



The Flipcarbon Quarterly

# GRAPHITE

VOL 4. JULY 2024



News and Views from the World of Flipcarbon

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# THE ZN T ZN O C

## **1 Message from the CEO**

Alok Ranjan

## **2 About Flipcarbon**

Our Services and our leadership

## **3 On the Stage: Building a High-Performing Organizational Culture**

George Varghese

## **4 Report: Market Entry Strategy for a 3PL Client**

Suranjan Dass and  
Ashutosh Bhattacharya

## **5 Case Study: Revolutionizing Talent Management**

Rajesh Sahay and Yuvraj Singh Sihra

## **6 Case Study: Streamlining Inventory in the Apparel Industry**

Bhaskar Banerjee and  
Balasubramanian PG

## **7 Thought leadership**

### **The CXO Interview:**

Dr. P.A. Padmanabhan  
President - Finance & Group CFO,  
Rane Group

### **The Role of HR Within the Board of Directors**

Abhimanyu Kumar

## **8 Life at Flipcarbon**

Moments that define our culture

## **9 News**

Headlines from Flipcarbon



Infinite Possibilities





**Alok Ranjan**  
Chief Executive Officer

## MESSAGE **FROM THE CEO**

I'm thrilled to welcome you to the electrifying fourth edition of Graphite, where we celebrate the relentless innovation and achievements of Flipcarbonites nationwide. This issue is our roadmap to success and conquering new frontiers.

In this edition, we reveal the secrets to building a high-performing workplace culture. Gain insights from our in-depth market analysis to confidently conquer new markets, including a detailed market entry strategy for a 3PL client. You will also find compelling case studies, including innovative approaches to inventory management in the apparel industry and revolutionising talent management for one of India's largest interior infrastructure brands.

We're excited to feature in our Thought Leadership section an interview with Dr. P.A. Padmanabhan, President - Finance & Group CFO of Rane Group. He discusses corporate financial governance, the Make in India initiative, and the impact of SMEs and startups.

Additionally, we delve into an article on the growing role of HR in the boardroom, emphasising its increasing importance in MSMEs and startups in India.

Lastly, we showcase a glimpse into the vibrant Flipcarbon culture with dynamic photos of our unique culture and our clients. We also highlight recent achievements through client testimonials from LinkedIn, reflecting our growing industry presence.

Ready to explore? Flip through the 4th edition of Graphite, and as always, thank you for your support!

# ABOUT FLIPCARBON



**Flipcarbon** is a Strategic HR and Business Consulting firm, founded in **2014** and involved in business transformation projects for well-established as well as evolving organizations. We work closely with CXOs to solve complex business problems and enable escalated growth to achieve the desired milestones. We work from the boardroom to the trenches ensuring that strategy gets executed well.

This is achieved through our expertise in the areas of Visioning, Strategy and storytelling, Performance Management, People Management & Talent Advisory, Financial Management, Technical & Supply Chain and full-stack consulting.

Whether you are a startup, which has just started the journey with some great idea backed by an ambitious business plan or you are an established player in the industry having trouble in challenging the status quo, we are there to partner with you in the growth journey. We help build the brand, build capability, and build a reputation. We have partnered with startups from POC to IPO, we have scaled SMEs to Enterprise and we have enabled enterprise clients to display the agility of startups.

Delighting clients  
and making a  
difference since

**2014**

**200+**

Happy clients

## OUR OFFERINGS

### ENTERPRISE CONSULTING

- Talent Advisory
- Capability Transformation
- Business Transformation
- Mergers & Acquisitions
- Governance, Risk & Compliance
- Technical & Supply Chain

### SME'S & STARTUP SUCCESS

- Fractional CHRO
- Fractional CFO
- Business Consulting
- Growth Consulting
- Talent Advisory

**\$325M**

Net new addition  
to client's  
Revenue

**600+**

Years of combined  
management  
experience

# Our Leadership



**ALOK RANJAN**  
CEO



**PRABHASH NIRBHAY**  
FOUNDER & PARTNER  
CAPABILITY TRANSFORMATION



**ABHIMANYU KUMAR**  
PARTNER  
CHRO PRACTICE



**DEEPAK KEWALRAMANI**  
PARTNER CFO &  
FINANCIAL SERVICES



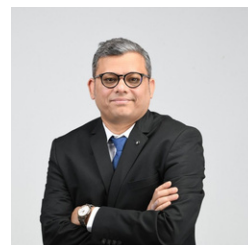
**RAJESH SAHAY**  
PARTNER  
ENTERPRISE CONSULTING



**SURANJAN DASS**  
ASSOCIATE PARTNER  
BUSINESS CONSULTING



**GEORGE VARGHESE M**  
BUSINESS HEAD  
FLIPSEARCH



**BHASKAR**  
ASSOCIATE PARTNER CFO &  
FINANCIAL SERVICES



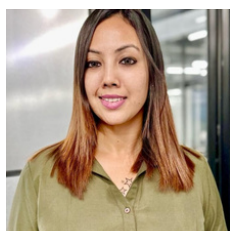
# Our Leadership



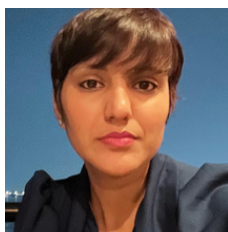
**NIYATI RAO**  
REGIONAL HEAD- WEST  
CHRO PRACTICE



**PARTHA ROY**  
PRINCIPAL CONSULTANT  
CHRO PRACTICE



**MANALI GODAMBE**  
PRINCIPAL CONSULTANT  
CHRO PRACTICE



**SONIYA MITTAL**  
PRINCIPAL CONSULTANT  
CHRO PRACTICE



**SUPRIYA KAMBLE**  
PRINCIPAL CONSULTANT  
CHRO PRACTICE



**HINA AGARWAL**  
PRINCIPAL CONSULTANT  
CFO PRACTICE



**PRAKASH DURAISAMY**  
PRINCIPAL CONSULTANT  
CFO PRACTICE



Infinite Possibilities

# BUILDING A HIGH-PERFORMING ORGANIZATIONAL CULTURE



**George Varghese at  
Keka's HR Katalyst**

# HR Leadership Discusses "Building a High-Performing Organizational Culture" at Keka's HR Katalyst



[First Published by Keka HR](#)

Achieving a high performance culture is the holy grail for all HR teams however very few are able to reach close to it. What are the reasons majority of corporations falter in achieving this tag? A robust financial performance alone may not be enough to be tagged as a 'High Performance Culture'; is it sustained through a settled and happy workforce?

