



# India Reimagined

Building Competitive, Sustainable  
Exponential Organizations



Insights and Recommendations along with Future  
Readiness Assessment of NIFTY50 Organizations

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# Executive Summary

India is the fifth-largest global economy with a GDP of \$4 trillion and is estimated to grow at an annualized 6.4% and double in size by 2030, overtaking Japan and Germany.

India is home to well-known corporate names like Tatas, new-era technology firms such as Infosys, and global multinationals such as Unilever. The crème-de-la-crème of Indian organizations is represented through the NIFTY50 index, its constituents coming from 14 critical sectors of the economy. These NIFTY50 firms generated combined Revenues of \$780 billion in the financial year 2022-23 and had a Market Capitalization of \$1.84 trillion as of September'23.

In the context of the **growing significant and defining role being played by Indian businesses globally**, we at OpenExO set out to **ascertain the future readiness** (scalability and adaptability, agility, and resilience) **of Indian firms, especially the larger incumbents**. We assessed the NIFTY50 constituents (as of July'23) as representatives of the Indian Inc.

And we assessed them through the lenses of the 11 attributes of MTP + S.C.A.L.E. + I.D.E.A.S. leveraged by the new breed of highly successful firms called the **Exponential Organizations (ExOs)** – to stay ahead of the curve, outperform their peers, and deliver holistic positive impact.

And, being Exponential matters. We had established this through an in-depth analysis of the **financial performance of Fortune100 firms** over the period of 2014-2021. The **top10 Exponential Organizations** amongst the Fortune100 had **outperformed** their non-exponential bottom10 peers by delivering a staggering **40x higher shareholder returns, 6.8x higher profitability, 2.6x better revenue growth, and 11.7x better asset utilization**.

**Through this inaugural publication**, we share with the Indian and global business leaders and policymakers our analysis of the 'Exponential Quotient' (ExQ) rankings for the NIFTY50 constituents and the **four key strengths** and **four key improvement opportunities** displayed by the NIFTY50 firms at an overall level.

Building upon the current best practices and addressing the highlighted improvement opportunities would enable **Indian organizations to Thrive** in the current era of disruption yet abundance and, more significantly, **create a Reimagined, Competitive, and Sustainable India**.

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OpenExO is a global community and ecosystem of 34,000+ professionals leading and enabling evolution and transformation journeys for hundreds of start-ups, scale-ups, and incumbent organizations across industries and geographies.

# Nifty50 Highlights



## Overall Performance

- **62 / 100** is the **average Exponential Quotient** score for NIFTY50 firms.
- **Only 10 percent** of the NIFTY50 firms emerge as **Exponential Organizations** and are expected to thrive and outperform.
- **40 percent** of the firms are **Linear organizations** and risk becoming redundant unless they shift gears to become resilient and agile.



## Firm-Level Performance

- **Hindustan Unilever**, the FMCG major, emerged as the **most Exponential**, while the **Power Grid Corporation**, the state-owned utility, emerged as the **least Exponential** Indian organization.
- **TCS, Eicher Motors, Infosys, and Reliance Industries** are the other four most Indian **Exponential Organizations**.
- **Coal India, ONGC, SBI Life Insurance, and NTPC** emerged as the other four least-exponential Indian organizations.
- The **Top5** Exponential Organizations are **1.7x more progressive** (agile, resilient, scalable, and adaptable) **than** their **Bottom5** peers.



## Strengths in Action

- **Being Purpose-Driven** and **Stakeholder-Centric**, seeking to create a positive impact for ALL stakeholders.
- **Embracing Digital** and deploying different established and emerging technologies and solutions across the organizational value chain.
- **Deploying Robust Governance**, measuring and transparently reporting what matters across Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural Capital at strategic and operational levels.



## Improvement Opportunities

- **Embed Digital** for Digitalization (not just Digitization) by being early adopters of Generative Artificial Intelligence (AI) and other exponential technologies, and establishing digital business ecosystems.
- **Engage Customers** for strategic involvement and enrich their experiences through gamification of different touchpoints across the lifecycle.
- **Build Entrepreneurial Capabilities** by fostering risk-taking and decentralized decision-making, deploying Exponential SPRINTs, and setting up incubation center(s).

# An Era of Disruption, and Abundance

We find ourselves at a critical juncture in human history when our world is evolving at an increasingly accelerated pace, characterized by what's often called VUCA (Volatility, Uncertainty, Complexity, and Ambiguity). We are seeing radical shifts in demographics, consumer behaviors, global and regional geopolitics, and societal fabrics, and perhaps most significantly, we are witnessing wave upon wave of technological advancements converging and growing exponentially.



Ronald H. Coase won the Nobel Prize in 1991 for his discovery and clarification of the significance of transaction costs and property rights for the institutional structure and functioning of the economy. His rationale was that, for big companies, internal transaction costs were lower than getting things done on the outside, thus creating economies of scale. This became known as Coase's Law.

However, over the last two decades, the enormous power of technology has broken Coase's Law. Between mobile phones, the internet, and AI, the lines between a large organization and the outside world have blurred and become fragmented. As a result, we have been seeing large operating companies giving way to platforms, and platforms are transforming into ecosystems. What's most incredible about this ongoing transformation is its sheer speed.

A hundred years ago, the average lifespan of an S&P 500 company was 67 years. Today, it's about 15 years. And it will get even shorter. Over half of the companies that made up the Fortune 500 in 2000 have vanished. Giants like Blockbuster, Kodak, Nokia, Sears, Yahoo, Xerox, and Toys "R" Us have fallen by the wayside via bankruptcy, acquisition, shutdown, or becoming a far more petite version of their original size.

