

Change Management and Business Excellence at Titan

Company Background

Titan Company is the fifth largest integrated own brand watch manufacturer in the world. It is a part of Tata Group of Industries. Titan Company brought about a paradigm shift in the Indian watch market, when it introduced its futuristic quartz technology, complemented by international styling. In addition to 'Titan', the watch brand, Titan Company has also built 'Tanishq' the leading Jewellery brand in the country. Both these brands are among the most recognized and loved brands in India. The success story began in 1984 with a joint venture between the Tata Group and the Tamil Nadu Industrial Development Corporation. After Sonata, a value brand of functionally styled watches at affordable prices, Titan Company launched Fastrack, its third brand, to reach out to the youth market. The company has sold 150 million watches world over and manufactures over 15 million watches every year. With a license for premium fashion watches of global brands, Titan Company repeated its pioneering act and brought international brands into the Indian market. Tommy Hilfiger, FCUK, Timberland & Police as well as the Swiss made watch – Xyllys owe their presence in the Indian market to Titan Company.

Entering the largely fragmented Indian Jewellery market with no known brands in 1995, Titan Company launched Tanishq, India's most



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trusted and fastest growing jewellery brand. Gold Plus, the later addition, focuses on the preferences of semi-urban and rural India. Completing the Jewellery portfolio is Zoya, the latest retail chain in the luxury segment. Titan Company has also made its foray into eyewear, offering a variety of differentiated products to the end consumer consisting of frames, lenses, contact lenses and accessories. Frames are available in both international brands (Levis, Esprit, Hugo Boss etc.) and in-house brands – Titan, Eye+ and Dash which is an offering for children. The company has leveraged its manufacturing competencies and branched into precision engineering components & sub-assemblies, machine building & automation solutions, tooling solutions and electronic sub-assemblies. With over 1100 retail stores across a carpet area of over 1.5 million sq. ft. Titan Company has India's largest retail network spanning over 220 towns. The company has over 400 exclusive 'World of Titan' showrooms and over 150 Fastrack stores. It also has a large network of over 740 after sales-service centers. Titan Company is also the largest jewellery retailer in India with over 160 Tanishq boutiques and 2 Zoya stores, over 30 Gold Plus stores. It also sports over 300 Titan Eye+ stores. In addition the company retails personal accessories such as bags, belts, wallets and most recently perfumes under Skinn Brand.

Titan has two exclusive design studios for watches and jewellery, 12 manufacturing units, and innumerable admirers' world over, Titan Company continues to grow and set new standards for innovation and quality (<http://titan.co.in/company-profile>).

Titan being the fifth largest manufacturer of watches in the world has evolved as a strong player in the business over the last thirty years of its existence. It also had its share of turbulent and tough times with ever changing market conditions, liberalization and opening up of Indian economy along the way. Most importantly it has navigated itself successfully through this period and has stood the test of time and emerged successful. Company having established in 1984 has clocked revenue of around USD 2 billion and a market cap of USD 5 billion for the FY 2015 with 7500+ employees.

Titan has transformed itself several times along the way to achieve and retain leadership through growth in business both in terms of top line and bottom line. Company which started primarily as a watch company in 1984 has now grown as life style and fashion Accessories Company. Company has leveraged its strengths, seized market opportunities, and carefully crafted its strategy and execution plan ongoing basis, to diversify in to Jewellery, Eyewear and Precision engineering businesses.

Titan's Journey of Three Decades

In its journey of three decades, Titan has gone through its ups and downs, and reinvented itself and come out successful and achieved leadership position in its business. Company has continuously realigned itself to changing market conditions and customer expectations. As stated by CEO, Mr. Bhat who took over in April 2002 from Mr. Desai, Titan always believed in redefining the rules of the game in the business the company is in, and doing so with a focus on the customer. And competition is used as a metric to measure performance. This has helped the company to lead the customer and achieve leadership position in their business.

Company's journey of three decades can be broadly classified in to four distinct phases as below.

Phase 1: 1984 to 1993

Phase 1 of the company is characterized by single business, single brand and single country. Company focused and worked on building watch business during this period. Technical skills of watch manufacturing were acquired by hiring talent from HMT which was then leader in watch business in the country. All other skills were acquired from outside of watch Industry, in-line with the vision of trying to revisit and redefine the watch business. Though technical prowess came from HMT, even they needed to unlearn and relearn Quartz watch technology as HMT was in mechanical watch manufacturing business. Titan tied up with French movement

manufacturing company to start with Quartz watch manufacturing business. Titan built the whole watch business from the scratch and introduced quartz watches to the country which was contemporary technology across the world and also cheap.