Dealing with all the intricate aspects of building a high-performance culture was the focus of the 'HR Katalyst Series' conference organised at Hotel Lalit Ashok in Bengaluru where our Business Head – Flipsearch, George Varghese M, had the opportunity to speak on one of the sessions, 'Psychological Safety at the workplace'

The event, themed around building a high-performing organizational culture, aimed to bridge the gap between strategic HR leadership and organizational effectiveness. The agenda covered a range of vital topics, including:

1. The direct impact of HR on an organization's revenue.
2. Human Resources management within organisations.
- 3. Psychological Safety at the workplace.**
4. Assessing an organization's culture around Talent Mobility.



# HR's Impact on Revenue: Setting the Stage

The talk show kicked off with a light-hearted yet insightful question: "Do you think HR has a direct impact or can have a direct impact on an organization's revenue?" The responses from attending HR experts were illuminating:

- Talent acquisition directly impacts revenue, as does retaining talent.
- Measuring employee performance, quantum delivery, and sales, along with talent mapping, also directly influences organizational revenue.
- Talent Management has a direct impact on long-term competitive advantage for an organisation in the marketplace compared to its

competitors who do not do it in a scientific and objective manner.

- Investment in Learning and Development directly cuts down the 'Opportunity Loss' due to mistakes of first-time discovery by new entrants into the workforce.



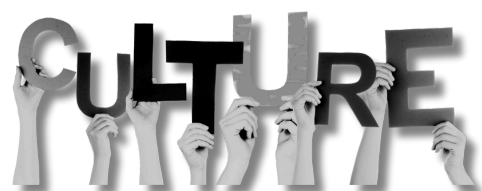
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## CEO Talks: Building a Culture Beyond Profit

The first session, "CEO Talks," was moderated by Mr. Kshitiz Sachan, Lead Process Coach at Keka. The speakers included Mr. Kulin Shah, founder and CEO of Onsurity, and Mr. Vijay Yalamanchili, founder and CEO of Keka HR. They discussed Human Resources management within organizations, sharing their journeys and evolving visions that emphasize purpose beyond mere profit.

Kulin Shah shared Onsurity's mission to democratize employee health benefits, especially for SMEs, ensuring comprehensive and accessible healthcare for all employees. The conversation also touched on the challenges of maintaining organizational vision and collaboration as companies grow.

Both Kulin and Vijay emphasized empathy, appreciation for different roles, and strategies to foster a positive culture. They discussed the impact of AI on future job markets, stressing the need for psychological safety and continuous learning within organizations.



# Psychological Safety in Action: Key to a Thriving Workplace

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The **second session** focused on Psychological Safety at the workplace, featuring George Varghese from Flipcarbon, Nitin Kumar from Infra. Market and Eric James from Flipkart, moderated by Dr Manish Kothari, Founder & MD at ISBR Business School.

Dr Kothari introduced the concept of psychological safety, tracing its origins to Carl Rogers in the 1950s and its evolution into a cornerstone of modern HR practices. He cited the Google Project Aristotle and Deloitte's survey linking innovation and employee retention to psychological safety.

**George Varghese** emphasised that the majority of contributions to GDP come from unorganised sectors and hence the subject should be seen primarily in the context of promoter-led companies. He emphasized the need for a well-defined vision, mission, and values to guide cultural development. He stressed the key tenets of culture, namely, openness, transparency, collaboration, meritocracy, and courage-backed innovation, alongside reverse mentoring and a robust policy framework to have a systemic approach to building psychological safety at such workplaces. Dr. Manish seconded Mr. George's thoughts about the Taj culture, exemplified by employee dedication during the 2008 Mumbai attacks, as a result of comprehensive recruitment, retention, and training processes.



“  
*Taj culture, exemplified by employee dedication during the 2008 Mumbai attacks, as a result of comprehensive recruitment, retention, and training processes.*  
”

Nitin Kumar discussed measuring the gap between current and desired psychological safety levels in organizations. He highlighted the importance of risk-taking and open communication in driving performance, innovation, and well-being. Nitin recommended using culture surveys, exit interview analysis, and real engagement metrics, emphasizing effective change management.



Eric James shared Flipkart's strategies for fostering psychological safety, including tools for measuring it and integrating it into HR processes. Flipkart's culture of audacity allows anyone to propose ideas, and managers are evaluated on psychological safety metrics. This comprehensive approach ensures Flipkart effectively follows and measures psychological safety.

The session concluded with key points from all speakers and the moderator. Eric emphasized the importance of internal movement and integrating psychological safety into company values. George shared measurement techniques like employee happiness surveys and attrition-to-retention ratios. Nitin discussed aligning psychological safety with organizational values, cultural sensitivity training, and open communication channels.

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## Talent Mobility: A Rising Trend

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The final session featured Ranaq Sen, VP of People at Work India, and Krithika Sivanesan, DVP of Human Resources, discussing Talent Mobility. They highlighted the benefits of allowing employees to switch roles within a company, boosting satisfaction and retention by offering career growth opportunities and demonstrating the company's investment in their development.



The **final session** featured Ranaq Sen, VP of People at Work India, and Krithika Sivanesan, DVP of Human Resources, discussing Talent Mobility. They highlighted the benefits of allowing employees to switch roles within a company, boosting satisfaction and retention by offering career growth opportunities and demonstrating the company's investment in their development.

The day provided invaluable insights into building a high-performing organizational culture, emphasizing the crucial role of HR in driving revenue, fostering psychological safety, and promoting talent mobility. As companies continue to evolve, these discussions pave the way for a more inclusive, innovative, and effective workplace.



***“HR Katalyst Series by Keka offered the roadmap to a high-performing future of HR, driving revenue, safety, and talent.”***

# MARKET ENTRY STRATEGY FOR A 3PL CLIENT

Suranjan Dass and  
Ashutosh Bhattacharya





# Market Entry Strategy for a 3PL Client



## INTRODUCTION

For one of our clients in the Third-Party Logistics (3PL) sector, the Flipcarbon team faced an intriguing challenge: the client aspired to increase their top line through **organic growth** in a **relatively short timeframe**.

