A peek into your future:

From
Managers of Assets
To
Creators of Value

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Structure

1. Opportunity
2. Challenges
3. Way Forward
Opportunity

- Time of Plenty
- Time to GROW!
Asia’s Rise… how and when…
(Hans Rosling, 2009)
### The Asian middle class will grow sharply over the next 40 years

<table>
<thead>
<tr>
<th>Country</th>
<th>2030 Middle Class Population</th>
<th>2030 Upper Class Population</th>
<th>2030 GDP per capita (PPP)</th>
<th>2050 Middle Class Population</th>
<th>2050 Upper Class Population</th>
<th>2050 GDP per capita (PPP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC</td>
<td>1,120</td>
<td>40</td>
<td>21,100</td>
<td>1,240</td>
<td>190</td>
<td>47,800</td>
</tr>
<tr>
<td>India</td>
<td>1,190</td>
<td>15</td>
<td>13,200</td>
<td>1,400</td>
<td>210</td>
<td>41,700</td>
</tr>
<tr>
<td>Indonesia</td>
<td>220</td>
<td>5</td>
<td>13,500</td>
<td>250</td>
<td>40</td>
<td>37,400</td>
</tr>
<tr>
<td>Japan</td>
<td>100</td>
<td>20</td>
<td>48,900</td>
<td>60</td>
<td>40</td>
<td>66,700</td>
</tr>
<tr>
<td>Republic of Korea</td>
<td>30</td>
<td>20</td>
<td>60,200</td>
<td>10</td>
<td>35</td>
<td>107,600</td>
</tr>
<tr>
<td>Viet Nam</td>
<td>80</td>
<td>2</td>
<td>11,900</td>
<td>100</td>
<td>15</td>
<td>33,800</td>
</tr>
<tr>
<td>World</td>
<td>4,990</td>
<td>580</td>
<td>19,400</td>
<td>5,900</td>
<td>1,500</td>
<td>36,600</td>
</tr>
<tr>
<td>US</td>
<td>185</td>
<td>190</td>
<td>65,500</td>
<td>120</td>
<td>290</td>
<td>98,600</td>
</tr>
<tr>
<td>Germany</td>
<td>50</td>
<td>30</td>
<td>51,300</td>
<td>25</td>
<td>50</td>
<td>77,800</td>
</tr>
</tbody>
</table>

Source: Centennial Group projections, 2011.
Asia 2050
(ADB report, 2011)

“In the other dynamic Asian economies... household incomes will expand by at least the growth rate of GDP and that this process will bring more households into the middle class.”
So how much will you grow by?

- **Average** – 10%
  - Forecast CAGR for India (8% to 10%)

- **Creators** – 20% (?)
  - Infosys plans for the next decade
Calculations:

- Doubling time = \( \frac{70}{\text{(fixed \% unit of growth)}} \)
- \([100 \log n2 = 69.3]\)
You @ 10% CAGR
(so by the time you retire @ 65)

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount in Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>0.1</td>
</tr>
<tr>
<td>7</td>
<td>0.2</td>
</tr>
<tr>
<td>14</td>
<td>0.4</td>
</tr>
<tr>
<td>21</td>
<td>0.8</td>
</tr>
<tr>
<td>28</td>
<td>1.6</td>
</tr>
<tr>
<td>35</td>
<td>3.2</td>
</tr>
<tr>
<td>42</td>
<td>6.4</td>
</tr>
</tbody>
</table>
You as “Creator”!

- 1000 times revenue in just 10 doubling times

- 100 crores @ 60!
Challenges

- Scale
- Speed of execution
- Current models are resource intensive
- Times of Exponential Change

- Innovate to SURVIVE!
Challenges of a level yet UNTHINKABLE!

- 120 million jobs in this decade!
  - To grow @ 8%
  - To prevent demographic disaster
Inflation!?! (Mukesh Ambani @ RIL AGM in 2011)

GDP India in US$ Trillion

- 2011: 2 Trillion
- 2020: 7 Trillion
- 2030: 30 Trillion

GDP India in US$ Trillion
Current Models are Resource Intensive
Infosys in a decade? (BNP Paribas report 2011)

- Hire 1 million in the next 10 to 12 years
  - To grow at projected 20% CAGR
  - According to current business model
- In 3rd Quarter of 2010 – 2011
  - strength 127,779
  - Utilization%
    - 80.7% excluding trainees
    - 72.6% including trainees
Did You Know 3.0 (2009)
We don’t know the future!

- Can you manage exponential change and uncertainty in your professional lifetime?

- Will you be able to appropriate from technological advances, emerging business practices and innovate business models proactively?
The way forward!

- The changing nature of jobs
- New modalities of Production
- You have to LEAD!
the evolving nature of work

3 categories of American jobs

“transformational”
Extracting raw materials or converting them into finished goods

“transactional”
Interactions that can be scripted or automated

“tacit”
Complex interactions requiring high level of judgment

“tacit interactions” has grown 2.5 times as fast as the no. of “transactional” jobs and 3 times as fast as employment in general

Make up 40% of the American labour market and account for 70% of the jobs created since 1998


The same sort of thing is bound to happen in developing countries as they get richer

[Economist (2006)]
Open Source Economics
(Yochai Benkler, 2005)
Seth Godin on the Tribes we Lead (2009)
A thought

The shift from martial, command and control, towards the opportunistic, self-organizing of collaborate and coordinate is not an instance but part of our socio-economic evolution, as a species, and hence inevitable.
The thesis:

Innovate to SURVIVE!