Phase 2:1993 to 1998

Phase 2 of the company is characterized by two businesses, two brands and four geographies. It also explored international markets like east Europe, South Asia for watches. Company made huge capital investments in building manufacturing capability in high end watches meant for European market. It also entered in to a joint venture partnership with Timex to enter mass market locally. In this period company also made an entry in to high end Jewellery business under the brand name of Tanishq and extended its Titan brand to clock business. Europe strategy really did not work and clock business was also not successful due to availability of low priced alternate products in the market, which forced company to abandon the clock business down the line.

Phase 3: 1999 to 2005

In the third phase company worked on aligning business to market reality and created independent divisions for each business viz: Watch and Jewellery. R&D and Innovation became bedrock of growth in phase3 and the company grew at CAGR of 18 %.

Company's product Edge watch became a design marvel which was launched in 2002. This also became the slimmest watch in the universe. Company always believed in building world class manufacturing prowess and R&D capabilities benchmarking themselves with the best in class in the world like Rolex. Company also went through rough patches during this period. Their strategy of Europe did not work-out well. Strategy on Jewellery business also did not work, which it had entered in 1995. Company tried to replicate the strategy adapted for Watches to Jewellery business which did not work well. Initial strategy of selling golden Jewellery by fixed price and trying to build

manufacturing facility did not quite work as the customer was not willing to change his habit on gold buying. Customers always bought gold as investment and not for design and adornment. Also the industry worked on huge flexible capacity available in the market through traditional craftsmen. Company realized that while watches are all about engineering and jewellery is all about craft. Business model had to be reworked to succeed in the business and it had to be converted to a retail business.

Starting FY02, company went through lot of turbulence with stagnated growth, decline in profits and low morale of people. Many initiatives were taken by the company to kick start the transformation. Initiatives like Mission Impossible (MI), cross functional teams with stiff targets, energizing teams, encouraging team work, cost reduction, working capital management through net positive cash-flows by the end of every month. Company did restructuring by announcing VRS package, and employee strength was reduced by 17%. Soon after this company faced labour unrest which led to factory lockout at Hosur for 67 days between Feb'03 and April'03. However company had realized the dire need to recalibrate aspirations, identify wastages and eliminate wastages to transform the company in to a wealth creator for all the stake holders.

Other initiatives like 3P Programme (Prosperity, Progress and Pride), Future Shock which became a template for strategy and execution and engaging people by leveraging their commitment to company. Bottom-up budgeting process, bringing ownership, Think Tank (where every business is challenged on its business plan) played a significant role in turning around the company and putting on the right track. FY04 was kind of a watershed year for the company with a tall target of Rs 1,000 Crore turnover and Rs 35 Crore in profit, which was almost achieved with profitability being on target and topline with a small shortfall of the goal. This gave a YOY growth of 20% in sales. This was taken further with an initiative of P2P (promise 2 perform) during FY05 with a target of Rs 50 crore plus profits. This transformation was brought about by making people think big, instill sense of ownership

and finally awareness of being profitable. (J. Ramchandran, Anirvan Pant)

Commitment to processes, and innovation became the bedrock of performance and changed the trajectory of company's performance.

Phase 4: 2006 to 2015

In phase 4, company went on to diversify in to Eyewear and Precision engineering leveraging on its strengths. Company continued with its strategy of focusing on under penetrated market, research thoroughly and enters the business with a big bang, to make a big change and difference to the customer. Company's strengths in attention to detail and quality consciousness took it to precision engineering as an offshoot of watches. Eyewear business focused on cosmetic and technology for vision correction along with style and imaging. PED catered to automation, aerospace and automotive industry with capability to manufacture high precision components and subassembly units for the industry. All the customers are multinational companies in the space and it predominantly addressed export market with a huge potential to scale up significantly leveraging capabilities built over the years in precision engineering.