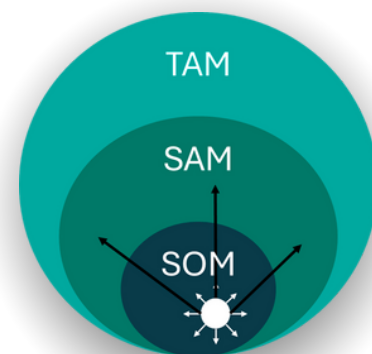
The objective was to boost revenues by acquiring new clients, as expanding the existing client base was not feasible. Complicating this effort, the current clientele was gradually moving away from 3PL services due to the **‘Make in India’** initiative and concurrent Production Linked Incentive (PLI) schemes.

## THE APPROACH

Our seasoned team at Flipcarbon engaged in rigorous brainstorming sessions, meticulously mapping out strategies on an overworked whiteboard, and overused markers, fueled by countless cups of coffee. The results were robust strategies and actionable plans grounded in secondary research.

### Note:

- **TAM:** Total Addressable Market
- **SAM:** Serviceable Available Market
- **SOM:** Serviceable Obtainable Market



### Legends:

- Current position of Client
- ⇒ Strategy 1: Improving Market Share by getting new clientele in SOM
- ➔ Strategy 2: Diversifying into other attainable Industries

Based on the above framework, the Flipcarbon team created two strategies:

### **Strategy 1: Expanding Market Share in the Current Industry**

Currently, the client takes care of the logistics for an industry. The SOM for the client includes all target companies within this industry. The first strategy focused on increasing the market share by acquiring more companies within the SOM.

Through in-depth analysis of the overall 3PL market, the client's direct competitors, and SOM via **5 lakhs rows of data** (representing the last 3 years' imports to India in the industry), we identified several top target companies in the industry which were recommended for organic growth. We called the recommended companies as **Big Heads and Long Tails** each having the potential to fulfil the client's aspirations in different ways.

We then created a milestone-based action plan for each company to help the client achieve their financial aspirations within the agreed timelines.

However, as mentioned earlier, the industry is moving away from 3PL services. So, Strategy 1 is viable for only a limited period. The client needs to diversify its services to other Industries.

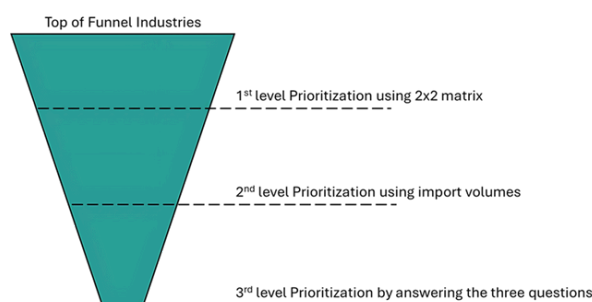
### **Strategy 2: Diversifying into New Industries**

The SAM represents the **available market** in industries not currently served by the client. Potential new industries could range from FMCG, Cosmetics, and Apparel to Aerospace Components.

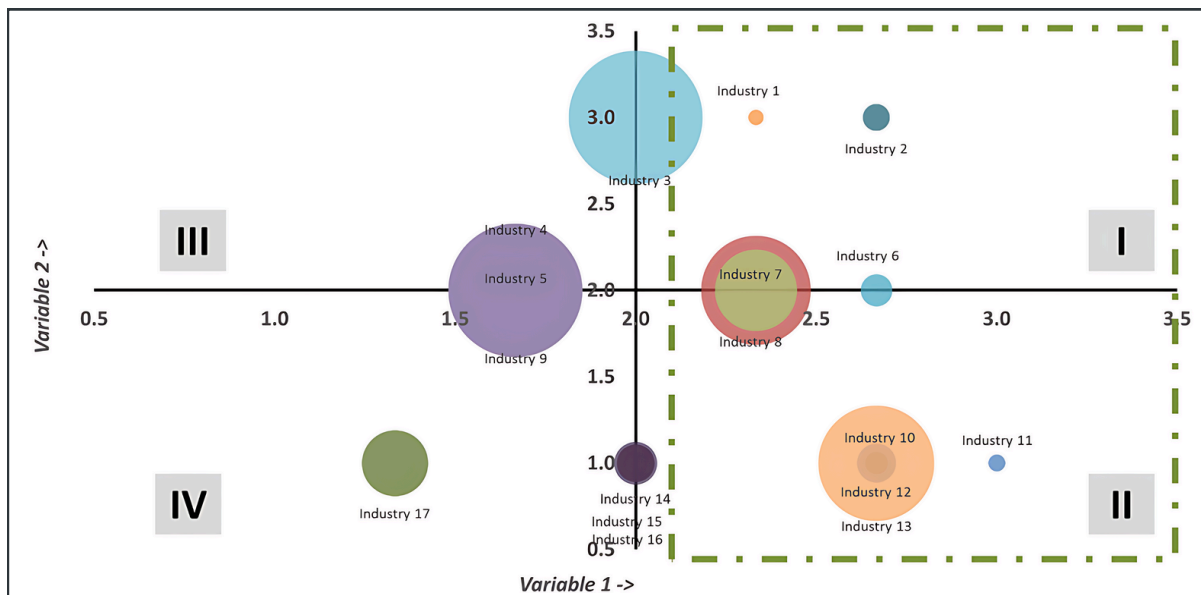
But how can we even select the right industries to venture into for the client? Of course, all industries cannot be targeted at a time. A pair of two target industries seemed to be the right number to achieve the client's top-line aspirations.

But how do we go about prioritizing the two top target industries for the client?

To prioritize these industries, we employed a **funnel approach**:



- At **the top of the funnel**, the set of all probable industries (17 to be precise) requiring import logistics services were collated.
- Now to arrive at the **first level of prioritized industries**, we used a 2x2 matrix with two key variables identified through team brainstorming. Although our secondary research was mostly qualitative, we developed a scoring system to quantify these variables. Each industry was scored and placed on the matrix accordingly. After peer reviews, we finalized the matrix and selected two relevant quadrants. Industries within these quadrants became our prioritized list, reducing the initial 17 industries down to 9. The 2x2 matrix employed has been illustrated below (Only Indicative in Nature):



- For the **2nd level of prioritization**, we analyzed the total import volumes of each industry. Based on this analysis, we selected the top 5 industries for further evaluation, ultimately prioritizing the top 5 industries with the highest import volumes.
- **Final Selection or 3rd Level Prioritization:** We answered three key questions to finalize the two target industries:
  - What is the **import duty** on the industry products, indicating the need for Custom Duty Warehouses and Value-Added Services?
  - Are there **similar 3PL players** in the industry, indicating the client's capability to compete and the competitive landscape?
  - Are there enough target companies in the industry for a robust contingency plan?