## Welcome to the Exponential world.

The word "exponential" signifies not just a theory but also a warning: the business world is moving so quickly and purposefully that if you're not already changing your business model and thinking differently, you will be fatally left behind.

It is a place where neither age, size, reputation, or even current sales guarantees that your organization will be around tomorrow. On the other hand, it also offers abundant opportunities where, if you can build an organization that is sufficiently scalable, fast-moving, and smart, you may enjoy success to an- imaginable degree. And all this with far fewer resources and in far less time than the businesses of previous decades.

# The Exponential Organizations (ExOs)

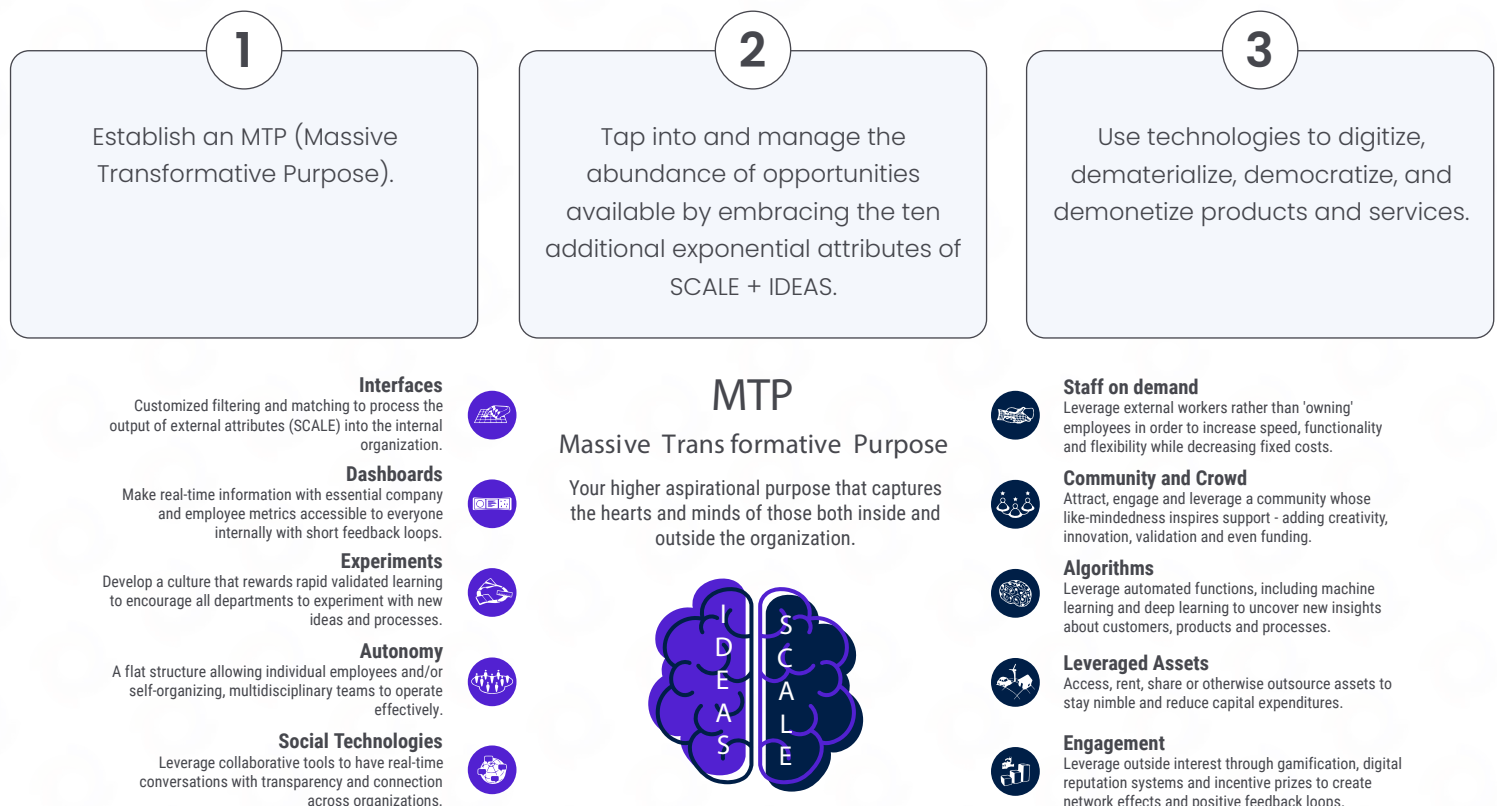
As highlighted earlier, the onset of the 21st century has witnessed not only accelerated change and disruption but also the emergence of a new breed of organizations that have revolutionized how to achieve superior performance benchmarks and grow significantly better than their peers.

In October 2014, the seminal book EXPONENTIAL ORGANIZATIONS by SALIM ISMAIL was released. Salim and his team had decoded and shared the secret sauce behind the radically better business performance of this new breed of firms in the form of the Exponential Organizations framework. Over the years, the book became an international bestseller, winning several recognitions and awards.

Earlier in June 2023, ExO 2.0, the playbook for 10x Growth and Impact, was released, providing new insights based on case studies of several new Exponential Organizations, and new perspectives based on experiences drawn from collaborating with various organizations on their exponential journeys over the last decade.



The foundation of the Exponential Organizations is the formula for developing 10x better, bolder, and cheaper concepts and driving them 10x faster through to implementation:



**Both books emphasize that an Exponential Organization will see powerful outcomes:**

✓ greater customer responsiveness, ✓ higher employee and partner engagement, ✓ better financial performance in terms of revenues, profitability, return on capital, and, most importantly, ✓ higher levels of resilience and impact.