Operation Strategies and Execution Excellence

Company's belief had been to achieve manufacturing excellence. It also believed to produce only if it is faster and cheaper as compared to anywhere in the world. In this direction Titan has a strategy of sourcing its parts globally right from the early days whichever made sense in terms of delivering more value to customer. It has been sourcing variety of raw materials such as stainless steels, tool steels, engineering plastics, tools, consumables, components and specialty movements for its watch manufacturing through vendors spread across 20 countries from Asia and Europe.

Titan also believed from day one that it is imperative to bring down the cost on a continuous basis to be competitive and improve

profitability. Further company believed that along with keeping costs low it is equally important to launch products which are technologically superior and innovative in nature. In order to improve Quality and Productivity Company also worked on automation of select manual and semi-automatic processes in movement and case manufacturing. Company embraced various philosophies of Toyota Production System (TPS) like, Just-in-time (JIT) manufacturing, Kanban and Total productive maintenance (TPM).

In 1998 company exited the lower segment of clocks business. During the year company renewed its emphasis on JIT manufacturing by focusing on Quality, Cost, Delivery and Productivity. The greater focus was on customer satisfaction and profitability.

In order to meet the demands of changing market dynamics, smart sourcing was a must for the company. Fast changing market scenario did put heavy demand on the manufacturing investment which was huge. Nevertheless, company had to bite the bullet and move on with outsourcing and changing the decision to buy from make wherever it made business sense. The company had to move on keeping cost, speed and quality in mind to be a profitable at all the time. Company kept responding to market changes swiftly by taking corrective measures keeping business realities in mind.

However, the company's focus on operational efficiency remained intact. Company did put in place robust processes w.r.t. enhancing productivity of people and machines, supply chain management processes (vendor selection, negotiation, inventory control) and believed in continuous improvement to retain leadership and enhance profitability. Company managed to reengineer the watch assembly process and reduced the cycle time to ten days from earlier seventeen days. Also process cycle time of surface treatment for watches was brought down to 1 hour from 62 hour through process improvements.

With respect to Jewellery business, initially company did set up its own manufacturing facility which really did not work out owing to the wrong assumption that company will be able to redefine the Jewellery business. Finally company had to rework their business model based on guaranteed product quality, superior craftsmanship and exclusive design. In the reworked business model company had to operate as a retail business.

However, company brought in significant changes to the age old practices of Jewellery manufacturing by focusing on building partnership with craftsmen and standardizing and improving processes. Company gave all together new life to these craftsmen by organizing them and providing a very conducive work environment and bringing processes and standardization to the table, while craftsmen brought skill to the table company brought design, better workplace, process approach thereby improving productivity significantly and also pushing life style for craftsmen many notches above. Company formed Karigar Parks around each Titan manufacturing unit and provided them a very comfortable workplace, which otherwise they would be working in a small place by squatting on the ground. They could earlier work only for about 15 years after they started working and now they can work easily for double the period with less strain under better working conditions. Their productivity improved and their earnings improved with the intervention of the company by way of adopting processes and better manufacturing methods. Craftsmen could lead much better life. Karigars are remunerated based on the conversion of gold to Jewellery. With the help of systems and processes their productivity went up to 1.5Kg/month/person while market average is of 0.6kg/mth/person. There were three models of manufacturing which were conceived by the company to reduce the operation cost by reducing Gold in WIP and also reducing the risk associated with higher gold under process. Three models are Made to Order (MTO), Made to Replenishment (MTR) and Made to boutique Indent (MBTI) which is region specific. This is a business specific effective way of materials planning and inventory

control for Jewellery business. This partnership model with Karigar has worked very well providing inclusive growth and brought in operational efficiencies to the table with a fair play and win-win relationship by increasing their self-esteem and reducing their fatigue.

A few examples of continuous improvement are, company has implemented two bin system of inventory control and has reduced the process time to 3 minutes from 6 hours using black wax moulding. Company's capital to the tune of 60 crore has got released due to these process innovations and forecasting frame has reduced to 3 days from 30 days bringing it closer to JIT operation providing benefits to all the stake holders by eliminating wastage in the process.

Metrics for Operational Efficiency

Operational efficiency can be measured by various metrics like Productivity which is directly tied to business which can be further measured by Gross margin (Revenue-COGS) which signifies the what % of revenue goes to sourcing raw materials which go in the making of a product. Higher the gross margin better is the leeway for a company. Followed by this is the Operating margin, which is (Gross margin – Operating expenses) this could be taken as EBITDA (Earnings before Interest, Tax, Depreciation and Amortization) or EBIT (Earnings before Interest and Tax). In order to get the full picture of profitability one may take EBIT. Higher the EBIT better for the company.

