

Growing in the MSME universe



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It is an all too common fact that out of the 100s of MSMEs that spawn every year, globally speaking, an overwhelming majority of such MSMEs do not survive beyond the first 5 years of their existence. While there are a host of interesting reasons and theories that explain the early demise of MSMEs ranging from Leadership to Learning, one of the most common factors that gets missed out in the regular post-mortem is People Management. For very often, those MSMEs that cross the 5-year barrier have a strong people philosophy and practice in place.

The MSME landscape in India too, is no exception to this general truth. Interestingly, the emphasis on people issues in such successful MSMEs is more, if not less. For instance, take the case of Outdoor Advertising Professionals (I) Pvt. Ltd - a niche media form that delivers a host of Outdoor Advertising and Retail Designing services. To the external world, OAP may appear to be just another Out of Home media company that bags outdoor advertising projects from various

companies or their advertising agencies only to ensure the outdoor adverts - flexes, go up on various billboards across the country and stay there during the length of the marketing campaign - in other words, just an intermediary player between the vendors who own the billboards and the various companies that want their advertisements on those billboards. However, what is interesting is that while doing this and more, the company has grown from a small motley pack of employees in 2002 to a 100 plus employee organization with offices in all major metros and annual revenues touching over Rs. 70 Crores today - almost 400% growth in its 8 years of existence. Additionally, the business has also added a very diverse customer profile in segments like FMCG, Electrical & Electronic Appliances, Apparels, Insurance, Automobile and Telecom.

Adding value - customers

What can explain the kind of growth OAP continues to show? In an industry where competition is acute particularly from large outdoor agencies owned by household names in the advertising industry, OAP has carved a small niche for itself by differentiating its brand in the marketplace. While there are several differentiators, their clients - who incidentally continue to give them repeat business, strongly feel that they and their employees "add value". A Marketing Manager at a well known airline company - one of OAP's big ticker clients, put this in a rather interesting way. "There are two types of people in the outdoor industry," he said, "those who just do a job and those who add value. A regular outdoor agency, tells its clients which 10 billboards they can pick up in any city for what duration out of the ones that are available. Instead, an OAP tells me which ones to pick up in a particular city depending on cost, mileage among target group,

proximity to business districts, traffic flow in the area and a host of other factors - all of this amount to adding value to the job." Incidentally, this business about adding value internally and externally informs all operations at OAP, including the people management part.

Adding value - people

Interestingly, OAP does not have any advanced HR Architecture or System to flaunt for all the growth that is has achieved. While some systems like Recruitment, Induction, Training & Development, Compensation & Benefits and Performance Management are only evolving, a Strategic part of the HR piece is in the works including the creation of a Competency based HR Architecture that integrates Competencies into all systems ranging from Recruitment to Succession Planning. In all probability, the absence of a full-fledged HR Structure in the early years of its evolution may have only fuelled OAP's growth. So, how then does it manage to ensure the people it hires and develops bring value to the customers it serves?

Blame it on the Senior Leadership. Everyone from the CEO onwards is expected to focus on 3 powerful mantras: People, Performance and Profits. For the CEO, Abhjit Sengupta (who interestingly has had a Steve Jobs like career background ranging from selling hand printed cards, working on lathe and extrusion machines and selling products door-to-door to founding 3 successful companies), who personally handpicks his people and spends quality time on people issues, value compromises are a no-no especially when probing a candidate for performance and integrity issues. Interestingly, he does get involved in all critical recruitment processes for some levels - including initial screening, interviewing and even, background checks. For the CFO, Rajesh Walawalkar (interestingly,

he's pursuing a PhD in HR), who also doubles up as the HR Head, the strong focus on adding financial value though robust financial controls goes hand in hand with inculcating in each employee a strong profitability mindset. Both of them, along with the VPs and Branch Heads practice a no nonsense approach to performance. Employees clearly understand that they are welcome to stay and enjoy themselves but there will be no compromise with performance and profitability. Almost every employee has an interesting story to tell about their experience of this hard and soft aspect of the organization. For instance, there are many cases of people moving out of OAP on various grounds (including performance) trying their hand at various things including joining other companies and then re-joining OAP in a matter of a few years. When asked why they rejoined OAP, some of them confessed that the relationship and rapport they shared with people internally and the environment that they found at OAP was too powerful a benefit to be compromised. For the Senior Leadership, that is not averse to welcoming employees back (incidentally, the company has less than 7% attrition) the employment contract with an employee spans a lifetime - they know for sure that by welcoming employees back they are getting an opportunity to leverage new skills the employee may have picked up at other places.

Adding value - corporate governance culture

While the focus on People, Performance and Profits permeates the entire system, the emphasis on integrity is equally overwhelming. This is because, it is easy for some employees in such agencies to make a quick buck by getting into an arrangement with a particular vendor and then overcharge a customer. There are various ways in which the Senior Leadership at OAP checks this behaviour. If an employee is found to indulge in any unethical behaviour, he/she is given an opportunity to improve. In extreme cases, immediate dismissals are effected. Also, the company has an open door policy to whistleblowers inside and outside the system. Practically, anyone with enough evidence on any questionable employee behaviour can report directly to the CEO and the other Senior Leaders at OAP without fear of any reprisal. Interestingly, the CEO has also mandated that no OAP employee should receive any gifts valued above a certain figure from any vendor.

