



THOUGHT LEADERSHIP

# TECHNOLOGY MODERNITY, SOURCING & THE DEMISE OF REALITY

Author: **BOBBY VARANASI, COP, COP-GOV, COOPM**  
 Chairman & CEO

## TECH SPEAK. OR IS IT?

It is time to revive old memories surrounding conversations around the barbeque pit that sometimes deal with inquiry about commonalities. So here's the question: what is common among *marvels* like Synthetic Biology, Telemedicine, Lunar-dimming streetlights, shape-shifting materials, molecular machines, full sensory internet, cosmetic brain surgery, digital mirrors, life-story labeling, and open-source intelligence gathering? I am not as keen on knowing the answer, as I am in deciphering the source of these seemingly spectacular concepts. For me, right now they are just that – marvelous. I can see molecular biology, genetics, engineering, analytics, medicine, humanities, art, astrophysics, material sciences, metallurgy and perhaps many other disciplines at work here to translate these concepts into reality. Interestingly, I believe these disciplines are being expected to work in tandem with each other instead of the contemporary sequential approach we have always displayed toward life and application of knowledge – something quite prevalent globally today. Conversationally, human tendency to simplify (using the age-old adage of KISS – keep it simple stupid) seems to have, on the one end created a sense (delusionary perhaps) that everything can be broken down into concepts that can be isolated, understood and taught, while on the other end this very isolationist view has resulted in huge gaps that others view as opportunity to address. So is this yet another trend that we will perhaps be party to in our lifetimes, or is there something else driving these concepts that we haven't yet figured out? How does this apply to the globalized marketplace of technology solutions and services we seem to have no dearth of energy proselytizing about?



## THE AGE OF CREATIVE COMMONS

Creative Commons 2.5 Share-a-Like License is an interesting concept. It essentially means that you can take someone's published intellectual property and share it, use it as you like, so long as the source is acknowledged. Most visible in the context of the ICT sector are websites like [www.nowandnext.com](http://www.nowandnext.com), where you can gain access to a myriad number of interesting facts, figures, trend maps, predictions (from bold and funny to sobering and frightening, and many other risks, demise-predictions, and dangerous currents in between). All is fine and well when we talk about a paper or a short slide-deck being shared (by creators who are either keen on letting the world know they are the more intelligent folks, or are intent on taking someone else's ideas and making them a reality, or for a number of other reasons). The issue begins to clearly emerge when we start labeling such information as Intellectual Property. Now it is just a matter of time before gun-slinging (or should I say mud-slinging) begins, lawyers get involved, laws are reviewed with a zest unparalleled, media is charged up over inconsequential aspects that they neither have an understanding of, nor could they care, and some pool soul (or two) is headed for the slaughterhouse in the impacted entity.

IP conversations have been of pertinent interest in the software products sector, but the pharmaceutical sector takes the cake when it comes to IP regulations, patent wars and protectionism. Hedonistic views toward protecting drug discoveries, and evergreening adventures (maybe I should just say initiatives) with existing patented products is being increasingly challenged in many parts of the world. The recent refusal by the Courts in India to an appeal by Novartis on extending its patent for a proven cancer drug is being viewed as a game-changing win for the generics marketplace, while furthering the cause for provisioning inexpensive life-saving drugs to people in many poor countries. Of course the politically charged environment the situation has created especially with respect to foreign direct investments (as the warnings to reduce / eliminate any R&D investments in India by Novartis illustrate) may turn some heads in their support. However the bigger issue about protecting innovation for the benefit of a few at the cost of many is being challenged substantially. A slight reminiscence here: during the heydays of the WTO's emphasis on shifting from process to product patents, WTO had most of the developing world up in arms since their generics and intermediates sector would take a substantial hit, notwithstanding the fact that in nations where many life-saving medicines are part of a free public distribution system, pure commercial reasons caused a mammoth uproar in countries like India, Brazil and others with sizeable generics sectors.

This battle is being revived yet again, and with a fervor never before seen. In this context, it seems to be a matter of time before these wars for democratizing competencies/ technologies for the greater good take over the need for protecting IP at all costs. Firms like Apple and Samsung may litigate for a few years, but there is no denying the fact that in a few years IP wars will become a thing of the past. Creative Commons in the ICT sector which seems to have been the root cause for "innovation" in other sectors. The rooster is coming home to roost perhaps?