By answering each question using a **scoring methodology**, the team could finalize two industries having the highest total scores at the bottom of the funnel. These two industries have been recommended to the client.

## CONCLUSION

The strategic approach taken by the Flipcarbon team addresses the immediate growth aspirations of the client while ensuring long-term sustainability by diversifying into new industries. The team is currently developing action plans for these two new industries and implementing the action plan for Strategy 1.

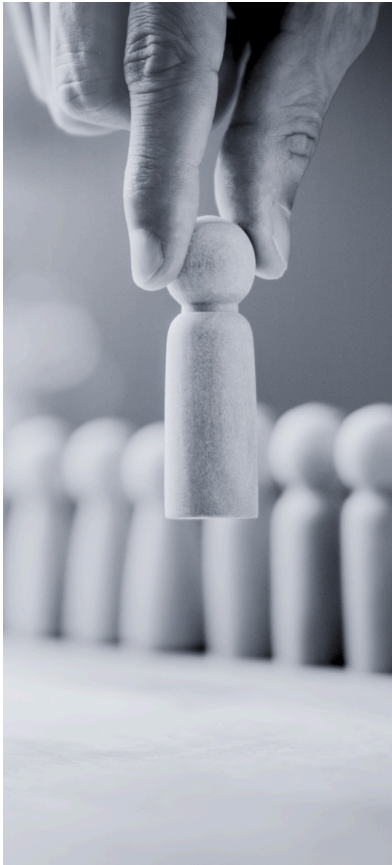
This well-rounded strategy, backed by thorough research and innovative methodologies, exemplifies Flipcarbon's commitment to delivering **tailored solutions** for **complex business challenges**.



# REVOLUTIONIZING TALENT MANAGEMENT IN BUILDING MATERIALS COMPANY



Rajesh Sahay and  
Yuvraj Singh Sihra



# HOW FLIPCARBON REVOLUTIONIZED TALENT MANAGEMENT

**For one of India's largest  
interior infrastructure  
brands.**

## **SITUATION:**

A listed company in the space of building materials, embarked on an initiative to identify high-potential managers capable of enabling company's exponential growth ambitions.



Talent management and retention were priorities for the CEO as well. Company chose to partner with Flipcarbon to design and execute a talent management framework.

The primary objective was to identify high-potential, high-performing individuals, and groom them to become the future leaders of the organization.

Flipcarbon deployed the 9-box grid methodology to assess potential and performance. Overall, talent is a function of performance and potential. On a 9 box-grid, performance and potential can give you 9 different talent sets.

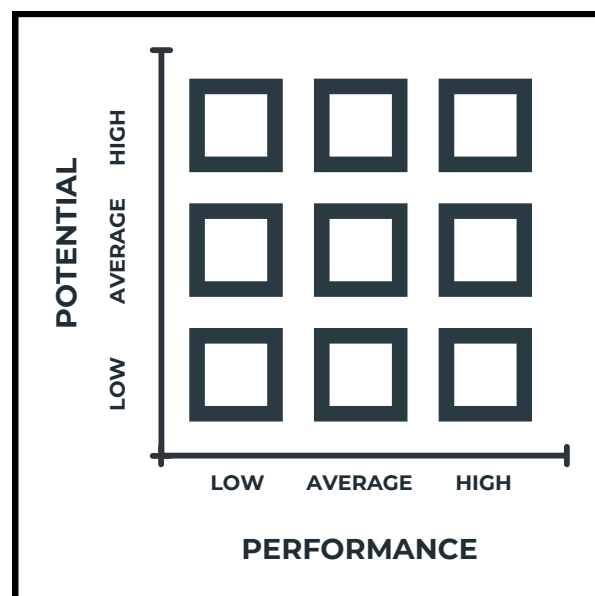
Performance Data leverages historical data to evaluate an individual's track record, drawing insights from accomplishments and demonstrated competence. This helps in taking Informed decisions based on tangible contributions and impact.

Potential Data delves into an individual's values alignment with the organization, ensuring a cultural fit that extends beyond functional competencies. It identifies growth potential and adaptability. The potential was measured using a questionnaire developed by FC, which was based on company values.

## METHODOLOGY:

### Demographic Data Collation

Collecting demographic data provides insights into workforce composition and diversity, facilitating tailored development programs and informed decision-making.



## 9-Box Grid

### Performance Analysis

Analysing historical performance data helps evaluate individual track records, identify high performers, and make decisions based on past achievements.

### Potential Assessment

Conducted appreciative interviews with approx. 20 leadership team members covering ~100 individual's performance and potential. This assessment, based on the company's value system, offered a deeper understanding of employee behaviours and development needs.

## Reporting

The challenge that we accepted was to convert 360 degrees inputs to a one page report per employee. This allows for a birds eye view on talent.

## IMPACT:

### Ready Reckoner

Flipcarbon submitted a comprehensive 100+ page document serving as a ready reckoner for talent status, complete with clear action plans for development.

### Sustainable Process

The documented process is designed to be self-sufficient, allowing the organization to replicate it for the next few years without external assistance.

### Cultural Transformation

Flipcarbon collaborated with the CEO and the CHRO to address cultural nuances inhibiting growth.

Through a focused two-day intervention, involving the CEO and his direct reports, the team enhanced self-awareness, identified organizational strengths, and pinpointed areas for improvement.