Additionally, one would also look at operating cash flow (Net cash flow generated from the business), expected to be net positive and higher on a daily basis, which is most desirable and speaks of healthy operations.

Further one would look at Inventory turnover which is an indication of efficiency in inventory management which is measured by how many times the inventory is turned around in a year to achieve a specific sales, which indirectly measures cash to cash conversion cycle and tells how fast your money is working for you. Higher the turnover better for the business so that you are not blocking funds and working

capital requirements will come down and hence the cost of doing business.

Along with this one can also look at Debtor velocity or Debtor turnover and Creditor velocity or creditor turnover which tell us how quickly you are able to collect your money from the customer and how fast or slow you are paying your vendors. Hypothetically if you buy on credit and sell on cash your working capital requirements are funded by your vendor.

Going forward one would also look at customer satisfaction score as well as employee satisfaction score which is softer issue of operations and raises early warning signals if there are any, which can impact sustainability and helps to address hygiene factors related to operations.

In this case data for the last 25 years has been taken and analyzed for Gross Margin (GM), EBITDA, EBIT, Inventory turn and cash flow for quantitative reflection of operations for Titan.

Analysis of Metrics (Refer Annexure-1)

Gross margin: Gross margin has always remained between 54% and 59% until 1999 where main business was only watches and Jewellery was in its early stage with less variety of products and product range. Subsequently margin has dropped up to 40% by 2005. It is also the period while company has gone through its turbulent phase. Eventually it has dropped up to 26% in the last ten years. This can be attributed to highly diversified business as well as wide range and variety of products and businesses like Jewellery having high input costs and forming a significant part of the overall business.

Operating margin: Initially company operated at high margin of 15% to 19% until 1999. Starting 2000 it declined to 13% and then to a single digit of 8% in 2003 which was a turbulent period of operations and went down up to 6% in 2005. In the next 5~6 years it was almost stable with hovering between 6% and 8%. Starting 2011 onwards, it has

recovered to 9-10% and stabilized. This can again be attributed to diversified businesses and having different margins. The dip and then an increasing trend definitely prove the initiatives under operational improvements having worked well.

Inventory turnover: It has been fairly consistent between 2 and 3 in the early years which went up to 6 for some years in the early 2000. Eventually has remained fairly stable between 3 and 4 as a good sign of inventory management, which can possibly go up with the reinforcement of effective JIT manufacturing practices.

Debtor turnover: It was good in the early years during 90s and went down significantly post mid 90s to single digit and continued to be so till mid 2000. However has seen highly significant upward movement year on year from 2005 onwards, obviously contributing to better working capital management and reduced cost of doing business by reducing debtor cycle very significantly.

Total asset turnover: It has been very low in the 90s (between 0.8 and 1.5) and even up to 2004. Starting 2005 it has improved from 2.28(2005) to 6.8(2012) very consistently year on year. However there has been some decline in the last three years and touched down up to 4. Overall asset utilization has been on upward trend confirming improved operations and move towards excellence.

The trend analysis of all the operational metrics shows the business cycle which Titan has gone through its life cycle of three decades of initial growth and the decline then followed by recovery and consolidation in the last decade. These metrics also reflect the challenges company has gone through the years and the operational excellence initiatives taken by the company and its effect on the performance over the years.

Human Resources Policies and Practices at Titan

There are a number of factors relating to human resources management at Titan Industries which make it one of the most

employee-friendly organizations. It makes the organization an employer of choice for prospective talents in the industry and is also known as a company which stresses on creating a non-hierarchical environment, focused on growing in-house talent, and at the same time, providing a healthy work-life balance for their employees. In this company, people are allowed to innovate and also make mistakes and learn from them. Based on some recent research the authors have been able to unravel the key HR practices at Titan, which are as follows:

(<http://www.tata.com/media/interviewsinside/At-Titan-people-are-given-the-space-and-opportunity-to-grow>, accessed on 5/8/2015)

HR Philosophy and Policies at Titan

The HR practice at Titan has focuses on five broad areas. The first is to make sure that that the values and the philosophy of the company are upheld. This translates itself into having respect for the individual and giving people space to work, innovate and grow. Nurturing internal talent and building the leadership pipeline is part of the succession planning process in the company. The majority of the people in managerial and leadership positions are, therefore, those who have come through the ranks.