# Being an ExO Matters

After the release of the Exponential Organizations book in 2014, a study was undertaken to assess the US Fortune 100 organizations through the lens of the ExO success formula, using a set of 21 questions to establish their Exponential Quotient (ExQ).

The study identified the Top10 exponential organizations (the most scalable and adaptable) and the Bottom10 non-exponential organizations among the Fortune 100 firms. The analysis results were shared in CNBC's Squawk Box program in June 2015.



Fast Forward eight years. Last year, in August 2022, we at OpenExO published the report "The Success Imperative," which was based on the analysis of the financial performance levels of these organizations over the eight years of 2014-2021.

During the 8-year assessment period between 2014 and 2021, we witnessed a **23% churn rate amongst the Fortune100 organizations. 12 of the Fortune100 organizations** from the 2014 rankings were acquired by their competitors or by private equity organizations. Another 11 lost the tag of being one of the largest 100 organizations since their revenues were lower than the \$31.5 billion threshold (Tesla's revenues ranked 100th in the 2021 list). **Except for one, all these 23 organizations had scored low on the Exponential Quotient.**

Further, the **Top10 Exponential Organizations** amongst the Fortune100 firms sustained or marched ahead compared to their bottom10 non-exponential peers and **delivered a staggering**



**40x HIGHER SHAREHOLDER RETURNS**



**6.8x HIGHER PROFITABILITY**



**2.6x BETTER REVENUE GROWTH**



**11.7x BETTER ASSET TURNOVER**

This analysis established and confirmed that **being an Exponential Organization matters**. Exponential Organizations outperform their peers, achieve superior business performance levels, are agile and resilient, and hence able to thrive in the current era of disruption yet abundance.

Further, in our work at OpenExO (and that is done by our broader community of Exponential Organizations coaches and entrepreneurs) with various start-ups, scale-ups, and incumbents in the business world, as well as with different non-profits and government institutions, we have witnessed fantastic results being delivered by hundreds of entities when they embrace the 11 exponential attributes of MTP+SCALE+IDEAS as part of their exponential transformation journey.

# The Nifty50 Constituents

adani

Adani Enterprises Limited



adani

Ports and  
Logistics



BAJAJ FINANCE LIMITED



Cipla



Dr.Reddy's



HCL



IndusInd Bank



TATA  
CONSUMER  
PRODUCTS



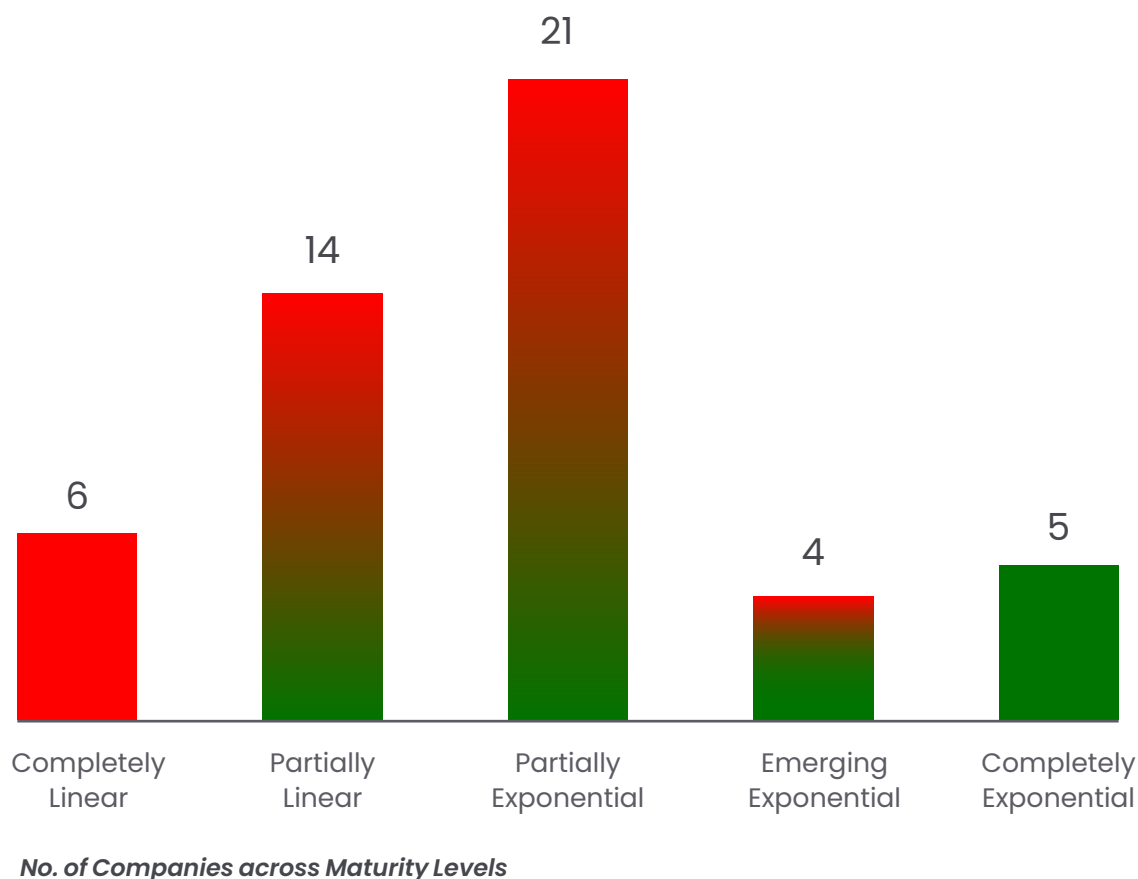
TECH  
mahindra



# So, How Exponential are Nifty50 Firms?



## Overall Results



Exponential Quotient (ExQ) for the NIFTY50 constituents is **62/100** on an aggregate basis.

