



SOLARON
Sustainability Services

Research & Reporting

FOREWORD

In the context of the 20th century it was common and accepted knowledge that top management of a company knew its business very well and much better than other stakeholders, be it customers, employees, suppliers or others. Information about a company and its business was usually available only to certain privileged individuals. For decades, maintaining importance in the organization meant maintaining access to this desired information. Since there was a limited access to information for most stakeholders, it was acceptable that top management took most important decisions related to the organization.

However, in the environment of the 21st century we are living in, information is easily available to all stakeholders. Useful information today reaches all stakeholders at an increasing pace. Information about changes within each stakeholder group are also happening at an explosive pace. The latest trends, changes in customer behaviour and expectations, employee performance and other internal and external stakeholder circumstances are becoming increasingly fast and difficult to track. This makes the job of top management quite complex and overwhelming. No human being, however intelligent, can track so many changes in the rapidly changing market context correctly every time. As a result, recent corporate history is full of case studies where companies made ill-

informed decisions and existing markets for products and services disappeared before they realized what was happening.

A key example of this is the way that cell phone manufacturers and mobile service providers have rapidly overtaken markets that they did not traditionally venture into. Nokia has overtaken the camera industry and currently sells more cameras in India than Sony, Canon, or Nikon. Similarly, Airtel has stepped into the music industry and currently makes more money selling 30 second caller tunes than HMV. Sa-Re-Ga-Ma makes selling full albums. With this rapid progression of changes, it can be difficult for companies across sectors to ascertain the needs of their various stakeholders and keep track of their highly competitive operating context.

Solaron's 'Best in Context' Independent Sustainability Audit, Stakeholder Assess-

ment & Context Mapping Services are meant to act as a respite for top management by bridging this information asymmetry between companies and their many stakeholders.

The 'Best in Context' Approach

Every 13 years, half of the companies in the Fortune 500 list fizzle out. Simply put, they become irrelevant in the fast changing context of modern times. The companies that survive are those that are consistently leading their sectors and have acquired a deep understanding of their individual sector - market context. These companies are always striving to create sustainable long term value for customers, employees, vendors, regulators, investors and the overall society. They do not live from one crisis to another, but have systems, processes and a living culture in place to create ongoing stakeholder value. Such companies, that first understand and then operate appropriately in their sector - market context can be called 'Best in Context' companies.

Solaron analysts paint a map of the rapid changes that are happening in the operating context of a company by talking to past and current employees, NGOs, civil society groups, government representatives, customers, non-customers, vendors and various other company stakeholders. Since each stakeholder has some meaningful information about the rapid changes, aggregating this information in a meaningful manner can provide strategic direction for companies.

In today's time, it will be appropriate to say that "No one knows the business better than its stakeholders". Therefore, a proactive management would do a good

job of staying in touch with all its stakeholders and understanding the direction in which the business needs to go by constantly engaging with them.

If the top management believes that it has been doing a good job already, these services acts as a business 'health check' to validate if this assumption would be correct or not. Similar to the necessity of regular health checks for individuals, we recommend the top management of a company should go for such health checks of their business by conducting these assessments frequently. Solaron can partner with you to help facilitate these intermittent 'business health checks' so that top management can take corrective action on potential risks that are emerging across the business landscape before any of these potential risks become serious or difficult to correct.

Best Regards,



Vipul Arora
Founder & Managing Director
Solaron Sustainability Services