The second is maintaining healthy employee relations, wherein it is ensured that there is a robust employee reward system and a healthy relationship with the union. Third, in keeping with the company's growth ambitions, the right talent is brought on board. On average the company adds about 1,000 to 1,200 people a year, which is a reasonably large number (this is primarily at the front line).

Fourth, the company takes utmost care to see that their compensation and reward and recognition policies are equitable and the differences between the levels are not too high. It is ensured that the reward systems are such that there are certain timed rewards and there is also space for spontaneous rewards. The fifth is creating a good, sound culture that withstands the test of time. The stated ambition of the

company is to generate revenue of Rs300 billion by 2018. This also means that the company has to increase its size of manpower since it is looking to grow organically.

Leadership Development at Titan

Titan believes in practical training and hands on approach or as they call it a feet-on-the-ground approach to develop leaders from within. The company believes that training contributes only 10 percent to one's evolution and development, 20 percent comes through coaching and mentoring and 70 percent is contributed by on-the-job experience. People are given the space to grow, the opportunity to take on multiple and varied roles and helped in evolving into new ones. There is awareness in the company that the person might not deliver 100 percent in the initial period, but it is worth the risk.

Helping Employees with Ethical Issues at Titan

The company takes pride in having a good ethics management structure. People who are seen as fair, logical individuals are on the company's ethics council, which is headed by the chief ethics counsellor. The ethics function is run in a transparent manner and this approach to ethics handling and robust practices has been much appreciated in the industry circles.

The Role of HR in Fostering Teamwork and Creating a Culture of Collaboration

The company has HR business partners who work with both divisions and geographies. The role of the HR is to ensure that the line managers are adequately empowered and equipped with different methods, tools and techniques to get more productivity out of their teams. It runs training programs in team development to help people understand the composition of their team, how to handle the different personalities in a team, to make them synergize better and work harmoniously.

Role of HR Department in Dealing with Employee Frustration in Recessionary Times

During the recent recessionary cycle, the company instituted a program called 'Army of one', wherein people were encouraged to contribute towards topline revenue, and generation and implementation of ideas on reducing costs and wastes. This has led to a lot of productive and enthusiastic activity, consequently leading to a sharp increase in revenue and control of cost and waste. The company top management feels confident that they will exceed the set targets in the present cycles and in the near future, also.

Recruiting New Talent at Titan

As a brand Titan is an attractive proposition and attracting talent is easy for the company. The company is not on the list of top-end paymasters, but it offers the excitement in terms of working in diverse businesses, with brands that are well known and in a culture that allows employees to operate independently, learn from mistakes, and take on greater responsibilities.

Managers with a high potential often feel the need to move to new areas of work this recharges their faculties, strengthens their own abilities and realizes their aspirations. The company encourages internal mobility as a means of building expertise, generating synergy, and promoting self-improvement. Internal mobility reinforces the professionalism, diversity, and competitive spirit at the company, in addition to providing satisfaction and choice to every individual.

Titan Company has been rated highly by the Gallup engagement survey - with scores for satisfaction, loyalty and advocacy far higher than the average scores of Gallup India. The Company has also been rated No.1 in Retail category and 24th overall by Great Places to Work (2009), an institutional study, in the Economic Times (<http://titan.co.in/careers> accessed on 5/8/2105).

Managing Work-life Balance

Keeping in view that the younger generations like to maintain work life balance, the company encourages people to have a healthy work-life balance. It offers flexible working hours to help in the corporate office, factories and most of the other regional offices. The company has facilities like libraries, a good gym and other facilities to support the after- and before-work activities of employees. The company does not have the practice of making people work for long hours, and now the current debate is on as to whether it should have the lights turned off at 6.30pm (<http://www.tata.com/company/articlesinside/bIMtebXy6VU=/TLYVr3YPkMU=> accessed on 8/5/2105).

Employee Engagement Process and Company's Response to Employee Feedback

The company has the practice of participating in external surveys and has scored reasonably well. It also has an internal employee engagement survey. Reports and scores are shared with managers and all teams. The primary focus is on improving engagement and on the action that are needed to be taken at the organizational and team levels.