**Only 10 percent** of the NIFTY50 firms have emerged as **Exponential Organizations**, and we expect them to thrive and stay ahead of the curve, creating a positive and sustainable impact for all their stakeholders.

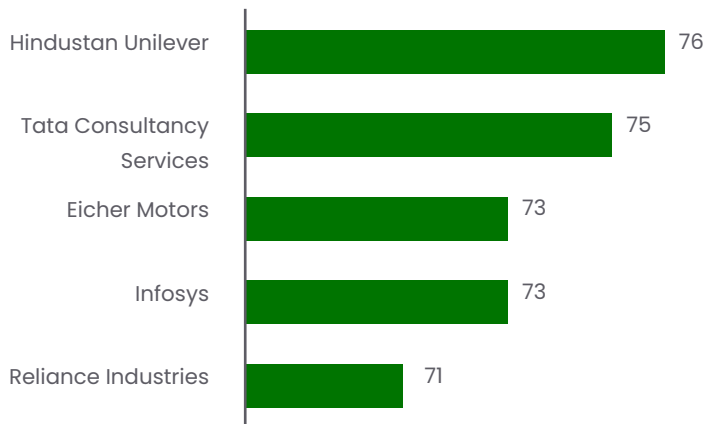
**Forty percent** of the NIFTY50 firms can be classified as **Linear Organizations**. They are still following what we call old-school business practices. While a competitive advantage till a few years ago, these business practices need to be revised in the current VUCA and disruptive era. Unless highly favorable external tailwinds allow them to survive, these organizations risk becoming irrelevant in a competitive landscape or requiring intense shareholder support.

The **other 50 percent** of the NIFTY50 firms are **partially or emerging Exponentials**. While they have been embracing some of the 'next and best' practices across different dimensions of exponential attributes, the legacy business practices and the corporate immune system seemingly continue to drag them towards linear thinking and doing. Business leaders at these organizations would need to make conscious decisions and actions to embark on an exponential journey formally.

**Note:** Details about the assessment methodology deployed are provided at the end of this section.



# The Leaders and the Laggards

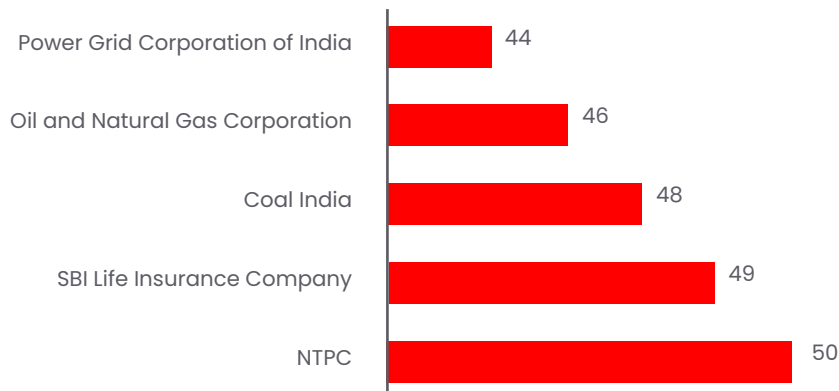


**Hindustan Unilever**, the FMCG major, with revenues of \$7.5 billion in FY22-23, emerged as the **most Exponential Indian organization**.

The largest Indian-listed organization, Reliance (Revenues of \$109 billion), along with the stalwarts of the Indian Information Technology industry, TCS (\$28 billion revenues) and Infosys (\$18 billion revenues), joined HUL in the elite list of Top5 Indian Exponential Organizations (ExOs). Eicher Motors, the third smallest member of the NIFTY50 in terms of revenues (\$1.8 billion), took the third position to complete the list of Top5 Indian ExOs.

Should these organizations sustain and continue to improve and innovate their business and operating models, we expect them to create value and deliver significant holistic impact over the mid to long term.

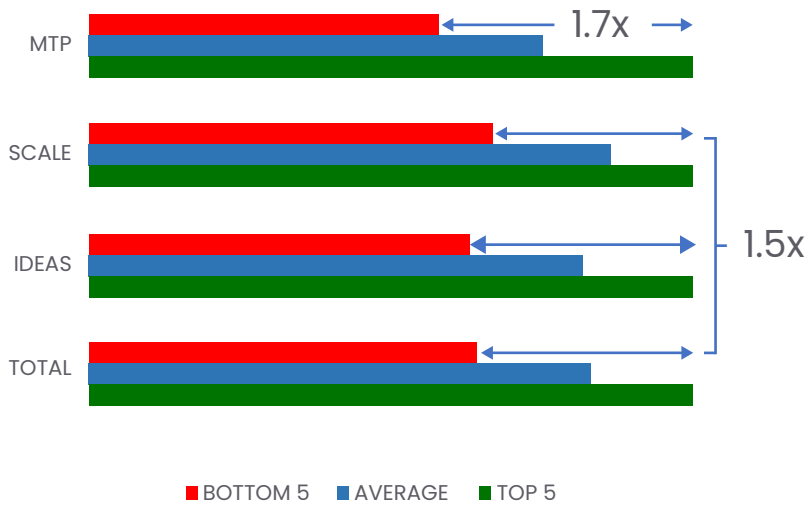
**Power Grid Corporation**, the state-owned Utility with revenues of \$5.7 billion in FY22-23 with a score of 44, has emerged as the **least Exponential Indian organization**.



