



# THE INSTITUTE OF MANAGEMENT CONSULTANTS OF INDIA

# CONSULTANTS FORUM

JUNE 2024 ISSUE NO 146



CMC - GLOBAL



## PRESIDENT'S MESSAGE

Dear Esteemed Members,

It is with great pleasure and enthusiasm that I extend my warmest greetings to each of you through the pages of our esteemed Consultant Forum.

It is my pleasure to address you at the Consultants Forum following the recent **ICMCI Asia Pacific Hub Summit hosted virtually by IMCI**. This summit has highlighted the critical role of consultants in driving innovation, fostering economic growth, and enhancing collaboration across the region. The insightful discussions and strategic partnerships formed here are vital for our shared future.

The productive discussions and partnerships formed here will drive progress and prosperity for all our nations.

**I would like to express our deep appreciation to the keynote speaker Mr. Sumnesh Joshi, Deputy Director General, Ministry of Communications, Government of India for the valuable insights shared with the consulting community.**

I extend my heartfelt thanks to all participants and ICMCI for their dedication and invaluable contributions. Together, we are charting a path toward greater prosperity and development in the Asia Pacific.

As we reflect on the success of the **ICMCI Asia Pacific Hub Strategy Summit 2024**, we look forward to building on this momentum and collaborating further with ICMCI and our regional partners to advance the practice of management consulting globally.

**Thank you once again to The International Council of Management Consulting Institute (ICMCI) [www.cmc-global.org](http://www.cmc-global.org) for the privilege of hosting this distinguished event.** We eagerly anticipate the opportunities ahead to continue our shared journey of learning, growth, and excellence in management consulting.

With best wishes

**Anuj Bhargava,**

**President IMCI 2024-2025**

## EDITOR'S NOTE



Dear Readers,

We are pleased to present the **June 2024 issue of 'Consultants Forum'** of IMCI.

Mr. Anuj Bhargava, President IMCI has mentioned about the success of the ICMCI Asia Pacific Hub Summit hosted virtually by IMCI. It was a privilege to host this distinguished event.

We thank Dr. U.K. Srivastava and Dr. Pramila Srivastava, Dr. Prashant Upadhyaya, Mr. Sukant Ratnakar, Mr. K.R. Chari and Mr. Ashok Prabhakar for their contributions. They have dealt with the subjects of interest to consulting profession. They have expressed their views on important subjects such as the initiatives of the Government to improve ease of doing business in India, how to help improve people, process and products, change management and case study on water conservation by recycling and Sago cluster and the impact of Artificial Intelligence on the consulting profession.

Albert Einstein said that 'curiosity is more important than knowledge'. Effective consultants should be curious to learn new things and look at the problems from different perspectives. IMCI provides an opportunity of learning. This helps you to develop critical consulting skills which are essentially required to achieve goals and objectives as agreed with the clients. In the present complex economic environment, consultants are expected to provide innovative solutions that align with the latest industry trends and technological changes. We learn these when we continuously upgrade our skills and share our consulting experience.

We look forward for active participation of the members in the forthcoming issues.

With best wishes,

Ramesh Tyagi



## THE MONEYBAG PERCEPTION PROBLEM: A TUNNEL-VIEW PERCEPTION THAT POSES A SILENT THREAT TO THE ORGANIZATION

**PRASHANT UPADHYAYA**

“I help improve people, processes and products – in that order!” As a CMC, I use this tagline as a sales pitch to prospective clients. Some might be impressed with it while some might question the underlying meaning. So, I’m about to disclose the profound philosophy behind my tagline. It is an outcome of my two decades of experience having served over two hundred clients across geographies and industry sectors.

Any business is always a “going concern”, irrespective of its trajectory or history. In this context, organizational development (OD) is of prime concern which is the pars virilis of any leader. There are several OD theories like systems theory, human relations theory, action research theory, etc. where a specific framework is adopted to understand and implement organizational growth. However, there is none to my knowledge that addresses OD problems in a holistic manner. As mentioned earlier that any business is a going concern and will continue to operate as long as there is sufficient cash-flow; it is imperative that it must also work on its “Brand Value” and “Goodwill” (BV&G); in order to grow. Top leaders are very well aware that long-term sustainability depends on BV&G and not just on cash-flow whether it is generated via investors or customers. A push-pull strategy (fundraising & valuation to sales strategy & customer acquisition) on its own can only elongate the survival but can never take you to the next level. For example, we all are aware of a major e-commerce startup that is running on losses since its inception but still is heavily backed by investors. In stark contrast, we also have a few other startups that have been star performers since over a decade with very pleasant returns to its shareholders including investors and customers. With this background, we can now have a look at the below image:

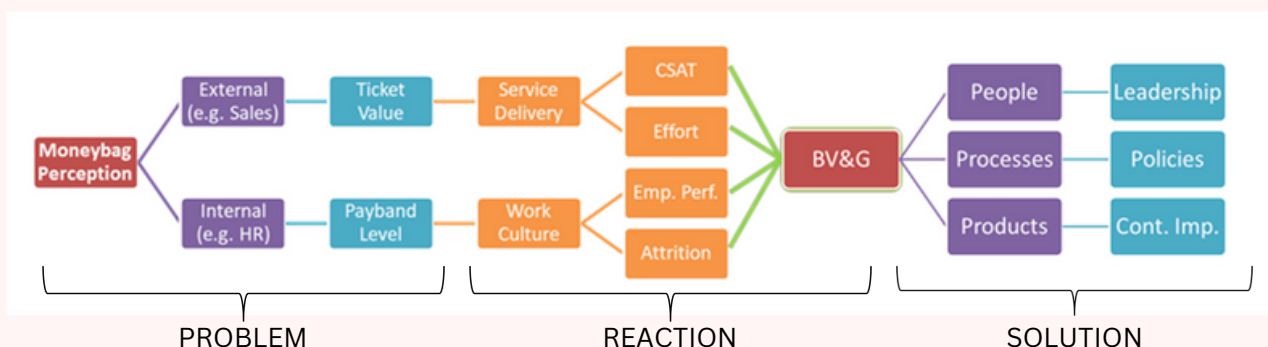


Figure 1: MPP Overview

The “Moneybag Perception Problem” (MPP) is rampantly prevalent in organizations that are trying to thrive in a competitive environment. By definition, it is a tunnel-view perception purely arising out of a consumerist mindset, where one sees every other opportunity / situation / partner / person as a potential “Money bag”. This kind of a perception can affect the organization both internally and externally as shown in the image above. For example, your sales team starts seeing every other prospect as a “Moneybag” and measures the customer in terms of ticket value. Prima facie, there is nothing wrong in performance metrics like NPS, CAC, LTV, etc. which can be part of your planning, forecasting, KPIs and KRAs; but it becomes a problem when your sales team develops this perception right from the beginning of the sales cycle and carries it throughout execution. Such an approach will eventually reduce customer satisfaction due to a dip in the service delivery; as each customer will not be treated equally and this can spiral down into increased efforts in the long run, thereby increasing costs. Likewise, your HR team starts seeing each employee as a “Moneybag” and measures every employee in terms of their pay-band levels. Once again, there are formal processes to measure employee performance but this approach can spread like wildfire within the “informal organization” that exists everywhere; and very soon there can be an air of discomfort where all employees are not treated with equality. In this manner, employee performance levels can plummet as the work culture gets affected and very soon the attrition rate can rise to staggering levels, which will directly impact the overheads of the organization.



Figure 2: MoneyBag (generated via hotpot.ai)



The “Moneybag Perception” if ignored for certain duration; will certainly have a negative impact on the BV&G of the organization. I have personally witnessed teams disbanded, projects discontinued and organizations restructured for the wrong reasons owing to the phenomena of MPP. When I discuss on business improvement with team leads or even the top management; they usually come back with typical responses like “we are currently having a very high attrition rate and unable to manage our operations effectively”, “there’s too much competition in the market right now hence our sales is taking a hit”, “we are dependent on our sole supplier and hence we are losing orders”, “we are trying to raise funds but our investors are not confident enough” so on and so forth. Each statement is self-defined and there is a clear lack of understanding of the problem in most cases. Most of the times, clients are only able to convey the “Reaction” without being able to identify or define the problem accurately. So, how do we tackle this type of a silent killer?

Any business organization exists to deliver a product to the customer – be it a tangible product or a service. Your product can only be as good as the process behind it and your processes can only be as effective as the people who drive it. Now, here comes the solution – you have to ensure that you have the right people driving efficient processes that can deliver the right product. In our given example, it is the leadership team that has to work on the sales team and the HR team in order to bring about an organization-wide change. The management team then has to redefine the policies that can revitalize the service delivery and work culture of the organization. This will organically lead to continuous improvement of your product and / or service both internally and externally. To be able to achieve this you have to eliminate the MPP through a series of steps which can be very specific to the needs of your organization. I must reiterate that most organizations fail to make a turnaround because the leaders too are often a victim of the MPP and are unable to “see beyond” the reaction viz. the repercussions occurring due to total ignorance or complete denial of the existence of MPP.



Figure 3: Tagline (image via picsart..com)

As we know that any business is a “going concern”, as consultants let us strive to make it into a “winning concern”. Let me conclude once again with my tagline – “I help improve people, processes and products – in that order!”

Dr. Prashant Upadhyaya (CMC) has two decades of experience across several industry sectors and has authored three books viz. Ternicode: Law of Three (genre: Business & Leadership), ManusCrypt: Designed for Mankind (genre: Strategy & Information Systems) and SwarbhanuRahasya: Role of Nodes in Destiny (genre: Indology). He has served over two hundred clients across four continents. He holds double doctorate, is a post-doctoral senior fellow and an executive alumnus of IIM, Indore and IIT, Kanpur. His LinkedIn profile is – <https://www.linkedin.com/in/prashantau>



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## THE ROLE OF EUSTRESS IN CHANGE MANAGEMENT

**SUKANT RATNAKAR**

FOUNDER & CEO, QUANTRAZ INC

Eustress, a term coined by endocrinologist Hans Selye in 1974, combines the Greek prefix "eu-" meaning "good" or "well," with the English word "stress." Unlike distress, which is harmful and demotivating, eustress is a positive form of stress that motivates individuals and organizations to overcome challenges, innovate, and perform at their best. This type of stress encourages resilience and creativity by pushing individuals out of their comfort zones, making it an essential element in effective change management.

The Synergized Tinergy Framework, which incorporates eustress, is a strategic approach to achieving optimal effectiveness in managing change. This framework, expressed as  $\text{Synergized Tinergy} = \text{Time} \times (\text{Positive Energy} + \text{Eustress})$ , highlights the importance of balancing positive energy with eustress. While positive energy drives progress and innovation, eustress—the right amount of stress—motivates individuals to perform at their best. By recognizing the value of eustress, the framework acknowledges that certain challenges and pressures, such as healthy competition and constructive criticism, are necessary for growth. These elements of eustress push individuals to excel, fostering continuous improvement and innovation.

Eustress enhances resilience and adaptability, which are crucial in today's fast-paced technological landscape. Organizations need to stay agile and responsive to unforeseen challenges. Eustress helps build the capacity to handle adversity, making individuals and teams more adaptable. This ability to turn potential adversity into an advantage is central to achieving better outcomes. Additionally, eustress stimulates creativity and innovation, encouraging individuals to think outside the box, explore new ideas, and solve complex problems. Managing eustress effectively fosters an environment where creativity thrives, directing collective energy toward productive and innovative endeavors.

Eustress also improves performance and productivity by creating a sense of urgency, helping prioritize tasks, and managing time more effectively. This constructive pressure enhances focus and drives individuals to meet deadlines, thereby maximizing productivity. The framework ensures that this pressure is beneficial, not overwhelming, leading to higher performance levels. On a personal level, eustress promotes growth and development. It encourages learning and skill enhancement, pushing individuals to pursue excellence. The Synergized Tinergy Framework supports this by providing a structured approach to managing stress, ensuring that it contributes positively to both personal and professional growth.