***“Additionally, Flipcarbon established a senior management governance structure to support sustained cultural and organizational growth.”***





# STREAMLINING INVENTORY IN THE APPAREL INDUSTRY



**Bhaskar Banerjee and  
Balasubramanian PG**

# Staying Ahead of the Trend: Proven Strategies for Streamlining Inventory in the Apparel Industry



## THE SITUATION:

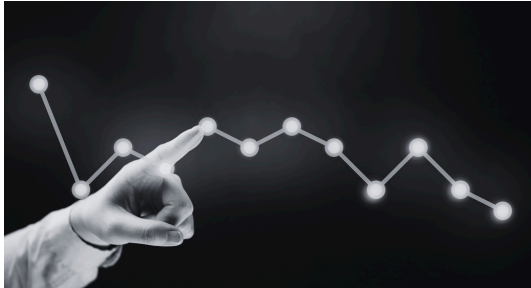
The company faced multiple significant challenges that hindered its operations and profitability. They struggled with financial and cost control, leading to:

- *Unnecessary expenditures*
- *Unexpected financial discrepancies*
- *High production costs*
- *Intuition-based budget allocation*
- *A lack of cost control and efficiency*

Furthermore, the company required a secondary opinion and an in-depth analysis in the exceptional reporting of underperforming stores or sales channels, underperforming products (SKUs), and inefficiencies in manufacturing processes.

Inventory management issues exacerbated these problems, with inventory pile-ups, stockouts, excess inventory of slow-moving items, and misaligned stock with demand patterns.

The lack of data-driven supply and demand forecasting resulted in insufficient visibility into channel-specific sales and sales return performance, as well as inadequate information for strategic production decisions.



## THE SOLVE

In our engagement with the company, we focused on critical financial functions to enhance operational efficiency and strategic growth. This included comprehensive data gathering and market research, where we analyzed the Indian apparel industry and benchmarked against all active and prominent competitors, alongside conducting ratio and balance sheet analyses.

We examined the viability and standard practices of contract manufacturing and inventory management and presented our detailed findings in a white paper.

Optimizing the ERP system for financial data capture was a pivotal step.



We conducted in-depth financial analyses to provide actionable insights for each business model, offering recommendations for continuity and risk management.

Our inventory analysis aimed to evaluate and improve inventory levels. We assessed cash flow management, resulting in standardized review templates and identified areas for improvement. Profitability analysis involves examining revenue streams, cost structures, and margins, along with competitive benchmarking on key ratios.

We also evaluated cost centers, revenue drivers, and capacity utilization trends. Lastly, we assessed the effectiveness and scalability of the business model, aligning on strategic directions and compiling our insights into a comprehensive Diagnostic Report to guide future actions and stakeholder discussions.



## RESULTS:

As a result of these initiatives, the company achieved significant improvements in sales performance visibility, providing comprehensive insights across various channels and stores.

A meticulously crafted systematic inventory liquidation plan effectively reduced excess inventory, thereby lowering stock holding costs.

The standardisation of KPIs across multiple business functions enhanced deliverables and profitability, facilitated the definition of high-performing service level agreements,, and optimised turnaround times.

Furthermore, we implemented a data-driven management routine that streamlined reporting processes and updated standard operating procedures for sourcing, design, production, and costing.

Lastly, we fostered a performance-driven culture, restructuring the organizational focus towards performance and accountability.



# THOUGHT LEADERSHIP



# An Interview with **Dr. P. A. Padmanabhan** on "Enhancing Corporate Financial Governance and Empowering India's SMEs and Startups."

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**Dr. P.A. Padmanabhan is currently the President Finance & Group CFO of Rane Group (A leading auto component manufacturer headquartered in Chennai, India)**

Responsible for the formulation of policies and driving synergies across multiple businesses within the group, supporting strategic initiatives of the group and leading Mergers & Acquisitions.

With a career spanning over three decades, Dr. Padmanabhan has extensive experience across different industries in handling Corporate Restructuring, Due Diligence, Mergers & Acquisitions, Accounts & Audit, Direct & Indirect Taxation, Treasury and Forex Management, Project Management, SAP implementation and Investor Relations.

Dr. Padmanabhan is a Graduate of Commerce from Vivekananda College, Chennai and a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost Accountants of India and the Institute of Company Secretaries of India. Dr. Padmanabhan holds a Ph.D. in Management from the Institute of Management, Nirma University.

Dr. Padmanabhan was recognised by the Committee for Members in Industry of the Institute of Chartered Accountants of India in 2015. Dr. Padmanabhan is a Member of the CFO Board, a body of senior finance professionals from across the country.



01

**In your experience, how can strong corporate financial governance contribute to national economic development, particularly in the context of "nation building"?**

A strong Corporate Financial Governance involves total compliance with the laws of the land and adherence to global reporting standards. It is about the management of financial resources in the most ethical manner by following a set of rules and procedures which are in the interest of all stakeholders. Sound financial governance results in effective internal controls that prevent fraud and create an environment which has minimal risks and brings in a lot of stability.

Transparency is at the core of Corporate Financial Governance. A culture of strong corporate financial governance enhances reputation and attracts investments as it demonstrates a high degree of reliability. Upholding a high level of corporate financial governance ensures optimal utilisation of resources, maximises the contribution of all corporates and promotes equitable development, thus building a strong economy.

02

**The Make in India initiative has the potential to transform the Indian manufacturing landscape. How can CFOs leverage financial strategies to ensure the long-term sustainability of companies participating in this program?**

The objective of the 'Make in India' initiative is to make India a preferred global manufacturing location. In order to succeed in this initiative, having a cost advantage becomes very important. CFOs can ensure that their company cost structure is very competitive and showcase to Investors the opportunity to earn higher returns by investing their capital in establishing manufacturing facilities in India, thus attracting Global players to invest in India and make India as a preferred destination for manufacturing.

The Production Linked Incentive (PLI) scheme introduced by the Government of India focuses on the 'Make in India' initiative. It promotes investments across multiple sectors to bring economies of scale in the manufacturing sector and make Indian manufacturing globally competitive while reducing the dependence on imports. The scheme provides various incentives based on the investments made and incremental sales achieved.

Similarly, there are State Subsidy schemes announced by certain states which also provide incentives based on investments made subject to certain conditions. There were also certain concessions in corporate tax under Section 115BAB of the Income Tax Act, 1961 for new companies set up on or after 1st October 2019 and commenced manufacturing on or before 31st March 2024 subject to certain conditions.

CFOs of companies should seize such opportunities and ensure participation in these type of schemes that may be announced from time to time and avail the incentives which will not only subsidise the overall project cost but will also ensure employment generation, creation of infrastructure for future growth and ensure long term sustainability of the company.

