

The Malaxmi Group: An Empowered Team in Action amidst a Global Pandemic

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Headquartered in Hyderabad, a city of 6.8 million and a major technology centre of India, the Malaxmi Group is a diversified Group that comprised of several small and medium enterprises (SMEs) in infrastructure, agriculture, irrigation and water management, and construction, with operations spread across India. Since its inception in 2006, founder Harish Chandra Prasad, a mechanical engineer and computer scientist, aspired to build a professional organization and hired his team very carefully to ensure a good fit with his vision of a focus on quality products and services, and values of building a sustainable business on strong ethical foundations. Rapid growth followed. By the end of 2019, the Group's revenues exceeded \$10 million with 300 plus employees. However, there was some catching up to do in terms of internal systems and strengthening relationships internally as well as externally.

Corona Virus in India

By first week of May, India had lost over 1,700 citizens to the virus and another 53,000 had tested positive. The country's mortality rate of 1.0 per million population and proportion (4.2%) of positive amongst those tested were much lower than in many other countries. Nevertheless, in an attempt to contain the spread of this infectious virus in a populous nation of 1.3 billion with poor health infrastructure, on March 24th the Indian government imposed a complete lock down of the country without giving even one day notice. SMEs feared the devastating effect of the lockdown on them and the economy. Even Malaxmi Group had to stop all works spread across 16 project locations, severely affecting their operations.

Crisis Management at the Malaxmi Group

Malaxmi had invested in a strong team of professionals. They felt that their Group can emerge stronger in the post-covid era, if they utilise the lockdown time to revisit every assumption of the current business practices, set strong systems and processes for the future and pivot the organisation to meet the uncertainties of the future. While providing thought leadership and holding weekly meetings with the top management team, the founder empowered his CEO, Pavan Kumar Bang, to spearhead the exercise. Few proactive measures pre-lockdown and actions post lockdown include:

Vigilance and Agility

When stories of the Corona virus epidemic in Wuhan, China reached India in January 2020, Pavan and his team followed it closely as some of their spare part vendors were based in this region. Immediate efforts were made to look for alternative suppliers within India. By the time the borders were closed, and international travel restricted, an alternate supply chain had been established.

Work from Home Protocols

Anticipating the work from home advisory, Malaxmi decided to implement work from home one week before the Government directives. This helped the team to be equipped with laptops, internet connections and other hardware. When many others were still absorbing the shock of the new work from home reality, a 9:00 am to 7:00 pm 'work from home' routine has already been established for the Group and they hit the lockdown running.

Aligning Team Members and Strategy

Employees were encouraged to make a list of routine work-related activities and at least three new activities that were not a part of their routine responsibilities that each of them would take up during the lockdown period. Teams of employees were assigned specific tasks with an overarching aim to rigorously assess, ideate, innovate and consequently update the current systems and processes to help the Group beat the competition and stay ahead in the game. In addition, taking steps to build long-term trust-based relationships with key internal and external stakeholders was stressed upon. Some of the initiatives taken by the Group to achieve these include:

- **Process Evaluation and improvements:**
 - A comprehensive list of drawings, do's and don'ts, mistakes committed and their root cause analysis, and good practices followed at project sites and all projects worked on was prepared, along with pictures. They were catalogued and stored with a semi-automated retrieval system for future reference and learning.
 - Every assumption and convention of the businesses was questioned. WHY-WHAT-HOW matrices were prepared for several products and processes.
 - Project proposal templates were revamped and standardized for potential customers.
 - Financial statements were analysed closely to identify areas of improvement. Long overdue credits and debits were either written-off or cleared.
- **Automation and Software upgradation:**
 - Realising that there will be uncertainty in availability of skilled workers, technologies to semi-automate several activities in construction and project execution such as plastering, tile laying and painting were identified and evaluated. Ten percent of the capital budget for the next year was allocated for procuring such tools and equipment.
 - Enterprise Resource Planning software that had been bought 5-6 months earlier, but the implementation was patchy due to lack of time, training and commitment, was now being implemented meticulously.
- **Vendor relationships:**
 - Regular calls were made to all vendors, adjusting payment schedules to support those who were in dire need and delayed payments for the better endowed after discussing with them.
 - Vendors were requested to conduct e-training for technical team members on issues like site level quality assessment of products, correct installation methods and do's and don'ts while handling their respective products.
 - Pictorial do's and don'ts manuals were prepared for working with vendors and customers.
- **Employee training and skill enhancements:**
 - Senior and skilled technicians were encouraged to make videos on improving quality, increasing speed of execution and standard operating procedures for future training purposes.
 - It was decided to reskill and employ existing team members in other departments. Internal job postings were done, interviews conducted, and transfers done. For example, new Quality assurance and Safety department were created with internal transfers and additional training.
 - Online training programs were identified for each employee to help them be better prepared for future challenges.
 - Employees were encouraged to challenge underlying assumptions and practices embedded in the Group to identify more efficient, environment friendly and sustainable solutions.
- **Family Governance:**
 - On his part, Harish started to adapt to working in a paperless virtual environment.
 - He undertook peer discussions and consultations with family business experts and lawyers during this period to understand the best ways to govern the family business, steps to be taken for longevity of the enterprise and plan for succession of ownership and wealth transfer.
 - He actively started to engage in treasury management and functioning of the family office too.

Key Insights

- Thoughtful visionary leaders can form organizational systems and structures to bring calm and efficiency in the storm of a global pandemic.
- Empowered teams with clear guidance and accountability can find multi-dimensional opportunities to strengthen organizational processes, systems and relationships, in a crisis.
- Paradoxically an obligatory moment of pause is an opportunity for intense activity on important yet ignored projects in the everyday rush of a growing family enterprise.

Sources: <http://malaxmi.in/> | <http://chiraharit.com/> | First authors' interview with the CEO