In change management, recognizing and leveraging eustress is key. The Synergized Tinergy Framework helps leaders evaluate and build upon the resilience threshold of their teams, turning potential stress into a motivating force. This balanced approach allows for strategic energy management, driving innovation and ensuring sustained growth. Understanding the omnipresence of negative energy through the analogy of gravity helps in grasping its inevitability and manageability. Just as gravity is a constant force shaping the universe, negative energy is ever-present in our lives. However, its impact can be modulated and balanced against positive forces. The framework embraces this concept, using eustress to counteract negative energy and harness it for growth.

Constructive fear, when managed properly, can function as eustress. Mild to moderate fear, perceived as a challenge, motivates individuals to improve performance and preparedness. For example, the fear of failing an exam can drive a student to study more effectively. Similarly, fear in a professional setting can enhance vigilance and promote safety. Other emotions, like excitement and anticipation, can also act as eustress within their optimal range. These emotions stimulate positive change and improvement but can become detrimental if they exceed their beneficial threshold. Recognizing and managing these emotions within their optimal range is key to harnessing them as positive drivers.

Leaders play a crucial role in distinguishing between eustress and distress and fostering an environment where eustress is prevalent. When team members experience eustress, they are motivated, focused, and energized, leading to higher productivity and better performance. Conversely, distress can lead to burnout, decreased productivity, and a decline in work quality. Leaders' role in maintaining eustress is crucial for the overall well-being and job satisfaction of employees. Eustress contributes to positive emotional states, job satisfaction, and a sense of accomplishment. Distress, on the other hand, can cause anxiety, depression, and high turnover rates.

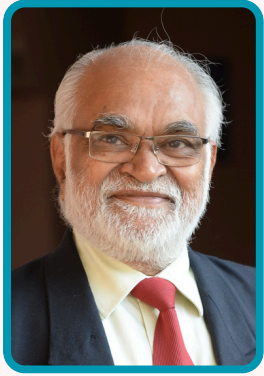
Leaders can help create an environment characterized by eustress by recognizing achievements, providing constructive feedback, and offering support and resources. In the face of change, eustress helps employees adapt quickly and embrace new ideas and processes. Leaders must ensure that change initiatives are framed in a way that minimizes distress and maximizes eustress. This approach encourages innovation and continuous improvement, as employees feel more confident and less threatened by new challenges. Employees who experience eustress are more likely to be engaged and committed to their work. They are less likely to experience burnout and leave the organization. Leaders' proactive efforts to manage stress levels can significantly enhance employee retention and loyalty.



In conclusion, the Synergized Tinergy Framework, by balancing positive energy with eustress, enables organizations to harness the full spectrum of energies. This approach ensures that teams are not only prepared for change but also active participants in shaping the future. Leaders who effectively manage eustress create environments conducive to innovation, resilience, and sustained growth, utilizing the framework to navigate and thrive in dynamic change management landscapes.







## CASE STUDY ON PROCESS WATER CONSERVATION BY RECYCLING: SAGO CLUSTER , ANDHRA PRADESH

**K. R. CHARI**

### **About the Sago manufacturing units cluster:**

The Samarlakot region of AP houses about 28 Sago processing Units spread within a radius of 30 Kms. SRC Consultants had contacted a total of 25 units. The above mentioned 4 units have finally shown their interest and consent to form a Waste Minimisation Circle.

All these units are primarily involved in the production of Saboodana. However, very partially, they also produce starch powder. The raw materials for the industry are Tapioca and Process water. The four members have very similar processes.

The process is rudimentary and more traditional, involving huge manpower and skills. Process water, and raw material yield are the primary areas of concern for them. This was one of the reasons for their showing interest in the project.

An average industry in this sector uses process water in the range of 1.5 to 2 lac litres per day. Most of this water is let out in to the streams after being stored in a temporary storage pond. The units consume electricity from the State utility and from DG sets and fire wood as fuel.

### **Water Consumption & Quality**

The water consumption in the Sago manufacturing process is of the order of 4 KL / bag Sago. The overall requirement thus works out to 3to 4 lakh lit / day, during crushing season. Almost all the units depend on bore well source for water, where the water quality (hardness and TDS) is poor. Post crushing operations including jet washing using bore well water imply chemical requirements for bleaching to maintain colour.

### **Extraction of process water from the Pippi collection tank:**

The photographs on the following pages indicate the huge potential for recovery of process water to the tune of about 30,000 litres per day.

### Net advantages of the proposed process:

- 1: Only 1 truck load is required every alternative day as against 4 trucks daily to carry all the pippi generated from the 1500 bags per day of Tapioca crushing. This saves considerable amount (Almost 85%) on transportation costs and in turn helps reducing the diesel consumption.
- 2: Release of about 6 acres of agricultural land for better use. In this process, a small yard with stone slabs floor of about 1000 square yard in the plant is required.
- 3: Recovery of about 30,000 Litres of process water which can straight away be used for the process, without any processing.

#### Stage

I: The source of generation of the Pippie (Tippie) is the last washing screen. From here, the moist Pippie falls in to the tank and is temporarily stored there till it gets filled in to the trucks for disposal.



Observe the slushy area around the truck. On an average, four such truck loads of Pippie is lifted from one single unit per day. This results in to a carry over of about 7.5 MT or 7,500 Litres of process water per truck per day. The total daily off take of such water is of the order of 30,000 Litres per day per factory. This works out to about 75.6 Million Litres per crushing season of about 90 days per year, for all the 28 units put together.



The Pippie, which is carried over by the contractors, gets dried in large fields.

The representative cycle time of drying of the Pippie in to the shape shown in the gunny bags is of the order of 18 to 21 days. The highly hygroscopic nature of Pippie holds the water and the lumps have to be broken open, many times over, manually for drying inside.