### 03

**SMEs and startups are the backbone of the Indian economy but often lack robust financial governance structures. What key elements should they prioritize when establishing such frameworks?**

Financial Governance refers to the systems and processes involved with how the finances are managed within the company.

An effective financial governance structure is required to ensure that the finances of the company are prudently managed, ethical financial practices are followed and there is total regulatory compliance. A robust financial governance structure which is replete with transparency will go a long way in attracting investors.

It is important that SMEs and startups have a robust financial governance structure. These companies should have a comprehensive audit scope that covers all aspects of the business. One of the key elements of a robust financial governance structure is having a system of periodical audits.

SMEs and startups should ensure that audits are conducted at regular intervals so that there are periodical checks in the system. There has to be a mechanism to correct any deviations that are noticed and also a follow up action plan to revise the standard operating procedures so that such deviations do not recur.

Using data analytics and automation of processes wherever possible can further strengthen the governance structure. The Audit Committee and Board can have industry as well as finance experts provide periodic guidance on various matters relating to the finances of the company.

## 04

### **Why are strong internal controls crucial for maintaining financial integrity and mitigating fraud risk within a company?**

Internal controls represent a set of processes that are followed by a company in order to ensure that the assets of the company are adequately safeguarded, there is accuracy in reporting and there is total statutory compliance.

The stronger the internal controls, the less vulnerable the company is towards fraud risks. Effective internal controls focus on proper approval processes for all transactions, segregation of duties in such a manner that no single individual has control over all processes within an activity, periodical reconciliations etc.

Artificial Intelligence (AI) plays a very important role nowadays in ensuring adequate internal controls. The advantage of AI is its ability to analyze large amounts of data. AI can be used to automate routine as well as repetitive transactions so that the company can focus on non-repetitive and complex transactions. AI algorithms can be used to throw out exceptional transactions which can be subjected to further scrutiny and thus minimize fraud risks. AI can also provide customized reports which can provide the focus areas for improvement.

## 05

### **The global economic climate is full of uncertainties. How can CFOs effectively implement risk management strategies to protect their organizations from unforeseen challenges?**

Risk is inherent in every business. With globalisation, the quantum and magnitude of risks faced by businesses have grown multifold. An effective risk management strategy can help organizations tide over the risk. A risk management strategy involves creating an Enterprise Risk Management framework for identifying risks, assessing the magnitude of the risk, prioritising and monitoring the high-impact risks and add/delete the risks periodically based on changes in circumstances.

The first step in a Risk Management framework is the identification of the various risks that are applicable to the business. Risks can be both external as well as internal. Risks can be strategic as well as operational. All types of risks need to be captured in the initial phase. These risks need to be assessed and rated for their probability of occurrence and magnitude of impact in case of an occurrence. Based on this analysis, the top risks should be identified and CFOs should support in preparing risk mitigation plans.



Review of all risks should happen periodically so that timely action can be taken. Having a Risk Management Committee can help periodically review the risk management framework and effectively manage the risks.

While a Risk Management framework can help CFOs to anticipate risk and mitigate those risks by following a set of well-planned procedures, the creation of a Business Continuity Plan (BCP) document can help effectively manage adverse events, should they occur. BCP is essentially a document which is prepared after a detailed study of all the risks and it documents the actions to be taken by the company to ensure smooth operations of the business in case of any disruption caused due to an unplanned event.

BCP has checklists and procedures to be followed in the event of a crisis. BCP should be periodically updated and all the staff involved should be well trained to handle the crisis if it occurs. A robust Risk Management framework coupled with a well-documented BCP can help CFOs effectively manage the risk and minimize the damage in adverse situations.

## 06

**Looking ahead, what innovations or developments do you anticipate in corporate governance practices that could shape the future of businesses in India?**

Over the years, companies in India are steadily moving towards maintaining high standards of corporate governance. Corporate Governance practices such as Board diversity, better accountability, more transparency, separation of ownership and management, and disclosure of related party transactions are being practised by many organizations. SEBI and other regulatory bodies also play a vital role in enhancing the quality of corporate governance.

Maintaining a high level of Corporate Governance is of utmost important and an effective way of ensuring this is by introducing automation in this area. Already many large organizations have automated the corporate governance procedures and many more are in the process.

The board of the companies require confirmations that all corporate governance aspects have been adequately adhered to and Automation helps in providing these confirmations on an ongoing basis. The use of Blockchain technology is slowly gaining recognition in the area of corporate governance. Blockchain technology can strengthen the manner in which the various corporate activities are recorded and enhance transparency.

Looking ahead, corporate governance practices will get more and more aligned with Sustainability. Business decisions will be taken keeping Environmental, Social & Governance (ESG) aspects in mind. While companies are currently focusing on enhancing the quality of Governance, importance of Environmental and Social aspects are gaining momentum.

The future of Corporate Governance in India is expected to be well integrated with environmental as well as Social impacts with a higher level of accountability and transparency. Environment-friendly goods and services will be produced. Corporate Governance will not be limited to how well the Boards are run or how well the company has integrated itself with the entire supply chain but how the company is bringing about a positive change to Society as well as Environment. In addition to profitability, non-financial aspects such as safety, diversity, environmental protection and social responsibility will be important parameters for decision-making.

## 07

**For young professionals aspiring to become CFOs, what key skills and experiences do you believe are most important to cultivate in their careers?**

The role of the CFO has evolved over the years. Today's CFO wears multiple hats and therefore cultivating the skills mentioned below is important for young professionals aspiring to become CFOs.

- **Business Partner:** In today's complex business environment, in addition to being a custodian of the finances of the company, a CFO is expected to be a Business Partner. Professionals aspiring to become CFOs, in addition to their knowledge of the finance functions, will need to have a very keen understanding of the business. Visiting the shopfloor, understanding the manufacturing operations, and having robust product knowledge are all becoming imperatives for a successful CFO.
- **Strategic Thinking:** Strategic thinking means thinking long-term and being able to see the big picture. Going beyond the routine tasks, the professional should be able to provide directions in a dynamic environment and take the organization on the path of long-term growth.
- **Leadership Skills:** Strong leadership skills are required to lead a team of motivated people through the journey of complex situations.

In the current dynamic environment, which is fraught with challenges, leadership skills coupled with a positive approach to problem-solving becomes very important.