## ENTER THE DRAGON - SUPPLIERS

Gary Hamel and CK Prahalad authored an excellent "how to" paper on innovation a few years ago titled "**The What, Why and How of Management Innovation**", contributing to a series by Harvard Business Review titled *Staying Ahead of Your Competition*. While the two gentlemen endeavored to break-down the

management approach toward innovation in a structured and comprehensive manner, a statement they made got me thinking. Quote, *“Over the past century, breakthroughs such as brand management and the divisionalized organization have created more structured competitive advantage than anything that came out of a lab or focus group In most companies, management innovation is unstructured, ad-hoc and incremental. A systematic process is required for bold breakthroughs”* unquote. So what does this mean exactly, especially in the context of the ICT sector? I have learned a few lessons here but I also include my lament about the reduced acceptance of them in general.

First lesson: the emphasis on management is crucial to appreciate, instead of getting hung up over innovation itself. In the nineties companies like GE, DuPont, Whole Foods or Whirlpool etc established disciplines around their managements' approaches toward what they do and how they do it, instead of just operationally enhancing process efficiencies, thereby allowing them to focus on more intrinsic aspects like customer loyalty, brand perceptions, product value, and consumer impacts in a concerted manner. Trying to apply this lesson to the ICT sector will – at the current moment – result in disdainful looks by most. Technology-heavy geek-speak rules the roost, and you are either a part of it, or inconsequential. Hence it isn't surprising at all that every two years or so, a new (and seemingly bold) set of predictions/ trends are parlayed by the supplier community as “do-or-die” solutions. Evidence is everywhere, especially in conferences that try and outdo each other in positing discussions around cloud computing, convergence solutions, as-a-service models, mobility and LBS, and now big data. You don't have to try at all to inquire or satiate your curiosity. You are expected to either accept the trend as an undeniable, absolute reality (read Damocles sword), or be relegated to the “realm of idiocy” as someone put it recently.

Second lesson: innovation is surely not manifested in just the how. Crucially it is in the “what” is being addressed: an issue, an opportunity, an uncertainty, an aspiration, anticipation, or a combination of all of them. Trying to apply this lesson to the ICT sector will – at the current moment – result in disdainful looks by most. Innovation is about the “new”, “sparkling new that only few people can create, operate and manage”, while the rest are expected to be mute followers. Novartis, or Apple, or EMC, or CapGemini, or CommScope, or Samsung, or some unknown firm has the holy-grail right over innovation and others are expected to adopt (no questions asked). While on the other end, many nations have emoted substantially about democratizing innovation, teaching it to their supply community, and then tried enforcing nationalistic barriers geared at promoting “buy locally made” solutions without much thought for utility value. So innovation has now come to become “technology modernity” at all costs. Universities are geared for this onslaught of innovative products, ministries are geared up for funding pre-seed stage entrepreneurs, existing suppliers are geared up for browbeating new entrants to death by deploying strategies like price-undercutting, over-emphasizing others' weaknesses, or leveraging clients' confusions etc.

Third lesson: creating solutions that are substantially tangible, applicable and of sustained value requires collaboration (among producers, suppliers, creators, innovators, academics. policy makers and consumers) that would allow for inter-disciplinary learning and crafting ideas into reality. Solutions like cosmetic brain surgery, shape-shifting materials etc are examples of solutions that necessarily demand such collaboration. Well, this goes true even for today's raving about cloud computing and big data solutions. Trying to apply this lesson to the ICT sector will – at the current moment – result in disdainful looks by most. While conversations around collaboration are a cacophony success stories resulting from entrenched collaboration remains elusive. Perhaps human greed superimposes itself on the larger goals about ubiquity

or sustained value. These diametrically opposite realities bite each day, in the form of irrelevant products/services/solutions on the one end, and increasing clutter of “savior” suppliers who promise to transform an organization’s future with their own home-grown, innovative, patented technology solutions.

Fourth Lesson: disruption of current assumptions is accepted as a management capability in most sectors. The need for, or the value of such disruption is given scant thought. Hence, when NASA outsources its shuttle launches to Space-X, many cringe at the potential national security disasters, notwithstanding the fact that no one batters an eyelid when India launches multiple satellites for random countries. Trying to apply this lesson to the ICT sector will – at the current moment – result in disdainful looks by most. Mobile solutions, as-a-service and cloud models, opex-based provisioning are considered disruptive of traditional provisioning of software and services, to the extent that such traditional models (typically termed outsourcing – that nasty word) are considered old-school. Predictions of the demise of outsourcing have increased in the past year, at the cost of increased confusion. Suppliers are nevertheless ploughing their way toward some futuristic goals where the potential for living on a planet populated with robotic instincts, and technological superiority at all costs (particularly manifested in the pursuit of solutions like individual traceability, chip implants, bio-mimicry, surrogates, human clones etc). They are busy enlisting their “lab rats” to become the recipients of semi-done aspirational technologies. What frightens me is the “at all costs” approach.