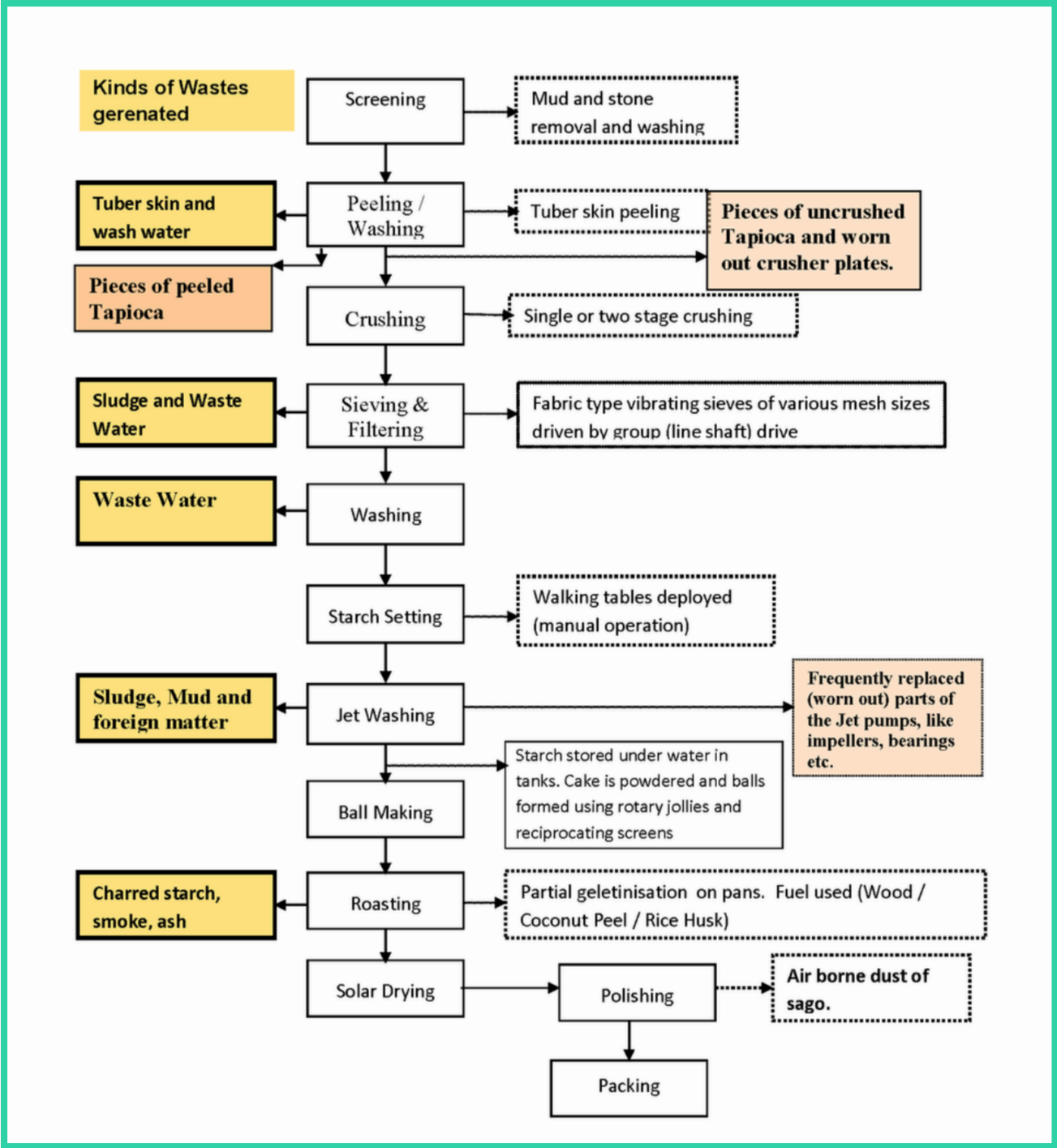


Having observed the highly hygroscopic nature of pippie, a small brain storming session was held and many ideas emerged. The concern was the large amount of water loss in the town. After comparing and weighing out the advantages and disadvantages of the ideas, the team finally decided to try produced this sample in just 45 minutes as compared to the present cycle time of 18 to 21 days. This quality of the dried pippie powder was found to be of much higher quality than the present. The extracted water was found to provide up to 2.5 % additional starch, which is a direct value addition.



The Sago manufacturing process and waste Stream identified by the team members is shown below.

### SAGO PROCESS FLOW CHART and Waste Stream





### Salient observations made in the pippi handling process.

- 1: Pippi, as it comes from the vibratory screens and drops in to the collection tank was observed to be containing a huge quantity of absorbed water.
- 2: Though the collection tank has a wooden planks base covered with bamboo mats for allowing the settled water in the base, it was observed that not enough water was draining out.
- 3: This gave an idea as to whether the material has a high self water holding property. A sample of the wet pippi was left in the open sun for three days. It was observed that while the top surface dried up, but just below 1 mm of the surface, the pippi was still very wet.
- 4: This led to a conclusion that the pippi has a very high hygroscopic nature and holds water. Moreover, the dried outer surface is heat insulative in nature, which does not allow heat to pass through. This results in retention of most of the water in the pippi.
- 5: An experiment was conducted to mechanically (actually, manually) squeeze all or most of the water. A large quantity of pippi (about 5 to 6 Kg.) was taken in a nylon 350 mesh cloth. With the help of two workers, this lump was manually pressed and squeezed like we squeeze wet cloth after drying.
- 6: Surprisingly it was found that most of the water was drained with little effort. Of course, considerable amount of human effort was required to press the pippi to squeeze all the water.
- 7: Subsequently, a no of samples were taken up. The results of the experiments is tabulated here below.

Sample of observations and experiments for extraction of water from wet pippi.

