

Full Moon Strategy: A Symbolic Derivation

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Abstract

History is evidence of the fact that the human race has surfaced its existence by strategizing. The strategy in war, the strategy for peace, the strategy in politics, the strategy in business and for social endeavor have all had their foundation in an intent to react in a given situation and create a desirable end result for self, for community or the country at large.

It is said that the nature has been symbolic of the manner in which mankind should ideally learn to live and learn to reach an end. The mother Earth, the Sun, the Moon etc. has been disseminating lessons to the mankind. Moon for instance, symbolizes dynamism and ability to shine even without possessing intrinsic light.

The full moon strategy has its existence in such a symbolic derivation. The full moon is a state when the surface of the moon is fully illuminated by the light of sun, as visible from the earth. Full moon occurs once in around 29-30 days. During the full moon, the oceans on the earth become very violent and indicate very turbulent times in the waters. The tides are at their best and nightmare for the sailors. The ocean if compared to business environment, the industries and business houses become the sailors and threat of the full moon tide becomes the threat of survival for a business in an intensely competitive challenging and cruel environment. The businesses need to survive the way sailors survive in the violent waters. The strategy employed in such troubled times may be implicitly termed as "Full Moon Strategy". The cycle of moon's expansion and subsequent contraction is a continuous one and signifies the business cycles in a given industrial sector which exhibits similar characteristics. There is a phase of growth, then decline and again growth. This cycle passes through various intermittent stages apart from growth and decline.

Keywords: full moon, strategy, tides, survive and turbulence

Introduction

History is evidence of the fact that the human race has surfaced its existence by strategizing. The strategy for getting food, strategy for getting shelter, strategy for living, strategy to attack, strategy for defense, strategy to alter status quo and so forth. The strategy in war,

the strategy for peace, the strategy in politics, the strategy in business and for social endeavor have all had their foundation in an intent to react in a given situation and create a desirable end result for self, for community or the country at large.

Over the years, the realm of business and management has driven home, the learning that to win one must strategize and focus on the desired outcome. With globalizing businesses, the challenge for the survival has become even more intense. Only the fittest one would survive. The fittest one may not necessarily be fittest in terms of resources, opportunities or competences. The fittest one should be fittest in strategizing and going through the motions when it matters the most.

One prominent Indian Saint has said that the nature has been symbolic of the manner in which mankind should ideally learn to live and learn to reach an end. The mother Earth, the Sun, the Moon etc. has been disseminating lessons to the mankind. Moon for instance symbolizes dynamism and ability to shine even without possessing intrinsic light.

The full moon strategy has its existence in such a symbolic derivation. The full moon is a state when the surface of the moon is fully illuminated by the light of sun, as visible from the earth. Full moon occurs once in around 29-30 days. During the full moon the oceans on the earth become very violent and indicate very turbulent times in the waters. The tides are at their best and nightmare for the sailors.

Theory Looking Forward

The ocean if compared to business environment, the industries and business houses become the sailors and threat of the full moon tide becomes the threat of survival for a business in an intensely competitive challenging and cruel environment. The businesses need to survive the way sailors survive in the violent waters. The strategy employed in such troubled times may be implicitly termed as “Full Moon Strategy”.

Full Moon Cycle and Strategy

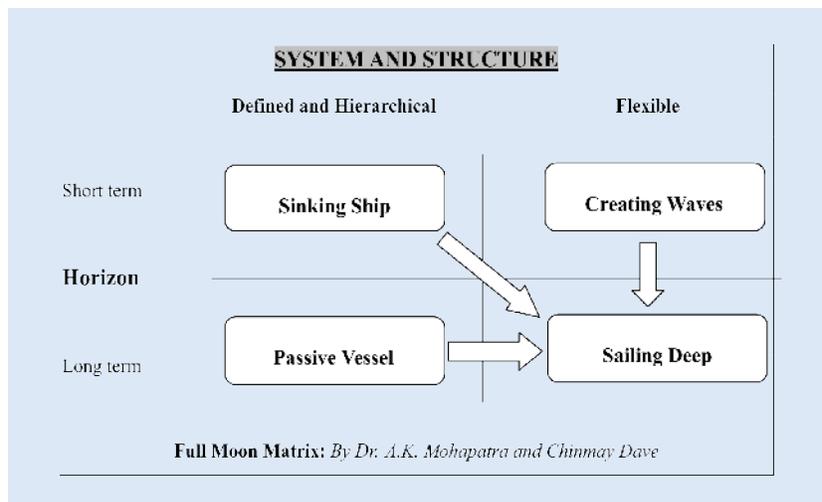
The cycle of moon's expansion and subsequent contraction is a continuous one and signifies the business cycles in a given industrial sector which exhibits similar characteristics. There is a phase of growth, then decline and again growth. This cycle passes through various intermittent stages apart from growth and decline.

Those players, who exhibit fitness in terms of strategy and flexibility to adapt to all conditions and maintain momentum, tend to survive. For others downfall is almost certain. In reality, it is very difficult to enumerate the implications of being fitter and flexible and maintaining momentum. However, there have been sufficient instances in the past, in which the businesses of the world have shown what it implies to ingrain these attributes.

Managing Turbulence and Organizational Culture

The significance of strategy in business is elevated when the business is subject to such intense turbulence. The businesses in order to survive need to strategize and take on the environmental threat with great composure of resources, competences and strategy. The leaders of the present day businesses need to adopt very sensible approach in their functioning and incorporate such a system which would be flexible enough for change and emphasize on effective delegation of decision making.

The organizational culture is one such asset which could be instrumental in the efforts of managing the turbulence of the times. The businesses need to create such a culture and system which would be the need of time. The managers of tomorrow would have to make frequent short term decisions with long term implications. You don't gauge the environment effectively or miscalculate the risks or competition, your strategy and resources are bombed.



