

# BUSINESS STRATEGY



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## Short Description

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## Description

### Case –3

**Synergos# is a young management and strategy consulting firm based at Mumbai. It was established in 1992 at a time when there were a lot of expectations among the industry people from the liberalization policies that were started the previous year by the Government of India. The consulting firm is an entrepreneurial venture started by Urmish Patel, a dynamic person who worked with a multinational consulting-firm at the He left his comfortable position there to venture into the management consultancy industry the motivation was to be ‘the master of his own destiny’ rather than being an employee working for others. Urmish comes from an upper middle-class Gujarati family, settled in a small town in Rajasthan.**

**His father was a government servant who retired with a meagre pension. His mother is a housewife. His other siblings are all educated and well-settled in their respective careers and professions. Urmish is a creative individual, uncomfortable with the status-quo. During his student days at a college at Jaipur, he was continually coming up with bright ideas that some of his friends found to be preposterous. To him, however, these were perfectly achievable ideas. He studied biotechnology and then went to the US on a scholarship to do his Masters. After a semester at a well-known university there, he lost interest and switched to pursue an**

**MBA. He liked it and soon settled down to work with an American consultancy firm and toured several countries on varied assignments during the seven years he worked there.**

**In 1992 came the urge to Urmish to chuck his job and be on his own. It was a risky, yet an exciting step to take. His accumulated capital was limited— just enough to rent office space, buy a few computers and hire an assistant. There were no consultancy assignments for the first three months. But an acquaintance soon came to his aid, introducing him to the CFO of a major family business group who needed advice on a performance improvement project they wanted to launch. The opportunity came in handy though the returns were nothing to write home about. That project was the first step to many more that came gradually. Synergos started gaining presence in the competitive management consultancy industry and attracting attention from the people whom they worked for. Word-of-mouth publicity led them from one project to another for the first three years till 1995. Synergos took up whatever came its way, delivering a cost-effective solution to its clients.**

**A team of four had formed by now, each member of the team specializing in services rendered to the clients. For instance, one of the members is a specialist in engineering projects, while another has expertise in finance. The third one is a service sector specialist, also having experience in dealing with government matters. The phase of rapid growth started some time in 1995 when the Synergos team decided to focus on the**

**small and medium enterprises (SMEs). These were firms that realized they had problems needing specialist advice; but were apprehensive to approach the big firms on account of their limited outlay and inexperience of dealing with such firms.**

**Synergos came to their aid by tailoring their services as near as possible to their needs. Another differentiation platform Synergos offered to its client was a fully-integrated consultancy service where it got involved right from the stage of planning down to its implementation and monitoring. Presently, Synergos has grown to be a medium- sized consultancy firm, serving clients in India and abroad, working for industries ranging from auto components to financial services and for manufacturing organizations to service providers. Somehow, nearly half of the assignments it has worked on have been for mid-sized, upcoming family- owned businesses, a niche it has served well.**

**These organizations typically need a boutique sort of consultancy that can offer customized services dealing with a broad range of practices related to strategy, organization design, mergers and acquisitions and operational matters such as logistics and supply-chain management. Synergos fits in with their requirements owing to its personalised service and reasonable-commission structure. The organizational structure at Synergos has a board at the top, consisting of seven people, including the four founding members and three independent directors. One of the independent directors is the chairman of the board. Urmish, as the founder CEO, also heads an executive management committee with each of the founding Members, leading three other top-level committees dealing with business portfolio, service management and executive recruitment. The management team is called the professional group. The rest of the employees are referred to as the – staff. -The professional group has young women and men who are graduates from some of the best institutions in India and abroad. They are assigned to taskforces based on their qualifications, experience and interests. The departmentation at Synergos is flexible, based on -an interplay of the three categories: skill, service and specialty. For instance, a professional may have IT skills, may have worked to provide**

**supply- chain management services and developed expertise in handling operational assignments for medium-sized food and beverage firms. There is a lot of multi-tasking however, to utilise the wide – range of skills and special expertise that the professionals have For administrative matters the professionals are assigned to client-service departments of industry solutions, enterprise solutions and technology solutions. The flexibility that such an organisational arrangement affords seems to have been the major reason for the evolution of the organization structure at Synergos over the years. The staff group of employees consists of the support people who provide a variety of services to the professionals.**

**Among these are research assistants, industry analysts, documentation experts and secretarial staff. There is no set pattern for assignment of staff to the administrative departments and generally, a need-based approach is followed, depending on the workload at a particular time. Recruitment for professionals is stringent. Synergos typically looks for a good combination of education and experience and lays much emphasis on the compatibility of the prospective employee with the shared values. Creativity, broad range of professional interests, intellectual acumen, team- working and physical fitness to undertake demanding tasks and work for long hours are the criteria for hiring. There are not many training opportunities except the on-the-job learning.**

**New professionals are assigned to a mentor for some time till they are ready to handle assignments autonomously. The staff members are usually recruited from fresh graduates, with good degrees from reputed institutions, in arts, sciences and commerce. The staff positions are also open for persons wanting to work on part-time or project-bases. Emphasis is given to the ability of the prospective staff to undertake multi-tasking and work with documentation and word processing and presentation software packages. The compensation system consists of a base salary with commission and bonus depending on performance. There are other usual elements such as medical reimbursement, loan facility and gratuity and retirement benefits. The performance appraisal is informal, with at least one of the four founding members being part of the evaluation committee for a professional.**

**Usually, the founder member closest to the work area of the employee is involved in determining the rewards to be given. The time-cycle for appraisal is one year. Management control is discreet and performance-based rather than behavior-based. The means for control are informal, such as direct supervision. Urmish is a strong proponent of the emergent strategy and is not in favor of tying Synergos to a fixed strategic posture. So are the other founder members, though at times they do talk about deciding on a niche such as the SME organizations as clients and enterprise solutions as the core competence. In the highly fragmented consultancy industry where it is possible for even one person to set up an office in a commercial area and leverage connections to secure projects, Synergos is open to opportunities as they emerge, while trying to maintain the flexibility that has made it successful till now.**

**Questions :- (Any Two)**

- 1. Identify the type of organization structure being used at Synergos and explain how it works. What are the benefits of using this type of structure? What are the pitfalls?**
- 2. Express your opinion about whether the structure is in line with the requirements of the strategy that Synergos is implementing.**

- 3. Based on the information related to the information, control and reward systems available in the case, examine whether these systems are appropriate for the type of strategy being implemented.**

## **Details**

**1. Case study solved answers**

**2. pdf/word**

**3. Fully Solved with answers**