Three other laggards amongst the NIFTY50 are also state-owned firms in the Energy area. SBI Life Insurance, a significant player in the Indian Insurance arena, completes the Bottom5 list of the least exponential Indian organizations. While giving all these firms full credit for having actively embraced Digital at operational levels, the harsh reality is that their purpose and underlying core business models have remained linear.

It's worth highlighting that the Indian energy sector is still quite fossil-dependent, with firms adhering to an old-school approach toward customer engagement, talent empowerment and development, and not aggressively incubating and adopting innovative infrastructure and technologies. They would need to shift gears and reinvent themselves and do so before it's too late. Given that these firms play a strategic role as energy providers of the country, we don't expect them to become extinct, but they could indeed become a bottleneck in building a competitive and sustainable India.

## The Performance Differential



The Top5 most Exponential Indian Organizations are **1.7x more Massive Transformative Purpose (MTP)** driven than their Bottom5 peers. They have a distinct focus on creating a better future and positively impacting ALL their stakeholders, including the Earth itself.

The Top5 most Exponential Indian Organizations are also **1.5x more Progressive** than their Bottom5 peers in building capabilities related to scalability and resilience (SCALE), and adaptability and agility (IDEAS) to succeed in the current disruptive era. They are more likely to thrive in the face of adversity and stay ahead of the curve.

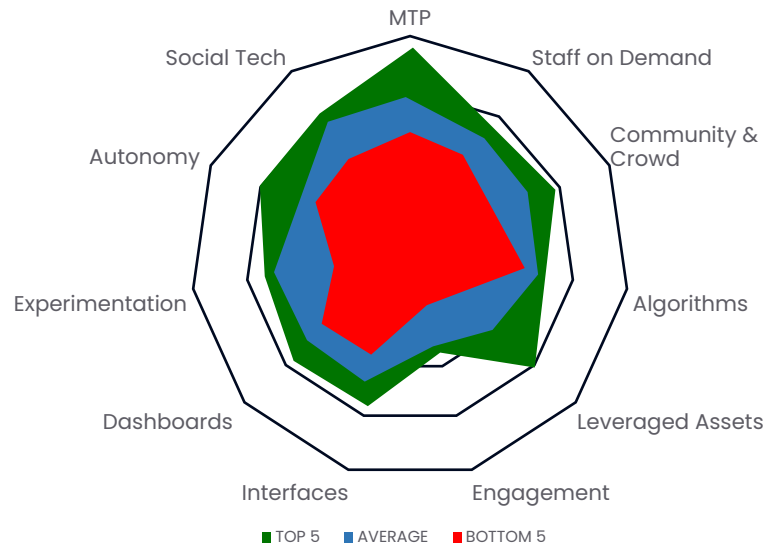
The Top5 Indian ExOs outperformed their Bottom5 peers across all the 11 Exponential Attributes of MTP, SCALE, and IDEAS.

**The most significant differentiators are threefold.**

**Firstly**, the Top5 ExOs extensively **leverage external assets** to complement and supplement their internal resources compared to their non-exponential peers and most other NIFTY50 firms. They leverage partners and suppliers across the value chain to manage their core business activities, produce and deliver products and services, and have a higher proportion of 'right of use / on-demand assets' than their peers.

**Secondly**, they **focus on building capabilities and a culture of experimentation**. They actively deploy approaches such as lean startup, agile, and design thinking across the different parts of the organization to improve and innovate continuously. Failure and risk-taking are expected, pervasive, and even celebrated in these exponential organizations.

Finally, they **strategically engage with their wider network of stakeholders** (customers, employees, external suppliers, partners, society, and communities) for not just outreach and marketing but also **for shaping up the business agenda** (e.g., actively and continuously seeking ideas and even collaborating for product and services improvement and innovation).



# The Complete Rankings

Name	Sector	ExQ Score	ExQ Rank*
Adani Enterprises	Metals & Mining	65	10
Apollo Hospitals Enterprise	Healthcare	61	28
Adani Ports and SEZ	Services	66	8
Asian Paints	Consumer Durables	60	31
Axis Bank	Financial Services	63	17
Bajaj Auto	Automotive	57	38
Bajaj Finance	Financial Services	67	7
Bajaj Finserv	Financial Services	62	25
Bharat Petroleum Corporation	Oil Gas & Fuels	62	25
Britannia Industries	FMCG	60	31
Bharti Airtel	Telecommunication	70	6
Cipla	Healthcare	57	38
Coal India	Oil Gas & Fuels	48	48
Divi's Laboratories	Healthcare	64	12
Eicher Motors	Automotive	73	3
Grasim Industries	Construction Materials	60	31
Hindalco Industries	Metals & Mining	57	38
HCL Technologies	Information Technology	66	8
HDFC Bank	Financial Services	62	25
HDFC	Financial Services	59	34
HDFC Life Insurance Company	Financial Services	58	36
Hindustan Unilever	FMCG	76	1
Hero MotoCorp	Automotive	58	36
ICICI Bank	Financial Services	61	28
IndusInd Bank	Financial Services	61	28
Infosys	Information Technology	73	3
ITC	FMCG	63	17
JSW Steel	Metals & Mining	57	38
Kotak Mahindra Bank	Financial Services	63	17
Larsen & Toubro	Construction	52	45
Mahindra & Mahindra	Automotive	63	17