- **Risk Management:** Risk Management is another important area for the CFO. The ability to assess the risk in every situation and being able to provide adequate risk-mitigating solutions beforehand to ensure smooth business operations is another skill that professionals need to possess.
- **Analytical skills:** Good analytical skills will help in taking informed decisions. Today, advanced statistical tools are used in decision-making. In addition to being a good finance professional, persons aspiring to become CFOs should develop the capability to analyze the data and suggest areas for improvement in business processes and increase efficiency.

- **Communication skills:** Needless to mention, good communication skills will go a long way in ensuring the team delivers exactly what is expected. The professional should also be an active listener so that there are open channels of communication and high-level transparency within the team.

***“I believe these skills are very important for young professionals aspiring to become CFOs to cultivate in their careers.”***





# HR AT THE HELM

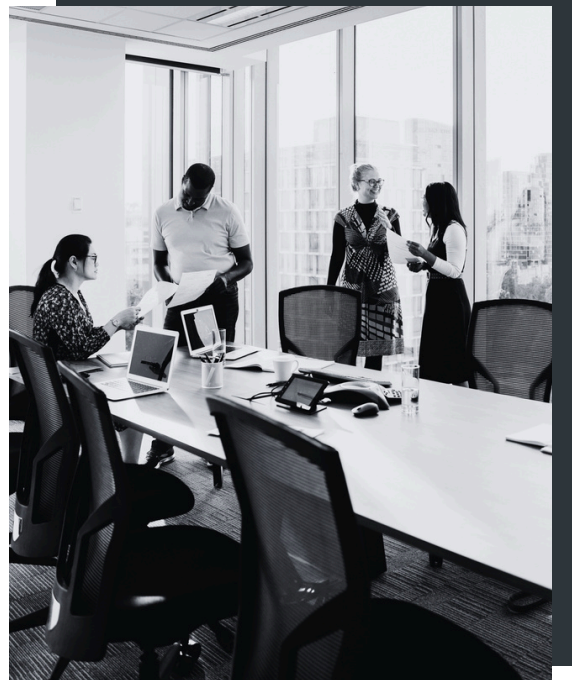
## THE ROLE OF HR WITHIN THE BOARD OF DIRECTORS FOR MSMES AND STARTUPS IN INDIA

BY ABHIMANYU KUMAR

**T**he visibility and importance of HR at the board level have been steadily increasing due to enhanced governance oversight and the growing recognition of HR as a strategic contributor to future-proofing businesses in terms of talent and culture.

This trend is especially relevant for Micro, Small, and Medium Enterprises (MSMEs) and startups in India, given the significant changes and opportunities in the business landscape. In India, MSMEs contribute to approximately 30% of the GDP and 45% of the manufacturing output.

The government's policies, such as the "Atmanirbhar Bharat Abhiyan" and the introduction of the MSME Development Act, aim to bolster this sector through financial support, market access, and technological upgrades. Additionally, the startup ecosystem has seen exponential growth, with over 90,000 startups recognised by the Department for Promotion of Industry and Internal Trade (DPIIT) as of 2023.



The Indian startup ecosystem is thriving, supported by government initiatives like Startup India and tax incentives.

With a focus on innovation and technology, startups are becoming significant players in the global market. For instance, India's startup ecosystem raised \$24 billion in 2022, demonstrating the increasing investor confidence and market potential.

On the other hand, the geopolitical landscape has further enhanced the strategic importance of HR for Indian businesses. The China+1 strategy, adopted by global companies to diversify their supply chains away from China has positioned India as a key alternative. This shift brings opportunities for MSMEs and startups to integrate into global supply chains, requiring a robust HR strategy to manage talent acquisition, development, and retention effectively.



# The CHRO's Role at the Board Level

## **1. People Strategy and Risk Agenda:**

For MSMEs and startups, the CHRO champions the people strategy at the board level, helping the board understand the desired employer brand, market positioning regarding talent and skills, and primary risks. This includes navigating AI-empowered work, remote working complexities, and political unrest impacts.

## **2. Talent, Skills, and Sustainability Agenda:**

CHROs in MSMEs and startups ensure the board is informed about talent sustainability, critical skills attraction, development, and retention. They also address CEO succession and the recruitment of future board members while emphasizing environmental, social, and governance (ESG) matters.

## **3. Culture, Engagement, and Productivity Agenda:**

The CHRO clarifies the desired organizational culture, employee engagement, and how workplace practices contribute to productivity and performance. This involves going beyond employee engagement surveys to show how HR initiatives drive the desired culture and engagement levels.

## **4. Workforce Diversity Agenda:**

The CHRO promotes workforce diversity, ensuring the board recognizes the organization as accessible, representative, and inclusive. This involves understanding key workforce drivers like compensation, benefits, ethics, and policy.

# Challenges Faced by CHROs at the Board Level

**Board Composition and HR Understanding:** Many board members in Indian MSMEs and startups come from financial backgrounds, often preferring previous CEOs, COOs, or CFOs as board members. This can lead to a lack of understanding and appreciation of the HR agenda, causing exclusion from critical conversations and dismissal of the CHRO's suggestions.



## Strengthening the HR-Board Relationship: 5 Steps

- Setting Mutual Expectations
- Actively Investing in Board Relationships
- Simplifying Upwards
- Balancing Listening with Telling
- Presenting a United Front with the C-suite

### 1. Setting Mutual Expectations:

CHROs must establish clear agreements with the board aligned with the four agendas, defining their role and setting expectations for board input.

### 2. Actively Investing in Board Relationships:

Cultivate relationships with board members outside the boardroom, ensuring open communication channels to manage expectations.



### 3. Simplifying Upwards:

Translate HR information to demonstrate its relevance and value to the board, using storytelling and consistent HR board report formats.

### 4. Balancing Listening with Telling:

Balance informing the board about HR activities with seeking feedback and input to maximize the limited time spent with the board.

### 5. Presenting a United Front with the C-suite:

Ensure alignment with the C-suite on critical matters presented to the board, fostering mutual trust and support during discussions.

# Essential Skills for CHROs at the Board Level

## 1. Improving Business Acumen:

Extend knowledge beyond the organizational context to include insights into macro-market dynamics, megatrends, and industry developments.

## 2. Active Listening and Storytelling:

Develop the ability to actively listen, interpret information, and use data to tell compelling stories that drive business decisions.