The company has an annual survey conducted by the Managing Director's office called 'Tell me', which has been in operation for the last 10 years. The feedback is presented to the Titan management council and then to all the employees. The feedback is analyzed and specific action is taken. The managing director has a fixed time slot every week during which any employee can talk to him about any issue. Members of the company's management council also reach out to employees on a regular basis. The company believes in maintaining a non-hierarchical structure, so that the top management is approachable and also sufficiently open to feedback.

Other Welfare Measures in the Company

The company provides a host of welfare measures to help retain talent in the organization such as, a crèche facility at the manufacturing units,

gymnasium, canteen, medical, transport, etc. Loans for marriage, house deposit allowances, an interest subsidy on housing loans, vehicle loans, internal and external accident benefits, death relief fund, etc. are offered to unionized and non-unionized employees (<http://www.tata.com/company/articlesinside/bIMtebXy6VU=/TLYVr3YPkMU=>accessed on 8/5/2105).

A culture of camaraderie is evident in the enthusiastic celebration of all Indian festivals and special occasions such as birthdays, anniversaries, long service awards, cultural programs, sports competitions, business meets, etc. The company also extends medical facilities and provides highly subsidized food to workers who are not on its rolls, an act of kindness that goes beyond statutory requirements.

Family members are also made to feel welcome at Titan by including them in awareness programs, factory visits, family picnics, and celebrations such as Father's Day, Spouse's Day, and Children's Day and community initiatives. More than 1,000 children participate in the Children's Day program each year to display their talent in drawing, painting, music, etc.

Occasions such as, these, are used by the management to communicate the goals and aspirations of the organization. Company representatives also visit newlyweds at their residence to congratulate them and give them gifts, a practice that has helped in bonding employees and their family members to the company.

The company has also created a structure consisting of small group activities, suggestion schemes such as SEED and Idea Plus, and cross-functional teams to help employees in expressing their ideas for improvement within the company. This helps employees to play a more active and constructive role in their work lives. Employees are recognized and rewarded for taking the extra initiative, through a well-drawn out three-tiered recognition program, called as Moment of Fame, Outstanding Titanian, and Dream Team awards. Titan has also instituted a special recognition program for frontline employees, namely, 'Face of Titan', 'Super Stars' and 'Look for Stars'.

Apart from this, the company has formed several committees through which employees can express their talents. These committees are related to the canteen, safety, sports, cultural activities, etc. While the sports committee enables sportspersons to participate in local, regional and national events, the cultural committee hones employees' talent and encourages them to perform at special events within and outside the company. Employees with a flair for writing are encouraged to contribute to in-house newsletters such as NEWS BOX, Glitter Buzz, Retale, Champions.

The company also has a strong culture of volunteering. Over 300 volunteers participate in blood donation camps, eye camps, AIDS and environmental awareness, and other community initiatives. The efforts of volunteers are actively supported by the management too.

Titan's HR structure is designed in a manner so as to capture and cater to the needs of employees at every level. At the local level, there are regional HR executives and Unit Personnel Executives (UPE). The UPEs are entrusted with the task of taking care of specific units within the company and acting as a single point of contact for employees. The UPEs communicate with employees, enabling deployment of welfare measures and larger HR initiatives, and help in resolving grievances and are also instrumental in counselling employees.

The UPE system, which is well entrenched within the organization, combines with the biannual open house interactions to instill confidence in employees that their opinions and views are significant to the company. The open house interactions are typically presided over by the MD and heads of key functions.

Employees are free to directly communicate with the MD via email or phone. They can also approach other managers to discuss official and personal issues. According to company top management's view, the company has a formal documented grievance redressal procedure. Often the management forms committees which specifically focus on understanding and resolving employee grievances.

U.speak@titan.co.in is another formal e-channel, which encourages employees to express their concerns and complaints in a non-invasive manner. These are centrally monitored by HR. There are other formal structures that deal strongly with issues such as ethical conduct, sexual harassment, etc. In addition, the presence of a formal union, with designated office bearers and executive members representing various units, ensures that employee needs are addressed adequately.

Employee Training Initiatives at Titan

The growth and development of its people is very important to Titan. They have a formal structure to impart knowledge and skills through in-house as well as external training programs. All categories of employees go through an average of two to five man days of training each year. There is a structured Talent Management process in place at Titan, which is meant for grooming future leaders in the organization. The program ensures that the organization has a continuous supply of high-potential individuals. The focus is to recognize high performance, address the aspirations of the talent and provide opportunities for career growth, which will help them, take leadership roles.

