



ARE WE READY TO FACE THE CHANGING WORLD?

The Indian economy is on a roll. GDP growth for this year is expected to be almost 7%, this on the back of a 14-year high of 8.5% growth last year. Corporate India gave the Finance Minister's Union Budget 2005 a thumbs-up for tax and tariff cuts, and the Sensex has been touching new all-time highs ever since.

Along with China, India has become the flavor of the times. Last year witnessed visits from over 600 global CEOs, each of whom pronounced India and China the growth markets of the future. Clearly, the gold rush has begun.

The inevitable momentum of growth and prosperity that follows, however, also throws up its own set of challenges. What are they? As I see it, there are three issues that the public relations professionals will have to consider going forward.

The inflection point. New opportunities are changing the rules of the game, or, as former Intel CEO Andy Grove put it, this is an inflection point for the industry.

The media is exploding. From 2 (NDTV, CNBC) business channels there are close to 10 today in English and Hindi. Consumer marketers are turning their attention to smaller towns rather than focusing exclusively on the big cities. And competition isn't what it used to be; in sector after sector, US, Korean, Japanese and Indian corporations battle fiercely for a share of the increasingly prosperous India consumer's wallet. Equally, Indian corporations are increasingly looking at establishing their presence overseas.

Is the public relations industry ready and able to deal with this rapidly changing business environment?

Talent. India graduates less than 500 communication professionals every year. About 30% choose public relations as their profession. That means less than 100 new professionals come into the business each year. Is that enough to develop a vibrant talent pool? Firms will find it a significant challenge to attract and retain talent.

Only a few firms have the depth and resources to invest in developing and growing its talent pool. Last year, Genesis invested in our own one-year programme christened the ALP or Associate Learning Programme.

Leaders and managers in various parts of the industry (corporate or consultancy) were born in the so called 'old' economy, without mobile phones, e-mails and the other accoutrements of nano-second connectivity.

Are they ready to thrive in the 'on demand' economy where everything is real-time? Notions of 'work-life' balance are changing and the ability of corporations to adapt to this trend and enable employees to deal with it could well be the key to retention.

Margins. A recent survey in a leading magazine attributed 'higher salary' as a major reason for a job change for over 70% of the respondents. This suggests that firms will have to strategize far more shrewdly to balance rising employee expectations with the increasing demands for value from their clients. Keeping costs aligned with top-line growth is perhaps the biggest issue that the industry will have to tackle.

All of this will demand new skills, new services and new leadership. Some will thrive, some will survive but many more will die. Perhaps we will begin to witness some consolidation in the industry and see global majors increasing their presence in the market. Every major player is present in India



but mostly in the form of affiliations. All in all It would be fair to predict that the years ahead will not be boring for the public relations industry.

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