## The Complete Rankings

Name	Sector	ExQ Score	ExQ Rank*
Maruti Suzuki India	Automotive	64	12
Nestle India	FMCG	64	12
NTPC	Power	50	46
Oil & Natural Gas Corporation	Oil Gas & Fuels	46	49
Power Grid Corporation of India	Power	44	50
Dr. Reddy's Laboratories	Healthcare	63	17
Reliance Industries	Oil Gas & Fuels	71	5
State Bank of India	Financial Services	57	38
SBI Life Insurance Company	Financial Services	49	47
Sun Pharmaceutical Industries	Healthcare	57	38
Tata Consumer Products	FMCG	63	17
Tata Motors	Automotive	64	12
Tata Consultancy Services (TCS)	Information Technology	75	2
Tech Mahindra	Information Technology	63	17
Tata Steel	Metals & Mining	59	34
Titan Company	Consumer Durables	65	10
UltraTech Cement	Construction Materials	57	38
UPL	Chemicals	64	12
Wipro	Information Technology	63	17

**Note:** \*Relative ranking. Green Highest Scores, Red Lowest Scores

**Research Methodology:** We assessed each of the NIFTY50 firms for their future readiness from the lenses of the 11 exponential organization attributes of MTP + S.C.A.L.E. + I.D.E.A.S. by using a set of 25 questions from OpenExO's ExQ survey (each having a scoring scale of 1-4, with 1 being the lowest maturity and 4 being the highest maturity level) to ascertain their Exponential Quotient.

As in the case of earlier Exponential Quotient assessments done by OpenExO for the Fortune100, FTSE100, and JSE40, the assessments for NIFTY50 companies have also been done completely through secondary research leveraging the content published by the individual companies (websites, annual reports, investor presentations, etc.) and in various credible Indian and global publications. We leveraged Refinitiv, the global golden data source for information on public companies, to gather relevant data for the analysis related to the financials (revenues, R&D, Capex, etc.) for the NIFTY50 firms.

We plan to publish an in-depth analysis of the individual NIFTY50 companies over time at <https://openexo.com>, providing insights on their scores for each of the 11 exponential attributes (MTP, S.C.A.L.E., and I.D.E.A.S.), their key strengths, and key opportunities for improvement.



## Key Strengths in Action



### Being Purpose-Driven

Purpose, the WHY, is the soul of an organization. At OpenExO, we refer to Purpose as an organization's guiding North Star, the glue that holds everything together. It is the motivation behind why employees get up every day and put everything they have into furthering their business. It's why customers (retail B2C and institutional B2B alike) increasingly choose specific brands and companies to buy products and services from.

**The Purpose is no longer a “soft” topic but a “hard” imperative.**

With an **average score of 2.9 / 4 on the Exponential Attribute of MTP (Massive Transformative Purpose)**, many NIFTY50 firms have shown that they seek to create a better sustainable future for all.

While **Hindustan Unilever** aspires to “make sustainable living commonplace,” **Infosys** aims to “amplify human potential and create the next opportunity for people, businesses, and communities.” **Asian Paints** exists to “Beautify, preserve, and transform all spaces and objects, bringing happiness to the world,” **Reliance** wants to create “Opportunities and avenues for India and all its citizens to realize their true potential.” **Axis Bank's** purpose of ‘Banking that leads to a more inclusive and equitable economy, thriving communities, and a healthier planet’ serves as a compass in all its endeavors. **Mahindra & Mahindra's** purpose of “Driving positive change in the lives of our communities” is the foundation of its mantra “TogetherWeRise.”



The above are only a few examples from some of the NIFTY50 companies focusing on bringing positive change to their stakeholders, including shareholders, customers, employees, suppliers, and the broader society.

However, a non-massive, non-transformative, non-inclusive WHY still drives several NIFTY50 organizations. Several of the Indian firms are still focusing on basically just delivering their value proposition (e.g., “Secure availability of Coal to meet the demand of various sectors of the economy” for Coal India) or being only customer-obsessed (e.g., “Enrich the lives of our customers” for Bharti Airtel), or delivering the best products and services (e.g., “Be The Future Of Mobility” for Hero Motors), or being the best in their industry (e.g., “Be a world-class Indian bank” for HDFC Bank, “To be the global steel industry benchmark for Value Creation and Corporate Citizenship” for Tata Steel).



**Imagine all the NIFTY50 organizations having an MTP – a Massive Transformative Purpose. It's bound to catapult Indian firms** and lay the foundations for driving positive results across the 3Ps – People, Profit, and Planet.



## Embracing Digital

**NIFTY50 firms** have been actively pursuing the **Digital** agenda to improve the efficiency and effectiveness of business processes, enhance data and knowledge sharing internally and externally, and introduce digitally enabled products and services. These efforts have been reflected in reasonably good scores for the NIFTY50 organizations across the relevant exponential attributes of **Social Technology** (average score of 2.9 / 4), **Interfaces** (5.4 / 8), and **Algorithms** (8.1 / 12).

Take the case of **Reliance Industries**. While still predominantly an Oil, Gas, and Chemicals major, Digital Services accounted for 11.4% of its revenues in the last financial year. Reliance aspires to use data connectivity's transformative power to enable platforms across various ecosystems, including Media and Entertainment, Commerce, Financial Services, Education, Gaming, and Agriculture. But Reliance's digital efforts are not limited to scaling up the Digital Services business segment. Within its core business of Oil to Chemicals, projects like the Industrial IoT for Algae to oil R&D, Uber4Oil (on-demand doorstep delivery of Diesel), and processing of digital twins' development for critical process units for improved efficiency, safety, and reliability are only some examples of the broader Digital Transformation journey being pursued.