Trial No.	Weight of the wet Pippi in Kgs.	Weight of the squeezed Pippi (in damp condition) Kgs.	Wt of the sun dried Pippi Kgs.	Weight of water squeezed Kgs.	% of water (by weight of the squeezed pippi weight) dried and evaporated in sun drying	Potential for recovery of process water
1	6.5	1.6	1.275	4.9	40.63	75 %
2	10.0	2.8	2.3	7.2	35.71	72 %
3	3.8	0.9	0.71	2.9	42.22	76 %
4	7.2	1.9	1.54	5.3	37.89	74 %
5	8.6	2.2	1.77	6.4	39.09	74 %



From the above data it may be observed that;

- a- Manual pressurizing has a limitation of pressure exertion. Still an average of 75 % of the adsorbed water was released.
- b- Of the leftover water, an average of 38% of the water in the squeezed pippi was evaporated in the sun. This forms about 10 % of the water by weight of wet pippi.
- c- The sun dried pippi weighs about 15% of the initial wet pippi.

SRC and the user industry felt that by adoption of a mechanical pressing device, almost 85 % by weight of the wet pippi can be extracted.

Each of the four unit owners expressed that the quality of the extracted water is very good and can be directly used in the third stage washing of the starch.

Considering an average production of 40 MT of wet pippi, there is a potential for extracting an average of 30,000 Litres of process recyclable water by such a device. Considering that each of these units uses about 1,50,000 to 2,00,000 Litres of water every day, this recovery would form about 25% to 27% of recovered and recycled water.

It is recommended that the company explore the possibility of installing a mechanical press device for this purpose. While all the four units have expressed their intention to install such a device, only M/s Gopal Starch has gone ahead to the extent of getting response to their enquiries. The proposed investment is of the order of Rs. 1,80,000.



### The result:

While the above exercise and demonstration was conducted sometime in the year 2003, M/s Gopal Starch (P) Ltd. actually installed a Pippie pressing system at a cost of Rs. 1,80,000, in the year 2004. SRC Systems and Reengineering Consultants (P) Ltd. Visited the unit in the year 2017 to get feedback from the Promoter Mr. Masina Venkat Rao. The company is very happy with the solution as it has resulted in savings of about 30,000 Litres of process water per day or about 27,00,000 litres per crushing season. A clear case of ground water conservation annually.

This had a secondary, but larger impact on the electricity bill of the company, as they were using a borewell with a 12 HP Submersible pump which was operating for an average of about 8 hrs. per day, consuming an average of about 100 units of electricity per day. In the entire crushing of 90 days per year, this amounted to savings of about 9,000 Kwh of electricity, which has an indirect advantage of reducing their carbon foot print too.





## THE IMPACT OF AI ON THE CONSULTING PROFESSION

### ASHOK PRABHAKAR

Consulting has long been a cornerstone of business strategy, helping companies navigate complex challenges and seize growth opportunities. In recent years, artificial intelligence (AI) has begun to revolutionise this field, offering new tools and capabilities that enhance the traditional consulting model. This article explores how AI impacts the consulting profession, from improving efficiency and accuracy to reshaping the skill sets required for consultants.

#### Introduction

Consulting firms have always been at the forefront of adopting new technologies to deliver better client value. The advent of AI represents a significant leap forward, promising to transform how consultants work and the services they provide. This transformation is driven by AI's ability to analyse vast amounts of data, generate insights, and automate routine tasks, enabling consultants to focus on higher-value activities.

#### Enhanced Data Analysis and Insights

One of AI's most significant impacts on consulting is its ability to process and analyse large datasets quickly and accurately. Traditional data analysis methods are often time-consuming and prone to human error. With its advanced algorithms and machine learning capabilities, AI can sift through massive amounts of data in a fraction of the time, identifying patterns and trends that may not be immediately apparent to human analysts.

#### Predictive Analytics

AI-powered predictive analytics tools enable consultants to forecast future trends and outcomes accurately. These tools can identify potential risks and opportunities by analysing historical data, allowing companies to make more informed strategic decisions. This capability is particularly valuable in the finance, healthcare, and retail industries, where understanding future market conditions can be the difference between success and failure.

## **Real-Time Data Processing**

In today's fast-paced business environment, real-time data processing is crucial. AI systems can monitor and analyse data as it is generated, providing consultants with up-to-the-minute insights. This ability to work with live data ensures that the advice consultants offer is based on the most current information, enhancing the relevance and effectiveness of their recommendations.

## **Automation of Routine Tasks**

Another major impact of AI on consulting is the automation of routine and repetitive tasks. Administrative duties, data entry, and basic analysis can be time-consuming and distract consultants from more strategic activities. AI-powered automation tools can handle these tasks efficiently, freeing consultants to focus on delivering high-value services.

## **Document and Report Generation**

AI tools can automate the creation of documents and reports, ensuring consistency and accuracy while reducing the time required for these tasks. For instance, natural language processing (NLP) algorithms can generate detailed reports based on data analysis, providing clients with clear and concise information without manual intervention.

## **Workflow Automation**

Workflow automation tools can streamline various processes within consulting firms, from project management to client communication. By automating these workflows, AI helps improve efficiency and reduces the potential for errors, allowing consultants to manage their time more effectively and focus on client needs.

## **Personalised Client Solutions**

AI enables a higher degree of personalisation in consulting firm solutions. By leveraging AI to analyse client-specific data, consultants can develop tailored strategies that address each client's unique challenges and opportunities.



## **Customised Recommendations**

AI algorithms can analyse a client's historical performance, market conditions, and other relevant factors to generate customised recommendations. This level of personalisation ensures that the advice provided is directly applicable to the client's situation, increasing the likelihood of successful outcomes.

## **Enhanced Client Engagement**

AI-powered tools can also enhance client engagement by providing personalised communication and support. Chatbots and virtual assistants, for example, can handle routine inquiries and provide clients instant access to information, improving the overall client experience and fostering stronger relationships.

## **Changing Skill Sets for Consultants**

As AI becomes more integrated into the consulting profession, the skill sets required for consultants are evolving. While traditional consulting skills such as strategic thinking, problem-solving, and communication remain important, there is an increasing demand for technical skills related to AI and data science.

### **Data Literacy**

Consultants need to be proficient in understanding and interpreting data. This includes knowledge of data analysis tools and techniques and effective communication of data-driven insights to clients. Data literacy is becoming critical in consulting, as AI relies heavily on data to generate insights.