People strategy married to business strategy

In the industry in which it is, OAP has to manage on the one hand, over 5000 vendors who own the various billboards or hoardings across 300-400 Indian cities and towns and on the other, the various creative agencies and the customers eyeing the billboards for their marketing campaigns. Clearly, handling the two and sometimes, 3 sets of customers is no mean job. Moreover, bringing order and organization to an inherently disorganized and fragmented business is not easy. OAP achieves this feat through a focus on planning, execution, systems and technology, quality and integrity. All of these

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competencies are supported by the people who run the system. Interestingly, in delivering value through these competencies alone, OAP is a trailblazer in the industry.

Take for instance the extreme focus on Quality. A Quality Management System (QMS - OAP is ISO 9001 compliant) covering even marketing processes was unheard of in the outdoor advertising space when OAP recruited a dedicated person to look after QMS as well as marketing. The position rose as a result of the Senior Leadership's desire to figure out where the industry is heading and evolving a proactive response mechanism to meet that future thereby providing the company a clear edge over its competitors. Once the future was clear the Senior Leadership knew where to find the talent to help shape that future.

Shaping a learning culture

The sharp focus on systems and technology has meant an emphasis on learning and education. Accordingly, there is a strong culture of learning that is promoted at all levels. Employees are picked up also for their proven track record in unlearning and learning new things. This is because the Senior Leadership strongly believes that Business continuity and system continuity are not complementary as systems continuously evolve and undergo metamorphosis. The need to orient and train employees from time to time therefore is not lost on the Senior Leadership. Therefore, whenever a new system or tool is introduced, the Senior Leadership ensures that there is active participation by various functionaries during tool creation and design. This not only helps bringing in much required buy-in but also helps identify proper training need, ultimately ensuring a final product of great quality.

There is a strong culture of mentoring and coaching that flows from the top, at OAP. For instance, the CEO takes time off to train new people in the system on credential presentations. Since novices find it a

bit of a challenge to make presentations directly to big ticket clients, several Senior Leaders, including the CEO are expected to take time off to train the green horns in a range of skills. Accordingly, all VPs, Branch Heads and Managers have one additional responsibility: continuous on the job training of people who report into them. What is more regular feedback is taken from all reportees as well to know whether this arrangement is working fine or not and ensure it stays that way.

Addressing people challenges

OAP is part of an industry where there is a genuine dearth of good professionals. Incidentally, many outside the industry still tend to look at the business as one that requires only as much skill as is required to mount and unmount flexes. Accordingly, professionals from other sectors or qualified executives are more an exception than the norm here. Perhaps this also explains why most of the talent that is found in the outdoor media industry are self-taught or self-groomed - quite obviously, there are no dedicated courses or institutions that can support the growth of an interesting range of skill-sets that are desired in the outdoor media industry. While OAP appreciates this fact it has ensured that the absence or presence of a qualification does not act as an impediment for a genuinely deserving candidates - there are a couple of highly qualified professionals in the system who are rubbing shoulder with many employees who are only graduates and in some cases, school or college dropouts.


Keeping in mind these challenges that the sector faces, the Senior Leadership makes special efforts to spot the right talent and groom them for future roles. Also, as is the case with people who are used to a certain way of working, OAP places a lot of emphasis on enabling and executing change at all levels. "The general trend in the industry," says Rajesh Walawalkar, "is to inhibit and resist change. Since we are highly innovative (the company has many firsts to its credit especially when it

comes to introducing innovative operational tools and technologies and funding research projects with industry associations) we ensure first and foremost, that we are hiring candidates with the right attitude and aptitude. Obviously, this is followed by a period of continuous skilling to ensure they perform. As a matter of fact, our people job does not end here as all efforts are made to retain these employees in the system."

In order to retain employees at OAP, there is strong focus on helping employees visualize their future over a 3-5 year horizon. What is more, for multiple roles there are 2-3 contenders. Seniors are assessed on their capability to mentor and groom talented employees under them. Without fail, seniors are reviewed on their ability to make sure a certain percentage of juniors under them outperform and secure a promotion.

Employee welfare

There is a robust employee welfare culture in vogue at OAP. For instance, Employee Welfare Practices like providing medical and personal accident insurance, gifts on special occasions and employee loans. While such policies go a long way to communicate the organization cares for the employees, at the level of behavior as well, the communication is no different. Generally speaking, the Senior Leadership and managers maintain a very good rapport with employee right from day I and even after they move on. Also, the idea the employee should be comfortable informs most HR processes comprising the various stages of the Employee Lifecycle.

While there are all kinds of MSMEs, organizations like OAP exist to show that a focus on people does not always have to be a compromise with an organization's equally important focus on performance and profits. Such cases also demonstrate that an inclusive focus supported by basic HR processes and a positive people outlook can go a long way to ensure business growth and continuity. 

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