Training is also provided on stress management and yoga, personality development and grooming, English and Hindi speaking, etc. Additionally, Titan encourages its employees to participate in public events, seminars and competitions by providing additional training and mentoring. The company also encourages employees to take up higher studies.

The Tata philosophy is quite evident in Titan's approach towards its employees. Titanians, in turn, have acknowledged the approach by naming it 'a great workplace'.

(<http://www.tata.com/company/articlesinside/bIMtebXy6VU=/TLYVr3YPkMU=> accessed on 8/5/2105)

Based on the above, one can draw following conclusions for a company to be successful in terms of strategy and execution and sustain excellence and leadership over a long time horizon under changing market dynamics.

1. Customer is always first and always be customer-centric and use competition only to benchmark performance which will help to lead business and lead customer.
2. Re-define the rules of the business to be a leader in the business.
3. Leverage on the human capital and their commitment to the company.
4. Always approach holistically and focus on business excellence than functional excellence and adopt boundary-less approach with customer in the center.
5. Create an environment which fosters thinking freely and thinking out of the box which in turn encourages creativity and innovation.
6. Build cross-functional teams to crack business problems to encourage collaboration and seamless working driving higher productivity and speed.
7. Continuous and quick re-alignment with ever changing market dynamics and customer expectations and work to surprise and delight the customer by thinking ahead of him.
8. Last and not the least, a host of well designed HR policies, with needed up-gradations helps the company to reinvent the wheel each time it is faced with challenges and keeps it going with the support of a largely committed and involved workforce capable of addressing challenges and issues before they cross the next hump.

Authors' Note

The case provides an excellent example of a company which has learnt to survive and sustain in the midst of rising competition, especially in the context of global and Indian business scenario. The case clearly

demonstrates the philosophical bindings and a strong corporate culture which has been derived from the Tata Group of companies dominated by strong values for people excellence, innovation, operational excellence and customer relationship management.

As would be seen from the various discussions and the data provided in the case, the company has endeavored to innovate, survive and sustain in the growing competition in the watch making industry. The primary focus to herald this initiative has been possible by the company by redefining its positioning, branding and creating necessary internal levers to accommodate the same. Specifically, in its initial stages, the company focused on the brand factor by positing an image in the market that the product created by them (watch) is something which has more than a utility value, i.e.: it is an accessory. By doing so, the company deviated from the usual notion prevalent in the minds of the customers and replaced the same with the styling factor closely associated with smart products capable of projecting certain brand value in the mind of customers. Secondly, this exercise of projecting the product as an accessory also gave the company an edge over its competitors by helping them to segregate the market according to certain demographic factors to create a variety of products, not only suitable for various age groups, but also keeping in view the cultural fabric of the Indian subcontinent - creating products for specific occasions like religious festivities, marriages, birthdays, etc. The result of this was felt in the company's ability to spin up profits through market segmentation in a product line traditionally associated only with the utility aspect.

In the second stage the company further enhanced this organic strategy by further cannibalizing their product base by redefining some of the product offerings as lifestyle products. For doing so, as seen in the case, the company needed to reinvent the wheel by rationalizing and innovating its entire operational processes, which in turn affected and forced them to change the way they viewed the human factor within the company. Thus, at this stage the company embarked on a strategic change management process focusing on three key areas,

by augmenting the human resource by talent development, learning and development initiatives and provision of specific career paths to the people ; revolutionizing their work methods by renewing their operational dynamics in terms of product innovation, tie-ups with other companies for technology transfer and looking at ways and means to rationalize the operational efficiency for maximizing their output ; diversifying their business by offering multitude of products by moving away from watch making to jewelry design, production and manufacturing, the need to serve the customers, keeping in view, the various needs across cultures prevalent in the Indian subcontinent; leveraging their manufacturing capabilities to cater to the needs of precision engineering components for industries like automation, aerospace and automobile.

Thus, it is clear that this case clearly demonstrates the efforts taken by a company which refused to accept the traditional methods of embracing change normally seen in companies like it, which have a strong presence as a historical factor. This ability to move away from functional towards organic change process is a clear sign of a winning company, and not afraid to diversify into different product lines for its growth, survival and sustenance. Truly, Titan has lived up to its name.

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