## 3. Managing Complexity

Navigate complexities by adopting frameworks for better analysis and organization, leveraging technology, and viewing arguments from various perspectives.

## 4. People Advocacy

Balance building cultures of well-being with driving performance, representing the people's voice while balancing business priorities.



Building strong HR-board relationships is essential for CHROs in Indian MSMEs and startups to effectively influence key areas such as governance, executive pay, diversity, and succession planning. Successfully navigating board interactions can establish the legitimacy and credibility necessary to drive the strategic HR agenda. If your organization needs expert guidance and leadership in this area, Flipcarbon is the way to go for specialized Fractional CHRO services.





# LIFE AT FLIPCARBON

Unlock your best self

Aditi Angel Patro





# “ The Raw and Real Stories of the Flipcarbonites. ”

## ***Balasubramanian P.G - Business Intelligence Analyst***



At Flipcarbon, every day is a journey of discovery and growth. Surrounded by cutting-edge analytics and forward-thinking colleagues, I thrive on continuous learning and exposure to diverse perspectives. The culture fosters inclusivity, propelled by visionary leadership that

nurtures talent with unwavering guidance and mentorship. It's a place where challenges are opportunities and every accomplishment fuels ambition. At its core, Flipcarbon isn't just a workplace; it's a catalyst for professional metamorphosis, where passion meets purpose, and success is a shared journey.

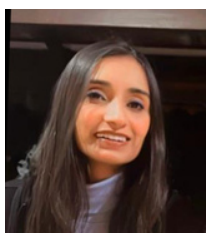
## ***Anand Suryavanshi - Account Executive***



“Balancing work and life at Flipcarbon has been a transformative journey for me. The company's unwavering commitment to both professional excellence and personal well-being has empowered me to flourish in my career while cherishing time with my

loved ones. This nurturing environment makes me feel genuinely valued, understood and inspired every day. Knowing that my well-being is as important as my contributions fills me with a deep sense of gratitude and motivates me to give my best, both at work and in life.”

## ***Tarushi Chaudhary - Client Engagement Manager***



“Flipcarbon gives you a dynamic blend of innovation, camaraderie, and growth. Every day, I am inspired by the collaborative spirit that fuels our team's success. At Flipcarbon, we don't just work—we innovate, we excel, and we create lasting impact.

Proud to be part of a workplace that values passion and drives towards excellence.”

# Beyond Work: Discovering Joy with Flipcarbon's FlipFun Vibes.





# We Collaborate with Our Clients to Achieve Success Together.



Annual meet at Essenzaa



Factory review at Incertec



Strategy discussion with Kidikools



Annual meeting at Balaji Namkeen & Fryums



# Together, We Shape Unparalleled Success.



Annual event of Secure Layer 7



Annual Meet at Gemini Power Hydraulics Pvt. Ltd.



AOP Session at DAC



# Empowering Success Through Teamwork.



**Advanced Negotiation Skills Workshop at MSN Laboratories**



**Training on "Time Management" at Velji Dosabhai & Sons Private Limited**



**Town Hall at K Patel Phyto Extractions - Factory**



**Training on "Change Management" at Tataria**



# Mastering Techniques for Real-Time Success.

## Training Program at EID Parry.



**Responsible Parenting Training**



**Goal Setting Workshop**



**Team Building Workshop**






# NEWS


Celebrating collaborative achievements.



Headlines from Flipcarbon

# We are honored by mentions from our valued clients on LinkedIn.

**Velji Dosabhai & Sons Private Limited** ...


827 followers  
1d • 


At VDSPL, we believe capability building is crucial for success. In 2024-25, our partner Flipcarbon facilitated a transformative "Time Management" training for 11 employees, covering:

- 👉 Importance of Time Management
- 👉 Setting Priorities & Goals
- 👉 Planning & Scheduling
- 👉 Overcoming Procrastination
- 👉 Effective Delegation
- 👉 Managing Distractions
- 👉 Utilizing Productivity Tools
- 👉 Stress Management

Through interactive training and real-life case studies, our team gained practical skills to enhance productivity and reduce stress. Thank you, [Flipcarbon: Strategy, Change, Consulting and Fractional CHRO](#) for an impactful session!

[#TimeManagement](#) [#EmployeeDevelopment](#) [#Productivity](#)  
[#VDSPL](#) [#ContinuousImprovement](#) [#TeamGrowth](#)

**Prateek N. Kumar** • 2nd ...



Founder CEO, Successful entrepreneur, Startup Mentor , Investor, business write...  
2d • Edited • 

Attending NeoNiche offsite at Novotel Dona Sylvia Goa along with 200 plus Family members ....we have come a long way in the last 13 years ....Thanks to the trust shown by our Customers ,Vendor Partners and team but most importantly to our Competition too ....you make us better and together we make this wonderful industry remarkable.


[NeoNiche Integrated Solutions Pvt. Ltd.](#) Attul Sreenath Samya Dutta Deepak Madan Naveen Ghantasala Ashish Sedani Valay Lakdavalala [Prabhash Nirbhay](#) Gautam Kapadi Fayzad Wadia Alok Ranjan





# This inspires us to continuously strive for excellence and deliver outstanding results.

 **Keka HR**  
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Balancing technology and human value is crucial for modern HR. How do we ensure psychological safety and promote talent mobility? Discover insights from Bengaluru's HR leaders on driving workplace success.

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Vijay Yalamanchili | Kulin Shah | Kshitiz Sachan★ | Dr. Manish Kothari | George Varghese M | Nitin Kumar | Eric James | Ranaq Sen | Dr. Nishat Afzal | #HRKatalyst #HumanResources #HRCommunity #Keka




**George Varghese**  
Business Head - Flipsearch

Organizations first need to have a proper, defined vision, mission, values.



**Shivanand Mohan , SHRM-SCP • 2nd**

IIM Kozhikode | Advanced Hogan Certified | Marshall Goldsmith Certified Coac...  
4d • 

**Prabhash Nirbhay** facilitated a very thought provoking Advanced Negotiation Skills Workshop for Leadership Development Program participants at **MSN Laboratories** ..Packaging profound insights from across several corporate situations in a very compelling impactful manner helped the participants learn crucial aspects of how one negotiates. Counterintuitive multilateral win win negotiation strategies and tips were brainstormed through activities and case studies



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Infinite Possibilities