The matrix shows the probable outcomes of the business in turbulent and challenging times under long term and short term horizon as well as with strict and flexible systems and structures. This matrix would be helpful in analyzing the approach and strategy adopted by the business in difficult times. Further, this matrix would guide the strategy that a business should follow in such dynamic times.

- In the short term, adopting very strict and hierarchical business processes, systems and structure may paralyze the business, not allowing optimization of strengths and resources. The sinking ship is symbolic of the business failure in challenging times.
- In the long term, adopting very strict and hierarchical business processes, systems and structure may make the player irrelevant and completely passive. The business has survived due to past effectiveness but future is highly uncertain. Hence, this situation is considered as passive vessel sailing in turbulent water and prone to high risk and uncertainty.
- In the short term, adopting flexible approach towards systems, processes, structure and culture would lead the business to creating a space and pace for itself in the dynamic environment. The term “creating waves” is symbolic of altering the status quo in the market by challenging the rivals and carving a position for self.
- In the long term, adopting flexible approach with respect to systems, processes, structure and culture would imply the maximization of value of business by unlocking true potential and enjoying stable returns from business. The deep waters are stable and less challenging and ships are smooth and safe in such situation.

Matrix Insights

The businesses which are in any other quadrant should deliberate their efforts to come to the “Sailing Deep” quadrant. This is what would maximize the value of business for various stakeholders. This matrix suggests an implied path to the suffering businesses to come to the most favorable quadrant or space in the environment where the intensity of challenge would be very much controllable and competitive rivalry would approach irrelevance. The sailors should move from shallow waters to deep waters.

Case Analysis

Whether the price wars of Pepsi and Coca Cola are considered or the quality wars of Japanese and Korean automobile manufacturers is considered, the outcome is the

very similar and it states that those who have resolved to survive and focus in order to emerge successful at the end of the day, have not only been able to merely survive but have also prospered over the period of time. Pepsi was running away with the market share in the Indian market unlike other markets. This prompted the rival Coca cola to respond by acquiring the Thumps up. This resulted in Pepsi to respond by bringing in other flavored cold drinks. Coca cola was forced to invest heavily in ad campaigns and begged the sponsorship rights for the World cup 1996 and came out with the campaign that it was the official sponsor of the World cup. In less than two days time, the ad of Pepsi was seen with a tag line “Nothing official about it”. This is the pace with which the competition takes an onslaught to which the response needs to be adequate. In case, one fails to respond, the other player takes it all.

They say that when troubles come they come from all the quarters simultaneously. That has been the case with Mr. Tulsi Tanti promoted Suzlon Energy. The company is in a sunrise sector and opportunities are in plenty for Suzlon to promote green energy in power starved India. But, merely being in the driver's seat is not enough. One must also drive well. The company had plans with regard to growth and made ambitious acquisition of RE Power, a bigger company by taking debt on its balance sheet. Serving the debt was a critical task at hand and on the back of that the company faced with complains of technical problem in the component (blades) that it delivered to its clients. The next to follow was economic recession which forced it to control its capital expenditure and reduced spending on the clients.

The tide was easily turning against the company. What was needed was a resolve to put the things into right place and get back to the winning ways. The leader that he is, Mr. Tanti made a tough decision to replace the faulty part and work on the complaints of the clients and save the face of the company in a globalized industry. Not only did he replace the faulty parts that it catered, but also had to dilute holdings to raise the funds to stay afloat in a highly uncertain and competitive market. He became successful in his efforts by his swift steps, and he has saved the day for company and himself, at least during that turbulent time. If the strategy of projecting its image of an honest and diligent supplier and diluting stakes works, then one may see the company back on its winning ways. The leader did not shy away from problems that the troubled times have offered and rather in these times, he has invested in marketing and creating relationship. One feels that the ship may just get back on track.

The telecom industry of India in present times is synonymous to the turbulent waters during the full moon. There were 5 to 6 players in each telecom circle and the competition is all set to increase with as much as 9 new

players have floated their services across the country. The prominent players were Airtel, Vodafone, BSNL, Reliance Communications, Tata Teleservices and Idea etc. The new players emerging in this space are MTS (JV between Shyam Telelink and Sistema of Russia), Etisalat DB, Uninor, Datacom and a few more.

The entry of new players has made the life difficult for the existing players and the industry is reeling under intense competition characterized by price wars. The new players are expected to break even earlier than the time taken by the existing players to be profitable as the industry has become quite matured and the non core activities could be outsourced to the third party vendors. This would save substantial costs for the new players and moreover they can establish alliances with network and infrastructure services providers, which the earlier players had to create for themselves by investing heavily.

The challenge here is now for very survival rather than growth and consolidation may be on the cards. More value is on the offer by the government as the 3G spectrum auction has been already introduced. That could be a game changer. The challenges are aplenty and the telephone number portability is playing a spoil sport to the scheme of the things of the players further.

Companies need to outbid each other to emerge successful from such intense situation. Moreover, companies need to focus on optimization of passive infrastructure and rationalize costs of operations to survive. The mantra is "Survive today to kill the competition tomorrow".

Conclusion

Build brand, leverage strengths, cut costs, pass on the benefits to the customers, create competences and unlock the true potential of the market to be victorious. The successful player would be the one with focus and long term vision. Once you are able to survive and see the time through by competing effectively in such turbulent times, you may be able to take the competition head on in the times to come. The player with most resources may not be successful in such a dynamic industry but the one with most optimum

utilization of resources and competences would outperform all others. It remains to be seen as regards to which players survive and which ones remain behind in the race.

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