Similarly, within the financial services arena, **ICICI Bank**, one of the largest private sector banks, has been shifting gears from Bank-to-Bank-Tech Introduction of Electronic Bill of Landing for cross-border transactions at select larger corporates (resulting in a 70% reduction in transaction time), deployment of over 600 APIs for retail banking, and more than 85 APIs for corporate banking are just a few specific examples of the transformation journey in progress. The Bank's digital platforms are being transformed to provide best-in-class end-to-end seamless digital journeys, with the ability to offer personalized solutions, enable data-driven cross-sell and up-sell, onboard new customers, enable self-service, and provide value-added features. The open architecture platforms have enabled the Bank to extend banking services even to non-ICICI Bank account holders.

And, such focus on Digital Transformation is evidenced, not just by the large and private sector entities. Take the case of **NTPC**, the state-owned utility major. The organization reported saving nearly 34 million papers, equivalent to 4,100 fully grown trees annually during 2022, by going paperless as part of the project "PRADIP" (Pro-Active and Digital Initiatives to Become Paperless). In another project, it has implemented an in-house 'captive private cloud' based solution, 'Contractors' Labor Information Management System (CLIMS)', to streamline the labor-management processes and get accurate real-time availability of workers.

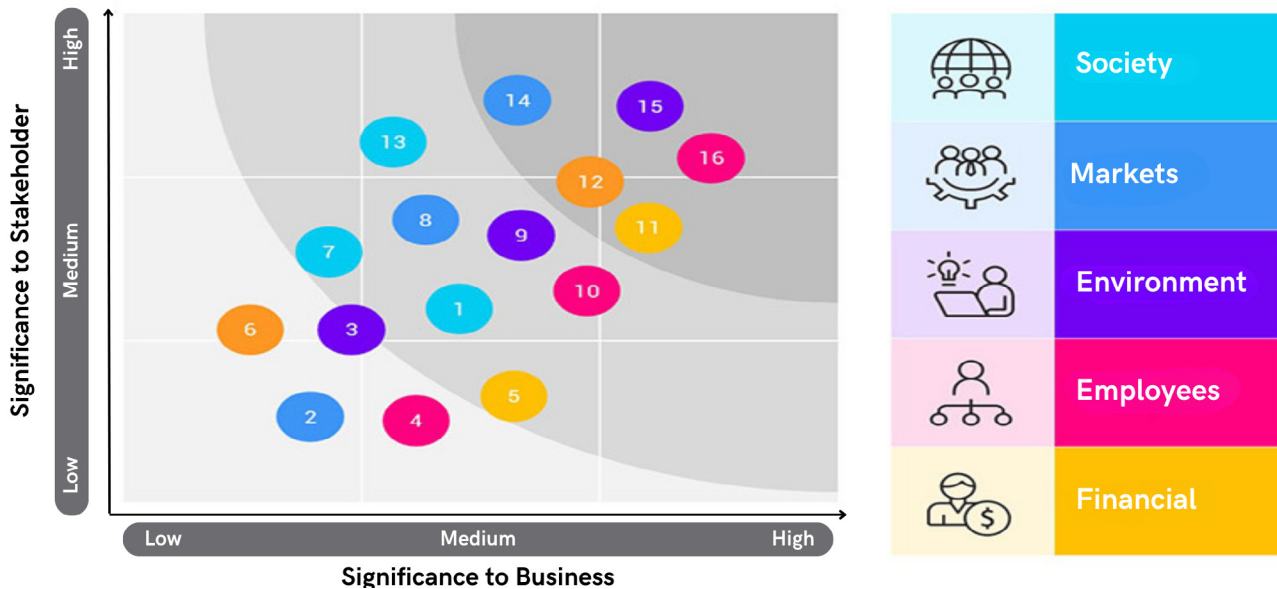


Leveraging Digital, NIFTY50 firms have improved their efficiency, effectiveness, and business performance. But the journey doesn't end here. It's just started. We strongly believe that the **next phase of digital endeavors** being pursued by Indian firms would need to be focused on the **'Digitalization' of Business Models** — more about that in the next section.



## Stakeholder Centrality

NIFTY50 firms demonstrate a consistent focus on formally understanding and aligning with their stakeholders' expectations, needs, and aspirations. This is reflected in the **average score of 3/4** on one of the **Community & Crowd** attribute elements. Many NIFTY50 firms are actively deploying a structured approach to understanding their stakeholders and leveraging the Stakeholder Materiality Matrix (a generic example below) to prioritize critical topics of interest to the organization and its stakeholders.



Consider the example of **Bharti Airtel**, the leading telecommunications player with a subscriber base of nearly 500 million and a presence in 17 countries across South Asia and Africa. The organization firmly believes that understanding its stakeholders is imperative to building trust while responding to the opportunities and challenges created by the market. Airtel has identified eight distinct stakeholder categories, key value propositions for each of them, why are they important to Airtel, different engagement mechanisms (channels, frequency), key material issues, and vital strategic responses. This structured approach is supplemented by a robust Stakeholder Materiality matrix wherein the organization has identified 18 material topics across different levels of significance to the organization and its stakeholders, and each of the topics has been mapped to the 17 SDGs.

**Tata Steel** is another shining example. The Indian Steel giant has conducted periodic materiality exercises since 2012, covering key areas such as economy, environment, community, supply chain, governance, people, and human rights. The organization has identified 15 key topics, mapped each to the six different Capital dimensions, has robust KPIs for each, and has used the outcomes to align its strategic objectives and long-term plans. As the recent annual report highlights, "Our stakeholders define us, shape our journey, and guide our purpose. Their insights navigate challenges, uncover opportunities, and build an inclusive, sustainable future."