### **Technical Expertise**

A deeper understanding of AI technologies, including machine learning, NLP, and predictive analytics, is becoming essential for consultants. This technical expertise enables consultants to effectively leverage AI tools and collaborate with data scientists and other technical experts to deliver comprehensive solutions to clients.

### **Continuous Learning**

The rapid pace of AI advancements means that consultants must be committed to continuous learning and professional development. Staying current with the latest AI technologies and trends is crucial for maintaining a competitive edge and delivering the best possible service to clients.



## **Ethical Considerations**

The integration of AI into consulting also raises important ethical considerations. Consultants must consider data privacy, algorithmic bias, and transparency in AI decision-making processes.

### **Data Privacy**

Consulting firms must handle client data responsibly and comply with relevant data protection regulations. This includes implementing robust data security measures and being transparent with clients about their data use.

### **Algorithmic Bias**

AI algorithms can sometimes produce biased outcomes if trained on biased data. Consultants need to be aware of this risk and take steps to mitigate bias in their analyses and recommendations. This may involve using diverse datasets and regularly reviewing and updating algorithms to ensure fairness.

### **Transparency**

Transparency in AI decision-making processes is essential for building trust with clients. Consultants should be able to explain how AI tools generate insights and recommendations, providing clients with a clear understanding of the underlying processes and potential limitations.

## **Conclusion**

The impact of AI on the consulting profession is profound. AI offers numerous benefits, such as enhanced data analysis, automation of routine tasks, and personalised client solutions. However, this transformation also requires consultants to adapt to new skill sets and address ethical considerations. By embracing AI and its capabilities, consulting firms can deliver greater value to their clients and stay ahead in a competitive market. The future of consulting will undoubtedly be shaped by AI, making it an exciting time for consultants and their clients.



## NEW INITIATIVES OF LEGAL AND JUDICIAL REFORMS BY GOI TO IMPROVE EASE OF DOING BUSINESS IN INDIA

**DR. U.K. SRIVASTAVA**

**DR. PRAMILA SRIVASTAVA**

**P.S. Management Consultants, Ahmedabad**

Ease of doing business is key to entrepreneurship, innovation and wealth creation. It also determines the environment for domestic & FDI inflow in the country. Therefore, Government of India and State Governments have been taking many initiatives on the ease of doing business. The impact has been that India moved from 142 to 63 in 2019 in the World Bank ranking. Although the World Bank has stopped issuing the ranking on ease of doing business, India has been continuing its effort to improve the same.

India continues to trail in parameters such as ease of starting business (rank 136), Registering Property (rank 154), Paying Taxes (rank 115), and Enforcing contracts (rank 136). There has been rapid progress in first 3 parameters which has improved the ease of doing business in India. The difficulty is improvement in the enforcement of Contracts which is crucial for business.

Enforcing contracts is one parameter in which India's performance has been very poor over the years. While India takes 1445 days to resolve an average dispute. New Zealand takes approximately on seventh of it i.e. 216 days. When compared to performance of India with similar nations, namely China, Brazil, and Indonesia on the same parameters, China fares much better.

### **Role of strong Contract Enforcement in ease of doing business**

- A sound enforcement mechanism is essential for maintaining business confidence, reducing uncertainty and promoting fair play in the economy. This is the reason for its inclusion as criteria in World Bank's doing business Report.
- Poor contract enforcement tends to increase the risk and reduce the returns (increased legal cost), thus affecting the overall risk to return ratio.
- When there is no strong enforcement of Contracts, the businesses do not engage in economically and socially beneficial activity such as innovation.

Similarly, the failure of legal mechanisms in guaranteeing loan repayment has resulted in banks bearing greater risks. The outcome is that interest rates are higher and banks are reluctant to lend to socially beneficial sectors, like agriculture and infrastructure.

Judicial reforms are very complex process. More than 50 million cases are pending across the country according to National Judicial Data Grid. India has one of the World's lowest ratios of judges to population, with just 21 per million people, compared with about 150 in the United States. For decades, India's leaders and Courts have set a target of 50 judges per million people.

Despite huge backlog, Supreme Court works for 200 days and High courts work for about 210 days. Judges are also saddled with administrative work. There is a lack of openness and transparency in the operation of the justice system in India. Courts have shown priority for Public interest litigations, Cases of politicians, Terrorists, Activists etc. while the rest have to wait for years altogether. There is no case management system. The adjournments are given on the drop of the hat and these are used by the advocates for even bench fixing. There is no time limit on the oral arguments and length of written submissions. Benches are busy with the admission of new cases. Final hearing of old case takes the back seat. Thus the backlog keeps growing. Thus the time and cost of contract enforcement has not improved substantially, although the efforts are being made continuously. Corrupt practices within the Indian judiciary are known to begin at the lowest levels and develop upwards to the higher Courts.

### **Legislations governing the enforcement of contracts in India**

- The Indian Contract Act, 1872 (as amended) and the Specific Relief Act, 1963 (as amended) are the two major legislations governing the enforcement of contracts between parties in India.

#### **A. Contract Act**

- Contract Act lays down the general principles governing contracts and levy damages for breach thereof, it also provides for an exception of awarding specific relief in the form of specific performance of contracts.
- The Contract Act provided for specific performance as a discretionary relief by Courts upon satisfaction of the "inadequacy test" i.e., when it was proved that damages will be inadequate compensation for the breach.

- But the contractual breaches were litigated to determine the quantum of damages. Such breaches took years to adjudicate the same creating the impression of weak enforcement of contracts in India

#### Amendment to improve the legal framework: Specific Relief (Amendment) Act

- To remedy the problems in the enforcement of contracts, a six member Expert committee was constituted which submitted the report in May 2016.
- Based on the recommendations, the Specific Relief (Amendment) bill was passed by the Parliament and became effective from October 1, 2018.

