bn globally, including ₹500 cr in India	$6 bn globally, including ₹1500 cr in India
Proposed	$750 mn globally, including ₹750 cr in India	$2.25 bn globally, including ₹2250 cr in India	$3 bn globally, including ₹750 cr in India	$9 bn globally, including ₹2250 cr in India

In all M&A transactions, either asset or turnover criterion will apply
Source: MCA notifications

KULDEEP

To start with, one of the most vexing issues surrounding the introduction of the law was the low thresholds that triggered the merger approval requirement. The concern was that even relatively low-value mergers that were unlikely to affect competitive conditions in the market would nevertheless be required to go through the protracted merger notification mechanism.

The government has tried to address this problem by revising the asset and turnover thresholds upwards by 50% (See chart); and by simultaneously introducing a separate threshold for the target company, below which a merger does not need approval. These changes will go a long way to ensure that every small acquisition made by a large company does not require notification.

The next biggest bugbear for Indian industry was the inordinately long periods of time that the process of merger control would entail. The draft merger regulations address this issue in three ways. It gives companies a chance to informally consult with the Competition Commission even before the merger process begins. The Commission also tried speed up the process by introducing a shorter "Form I" for routine merger transactions that are not likely to affect market conditions and can be approved within 30 days. And finally, the draft regulations truncate the timelines for a decision and indicate that the CCI shall "endeavour" to come to a final decision within 180 days, instead of the earlier limit of 210 days.

While these are certainly steps in the right direction, there continue to be a few niggling issues. For instance, the shortening of the timelines to 180 days seems largely aspirational because the statutory time limit remains 210 days. Also, the mergers eligible to file in the shorter "Form I" include many mundane or routine transactions that are unlikely to have any effect on the market and should not require notification at all. One cannot help but feel that in their effort to address certain issues, the Competition Commission may have introduced additional levels of complexity.

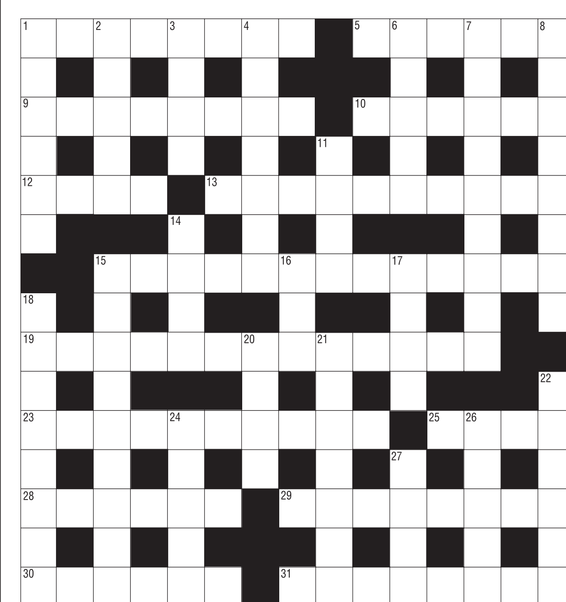
Where the government has succeeded in removing some unnecessary complication is by raising the threshold for a group company to 50% through a five- year exemption. Earlier, two companies were deemed to be part of the same group if they shared more than 26% shareholding in each other, which meant their combined asset or turnover value would be counted for any proposed acquisition. By raising this threshold to 50%, the government has now addressed the concerns of many large Indian business houses that were concerned that any acquisition made by one of them, would be deemed an acquisition by the group as a whole and would require notification.

Indian companies and their global counterparts are likely to see these changes as encouraging signs that the government is willing to work with them to ensure that merger control does not become a hindrance to doing business in India.

Nevertheless, there is considerable work to be done before the June 1, 2011 which is when all big-ticket mergers will effectively require approval. For instance the CCI will need to clarify whether mergers that have already been signed, but will not be completed before the June 1 implementation date, will be required to seek approval and whether such transactions can be said to have "taken effect". The government and the CCI must use this time to seek broader consultation and ramp up their own administrative capacity to ensure that merger control does not become a regulatory hurdle for the fast-growing Indian economy.

(S Gandhi is partner & R Rai Associate at Economic Laws Practice)

The Crossword 4231



ACROSS

1 For instance one dropped into the cider brew could be a killer (8)
5 One of the cast could be making notes (6)
9 Swimmer taking endless wine with dignity (8)
10 Dislike colour on the cover (6)
12 One of those taken in advance (4)
13 Indulges in dreams as a fitness exercise (10)
15 Good support needed with the powerful in retreat (6,7)
19 You know where you are when you can see the pub (5,8)
23 Getting ready for working as a doctor (10)
25 Ruler finding a way to show the Queen round (4)
28 Bankrupt one under difficulty all round (6)
29 Time to make another date (8)
30 Talk about tiny feet on the go! (6)
31 Deduction for containers returned by an attendant (8)

DOWN

1 Take it easy - put the question again (6)
2 It's always green in spring or September (5)
3 Exult in being able to fly direct (4)
4 Scorn what might be said in a row (7)
6 Shows the way to get on a flat roof (5)
7 Standard measures taken to get credit (9)
8 Give new shape to a flag that lacks a point (8)
11 Doubts arise after smoking (4)
14 Said to be bad but for one small measure (4)
15 One left as it coils around (9)
16 One might go off and cause death (3)
17 Nice porcelain missing - must be the cleaner! (4)
18 Role played by friend caught up in flashy display (8)
20 Taking part in a national song contest, what's more! (4)
21 You may be open-mouthed to meet him at work (7)
22 Given an order he will squirm with discomfort (6)
24 That's the place for soothing repetition (5)
26 Hot rock publication by somebody learned (5)
27 Break for photography (4)

Solution to 4230

ACROSS: 6 Leave of absence, 9 Annexe, 10 Overpaid, 11 Accolade, 13 Trunks, 15 Return, 17 Deduct, 19 Pro tem, 20 Cavalier, 22 Advocate, 24 Lock-up, 26 Desert one's post.

DOWN: 1 Blank cartridge, 2 Vale, 3 Geneva, 4 Absentee, 5 Keep, 7 Flower, 8 Cricket results, 12 Octet, 14 Usual, 16 Ramparts, 18 Screen, 21 Valise, 23 Open, 25 Cool.

The Daily Mail

Dilbert by S Adams