## EXIT THE RAT - CUSTOMERS

Interestingly, while you may opine that the outsourcing sector will not have much say in assisting this drive toward technological sophistry and control ala Hollywood, the trends are clearly pointing in this direction, especially where client organizations are increasingly being perceived by suppliers as the ones to experiment with. Unfortunately these experimentations traverse not just the “damage-limiting” technical divisions, but the larger organization itself including their end consumers. I am sure it is a matter of time before the “Tech-No” movement will take firm roots in the minds of people who would want to reject these advances since they seem to portend control, doom and demise of the “way of human life”.

Two years ago discussions on whether the CIO’s role is more about adopting flexible cloud models was met with trepidation. This year discussions on whether the CIO’s role should shift toward that of an analytics officer (to mine the organization’s reams of data) is meeting with the same trepidation. In this melee, business entities and organizations pursuing a multitude of goals spanning the commercial, economic, social, human, cultural, etc are being forced to subjugate such goals to technical sophistry and modernity at all costs, thanks to the dragons (err...suppliers). The outsourcing industry interestingly is fueling much of this pursuit resulting in a clamor to be heard, respected, and adopted, while being overwhelmed with sector realities, complexities of functional disciplines (I am not talking HR or Finance, rather it’s about astrophysics, genetics, biology, material sciences, humanities, sociology etc) whose roles in solutions is exponentially increasing each day. Organizations that could potentially benefit from such game-changing solutions (and I will refrain from using the word innovation) are increasingly disgruntled at their alienation from the creative efforts.

While Novartis could well threaten India with their intent to shift their drug discovery and R&D activities to China given the recent ruling against their patents, there are countless others who would aspire to replace

or replicate such endeavors. We continue to seemingly address the symptoms, and not the root causes. Of course, there are organizations that are forward-looking not in the context of products or technological modernity. Instead their pursuits are at rational growth, sustained and flexible value, and inclusive of human values. These organizations may be more willing than others to be the lab rats, but that doesn't indicate denial of the syndrome of clients being used as test-beds for all and sundry endeavors.

## VISUALIZING THE DISCONNECT

While suppliers continue to pursue goals that are incredulous at this moment, their enlisting of end-user organizations to test such initiatives, R&D etc on their businesses and customers has gone from being a nuisance at best, to potentially damaging and life-threatening. Parlaying the “be a part of it or have an inconsequential demise” articulated in languages that decision-makers understand best has taken away the need to present facts. The threat of demise triggers emotions way beyond rational responses. There you are: the lab-rats have consented. In this melee disconnect between “traditional” and “disruptive” is not being addressed from a standpoint of “what caused it” or “what are the consequences”. Instead it is being positioned as threatening of business existence to the point that the “fear of the unknown” has become significantly palpable in the minds of C level decision makers. My discussions with a number of such leaders clearly reveal this fear. Unfortunately, the suppliers are busy pursuing the “new” having signed on a few customers as their lab-rats, while these lab-rats have yet to realize their role in this pursuit, or that their experimentation isn't being put into the larger context of the organization's business or socio-economic goals. Visualizing this disconnect, establishing boundary conditions to tolerance and then adopting solutions from the veritable supply marketplace seems to be a clear no-brainer, subject to relegation of the fear (stated above) to where it belongs.

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## ABOUT THE AUTHOR



Bobby is one of the top 25 most powerful leaders in the global sourcing space, and the [founding] **Chairman & CEO** of **Matryzel Consulting Inc**, a strategy consulting, sourcing advisory and management firm headquartered in New York. Matryzel advises corporations and governments worldwide adopt concerted strategies aimed at enhancing competitiveness while focusing on their core competencies. He advises federal governments across four continents on ICT sector development with particular emphasis on policy development, industry-government partnerships aimed at creating GDP growth and enabling positive economic impacts. Bobby has advised Fortune 500 customer organizations on Strategic Planning, Mergers & Acquisitions, JVs, Private Capital Investment Evaluations, Process Reengineering, Pricing Strategies, Sourcing Relationships, Business & Financial Modeling et al, contributing immensely to global sourcing for clients. He is a sought-after speaker in conferences and round-tables worldwide where he moderates panels and presents content on thought leadership. He has been quoted and published in Forbes, fDi, Economist, The Outsourcing, ZDNet, CIO Africa, Brazil Exportati, Times of India, Business Week, New Straits Times, Malaysian Business, Technology Inquirer, Logical Worldpress etc.