#### **B. The Amendment omitted Section 20 of the Act which allowed Courts wide discretion in awarding specific performance.**

- Instead, the Amendment introduced the concept of “substituted performance”, commonly referred to as the right to cover, basis which the innocent party has the option to arrange for performance of the contract by a third party or his own agency and recover the costs from the defaulting party. This is an extension of the mitigation principle, codified in the Contract Act, with distinction that under substituted performance, losses can be claimed only after the contract has been performed by either a third party or by the innocent agency.
- The amendment aims at ensuring that the performance of civil/commercial contracts are not held to ransom, and instead, contractual performance is compelled in most instances, a practice prevalent in civil law systems.
- The Amendment also emphasizes timely and unhindered completion of public utility projects by restricting grant of injunctions in infrastructure project.
- Further, the Amendment allows appointment of technical experts, whose opinion shall constitute part of the record of the suit, by Courts to assist on any specific issue in the suit.

#### **Improvement in judicial infrastructure**

- Besides strengthening of existing laws, effort has been on carving of commercial courts (in 2015 and amended in 2018) and advocating alternative dispute mechanisms like arbitrations.

- These commercial courts, Commercial Division and Commercial Appellate Division at 5 high courts have been set up and 247 commercial divisions have been established in various districts of the country. Efforts are being made for training the Judges and provide back up support from domain experts.

### **e-Court Mission Mode Project**

Legal and judicial infrastructure reforms can only be effective to achieve intended purpose only when there is a robust judiciary and staff, Courts with adequate number of judges commensurate with the number of cases getting filed and to be disposed of. The Union cabinet has approved eCourts Phase III for four years beginning 2023. The e-initiatives under e-Court Mission Mode Project are as follows:

- **Hybrid mode** –All courts in CG including all benches of Hon'ble High Court are working on hybrid mode that is courts are working Physically as well as virtually through video conferencing.
- **Live streaming** – Live streaming rules have been framed and notified by notification dated 02/05/2022 and Live streaming will start very soon.
- **N-STEP** – At present N-STEP software has been implemented in District & Subordinate Courts of the State in Chhattisgarh. Smart phones have been purchased and distributed to process servers/bailiff posted at various Districts & Subordinate Courts. Training has been provided to all the process servers/bailiff for effective implementation of N-STEP Software at ground level.
- **Virtual Court** – Virtual Court for hearing traffic cases has been inaugurated recently i.e. on 20-03-2021 at District court, Raipur. Now the traffic cases are being heard virtually.
- **Virtual Court (video conferencing)** – Video Desktop, Jitsi Meet and Google Meet video conferencing software are used by the District Courts of Chhattisgarh during the COVID 19 pandemic situation. Total 134521 no. of cases were heard through Video Conferencing.
- **e-filing** – e-filing facility has been started in all the District & Sessions Court.



- **e-Pay** – Implemented in most of the District & Sessions Courts and in rest of the location implementation of the same will be commenced soon.
- **ICJS** – Integration has been done between the Courts and Police under the Inter-operable Criminal Justice System (ICJS) to implement Live Electronic Exchange of data in courts of this state to implement Live Electronic Exchange of data.
- **e-Sewa Kendra** – e-Sewa Kendra has been established at High Court of Chhattisgarh, Bilaspur and one pilot location District & Sessions Court, Rajnandgaon.
- **Digital Signature Certificate** – Digital Signature Certificates have been provided to Judicial Officers for authenticity of uploaded orders/Judgments.
- **Video Conferencing** – Video Conferencing equipments have been provided to all the Court Complexes in the State.
- **National Judicial Data Grid (NJDG)** – Data Cleansing – For data accuracy & complete data entry on NJDG monitoring is being done on daily basis. Separate District login were also created on NJDG for all District Courts. All the District courts have been directed to complete the delay reason entry in CIS which are more than two years old.
- **e-Training of officers/staff of the District Courts** – e-Training programme is being conducted online through Google Meet VC Software. The resource persons made online presentations and discussed the issues.
- **Case Information Kiosk** – Kiosk machines have been provided to all the District Courts of the State to provide information related to status of cases.

Digitization of Court records lays the foundation for all other digital services in the project. It enables processes to become more environment friendly by minimizing paper based filing and reducing physical movement of documents. Virtual participation in the court proceedings thus reducing the costs associated with court proceedings such as travel expenses for witnesses, judges, and other stakeholders. Expansion of eFiling for reducing the time and effort required to file documents. Thereby minimizing human errors as documents are automatically checked and also prevent further creation of paper based records. This major effort would certainly improve the ease of doing business.

The Centrally sponsored scheme of eCourts phase III is being implemented under the joint partnership of Department of Justice, Ministry of Law & justice, Government of India and eCommittee, Supreme Court of India, in a decentralized manner through the respective High Courts to develop a judicial system that would promote ease of justice by making the system more accessible, affordable, reliable, predictable and transparent for all stakeholders. This is a real boon for ease of doing business in India.

### New Criminal Laws

From July 1, 2024 Government of India has enforced the following new criminal laws which will replace the Indian Penal code of 1860, the Code Criminal Procedure Act of 1898 and the Indian Evidence Act of 1874:

- 1) Bhartiya Nyaya Sanhita, 2023 (BNS)
- 2) Bhartiya Nagrik Suraksha Sanhita, 2023 (BNSS)
- 3) Bhartiya Sakshya Adhiniyam, 2023 (BSA)

These laws properly define various crimes; lay down procedure for collection of digital evidence, Provision of zero FIR, time frame for disposal of cases. The key features of new criminal reforms are summarized in the following table:



### Achievement:



### Successful Certification in Management Consultancy (eDMC)



We are thrilled to announce that **MR. BIJITH NELSON**, Business Head – Derik Motors Pvt. Ltd has successfully completed a **certification in Management Consultancy (eDMC)** from **The Institute of Management Consultants of India (IMCI)**. This significant accomplishment is a testament to his dedication and hard work.

**Mr. Bijith Nelson** has demonstrated exceptional skills and knowledge throughout the certification process. He has shown a strong commitment to professional growth and excellence.

### Features of New Criminal Law Reforms

Features	Existing Law(BNSS)s (IPC, CrPC, IEA)	New Criminal Laws: (BNS, BNSS, BSA)	Key Changes in New Criminal Laws
Scope of Offences	IPC defines various crimes.	BNS aims to simplify and clarify offences, categorising them into minor, major, and heinous.	Potential for clearer sentencing guidelines and easier understanding of crimes.
Investigation & Trial Procedures	CrPC outlines procedures for investigation, trial, and appeals.	BNSS focuses on speedy trials, witness protection, and victim assistance.	Aims to reduce delays, improve witness protection, and offer a victim-centric approach.
Evidence Admissibility	IEA determines what evidence is admissible in court.	BSB proposes stricter standards for electronic evidence and introduces “judicial discretion” for certain evidence.	Potential for tighter control over electronic evidence and more flexible handling of sensitive information.
Punishment & Sentencing	IPC prescribes punishments for various offences.	BNS introduces tiered sentencing based on offence severity and mitigating factors.	Potentially fairer sentencing and increased focus on rehabilitation for minor offences.
Focus on Rights & Safeguards	All laws contain provisions for due process and fundamental rights.	BNS and BNSS emphasise legal aid, community policing, and restorative justice mechanisms.	Potential for better access to legal representation, community involvement in crime prevention, and victim reparation.
Technology Integration	Existing laws lack comprehensive provisions for technology.	BNS and BSB address cybercrimes, digital forensics, and electronic evidence handling.	Aims to better address modern forms of crime and utilise technology for efficient investigations.

With these new laws, again it is expected that they will also help in improving the ease of doing business including ease of enforcing the contracts and other legal environment. We hope all these continuing efforts would remove the last hurdle in improving the ease of doing business and generate more confidence among investors.

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[1] **Dr. U.K. Srivastava** is a former Professor of IIM Ahmedabad. He is currently the Director of P.S. Management Consultants, Ahmedabad. He is CMC, Fellow of IMCI and Global Academic Fellow of ICMCI. He has been a consultant to World Bank, Asian Development Bank, and several Government and Semi Government Organizations.

**Dr. Pramila Srivastava** is Managing Director, P.S. Management Consultants. She has made considerable Contribution to business development of more than 100 units in Gujarat, Assam, J&K and some other States.

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## APRIL 2024- JUNE 2024

SR NO	CHAPTER	DATE	THEME	SPEAKER
1	HYDERABAD	12-April-24	ANALYTICS FOR VALUE CREATION	Mr. K.J.A.Swarup, Freelance HR Consultant and Corporate Trainer
2	CHENNAI	26-April-24	FINANCIAL IMPLICATION OF AI ADOPTION	Mr. Rajeswaran V, AI Futures and CoE head, Capgemini and Mr. Sundara Raman Narayanan, Director, Pratiti Analytics Solutions LLP
3	HYDERABAD	06-May-24	RESOURCE EFFICIENCY	Mr. S. Padmanabhan, Former Energy Specialist, World Bank; Former Program Director, South Asia Regional Initiative for Energy (SARI/E) and Sr. Energy Advisor, USAID/India
4	HYDERABAD	31-May-24	THE CATALYTIC ROLE OF A MANAGEMENT CONSULTANT	Mr. Rajasekhar Kandepu, Strategy Adviser & Leadership Coach, Power Mech Projects Limited, Hyderabad
5	PUNE	14-June-24	WISDOM FROM THE PANCHTANTRA FOR TODAY'S PROFESSIONALS	Mr. Vijay Laghate, Member IMCI



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# About IMCI

The Institute of Management Consultants of India (IMCI) is the apex body of management consulting professionals in India, being the only registered institute of established management consultancy firms and practicing individuals in the country. Originally founded in 1963 as Management Consultant's Association of India (MCAI), MCAI was renamed as IMCI in 1991 when it joined the ICMCI as the first Asian Country to become a full member. The International Council of Management Consulting Institute (ICMCI) [www.cmc-global.org](http://www.cmc-global.org) has authorized IMCI to award Certified Management Consultant (CMC) certification in accordance with International Standards.

At IMCI, we understand that the world of business is rapidly evolving, presenting new challenges and complexities. That's why we have created a community that brings together industry leaders, seasoned consultants, and aspiring professionals like you. Our association serves as a platform for networking, knowledge sharing, and continuous learning.

By becoming a member of the IMCI offers several benefits, both for individual consultants and consulting firms. Some of the key benefits include:

- 1. Recognition and Trust:** For individual consultants, obtaining the Certified Management Consultant (CMC) qualification, which is recognized in ICMCI member countries, provides formal recognition of training, development, and experience, and demonstrates high standards of performance, experience, and ethics.
- 2. Professional Development:** Membership encourages the discipline of continued professional development, ensuring that consultants stay updated with the latest industry trends and best practices. Attend workshops, seminars, and webinars led by industry experts to stay up-to-date with the latest trends, best practices, and innovative strategies.
- 3. Client Attraction:** The CMC qualification serves as a Gold Standard for excellence among management consultants, making it attractive to clients who seek consultants that meet the highest professional standards of competence, ethics, and independence.
- 4. Global Network:** Members become part of a global network of management consulting professional bodies, facilitating knowledge sharing, collaboration, and access to international conferences and events.
- 5. Firm Branding:** Consulting firms can use the CMC-Firm branding elements on their marketing materials, reinforcing their status and reach vis-à-vis major international firms, and demonstrating a commitment to professional standards and ethics.
- 6. Discounted Attendance To Domestic And International Events on Zoom, Domestic And International Magazine And Cep's**

These benefits contribute to the professional growth, recognition, and credibility of both individual consultants and consulting firms within the global management consulting community (International Council of Management Consulting Institutes (ICMCI))

Institute of Management Consultants of India (IMCI) Membership is an investment in your professional growth and a commitment to excellence in the consulting arena. We believe that your unique perspective and experience will greatly enrich our community.

If you have any questions or would like to learn more, please feel free to reach out to our membership team at [Mob: +91 8767261288 Tel No.+91 22 23005376 / 75 Email ID: [info@imcindia.co.in](mailto:info@imcindia.co.in)].