Understanding an organization's stakeholders and nurturing relationships with them is essential for the success of any organization and long-term value creation. And most of the NIFTY50 firms seem to be doing that well.



Here lies an opportunity for the firms not deploying such best practices – **Embark on the journey of Stakeholder Centrality** – identify and understand your stakeholders, and work towards fulfilling their needs, and aspirations.



## Robust Corporate Governance

NIFTY50 firms, especially family-owned businesses, have been traditionally well-known for having a sound understanding of the business performance on a periodic (monthly, weekly, and even daily) basis through a combination of financial and non-financial metrics. As Indian organizations have progressed by focusing on different stakeholder categories, the governance mechanisms have also been strengthened over the years. Most firms are looking at not just the traditional metrics of sales, costs, profits, etc., but several real-time leading and lagging indicators across different dimensions of organizational performance.

This is reflected in a **consistent score of 3 / 4** by NIFTY50 firms for one of the elements within the **Dashboard** attribute in terms of what kind of metrics are being tracked by the individual organizations.

Most NIFTY50 firms have adopted the **International Reporting Framework** as developed by the IIRC, highlighting their focus areas, approach, and accomplishments for a multitude of KPIs (key performance indicators) across the **Six Capitals**: Financial, Manufactured, Intellectual, Human, Social and Relationship, and Natural. Further, the reporting encompasses the **Nine Principles** of National Guidelines on Responsible Business Conduct outlined by the SEBI (Securities Exchange Board of India).

Integrated reporting helps demonstrate the interconnectivity of strategy, strategic objectives, performance, risks, and incentives, which further helps to identify the sources of value creation. An integral characteristic of an Exponential Organization – ‘Fit-for-Purpose’ dashboards coupled with robust governance foster accountability, transparency, integrity, and stewardship. And, as the famous saying by management guru Peter Drucker goes, **“What gets measured gets managed.”**



What's needed for NIFTY50 firms to move to the next stage of exponential ways of working is to build 'technology-driven capabilities' for meaningful and real-time analysis and decision-making at the operational levels across the organizational value chain (internally and externally) – to make faster and better decisions, and benefit from the tempo of Build-Measure-Learn.



# Key Improvement Opportunities



## Embed Digital

As highlighted in the previous section of Strengths in Action, the NIFTY50 firms have actively embraced Digital (with COVID acting as an accelerator!). However, the digital endeavors have focused mostly on improving the current operating models, aka 'Digitization.' But that's just the tip of the iceberg.

Exponential Organizations are different. They are **pioneers and early adopters of exponential technologies** to create new products, services, and markets.

The opportunity lies ahead for Indian firms to leverage Digital to **reinvent their business models** with 'Digitalization' at its core. We are witnessing wave upon wave of advancements in multiple technologies converging, growing exponentially and becoming mainstream. Each offers the potential to create either adjacencies or completely novel businesses.

Let's take the case of **Artificial Intelligence (AI)**, potentially the most talked about technology right now. Imagine yourself being a business leader for one of the Energy companies. You could start a new business offering AI-powered asset optimization services by creating a data-driven platform that analyzes various operational parameters (equipment utilization, fuel consumption, and terrain) to provide actionable insights. Alternatively, you can proactively approach sustainability by offering environmental impact assessment by combining AI with satellite imagery and remote sensing technologies.

However, as the saying goes – Ideas have no Value without Execution. Continuing with the example of AI, as per a recent survey by BCG, two-thirds of Indian organizations are laggards in AI, with only 11 percent emerging as actively focused on their AI vision, strategy, and deployment model.

Consider, **IoT (Internet of Things)**. Think of Smart Home solutions with IoT devices that offer energy management services, enabling users to save on utility bills while subscribing to premium features. Or IoT-based fleet management services, providing real-time vehicle tracking and performance optimization. Or IoT-enabled agriculture solutions that offer farmers data-driven insights and advanced analytics for increased crop yield. These are just three of the numerous possibilities of just one single technology.



Each of the **NIFTY50 firms** has the opportunity to **THINK BIG**, leverage any/several of the current exponential technologies to 'explore' at the edges and create the next set of billion \$ venture(s). In fact, it would be great and inspiring to see the next potential exponential technology (ies) emerging out of India, and even more so from one of the NIFTY50 firms.

## Truly Engage Customers

As highlighted in the previous section, NIFTY50 firms have demonstrated strength in being stakeholder-centric, especially their customers. But their efforts have been geared largely toward what we would call enhancing 'customer satisfaction' levels. However, such an approach has its limitations.

Through different studies over the years, it has been established that even delighted customers are only slightly more likely to stay with a firm than moderately satisfied customers. 'Customer Engagement' at emotional and strategic levels has emerged as the most significant driver of loyalty and lifetime value creation rather than the rational and transactional outcomes of price, functionality, quality, service, etc.



Hence, Exponential Organizations operate differently.

They **build a "community" (of users, customers, and fans)** meant not for occasional listening or marketing outreach but for enabling decentralized 'many-to-many' communication and **fostering belongingness**. They **make** the **touchpoints** throughout the customer lifecycle **fun and motivating**.

We didn't see much evidence (with a few exceptions) of such best practices amongst the NIFTY50 firms. They scored their lowest, **5.5 / 12** (a mere 46 percent!) **on the Engagement attribute**.

**Eicher Motors** stood out amongst its peers. As mentioned in its recent investor presentation, the flagship brand, Royal Enfield, has 10.6 million followers across social media, one of the largest communities among Indian brands. And, per a recent survey, the top-of-mind awareness (the first brand that comes to mind) is the highest in the category of 200cc+ motorcycles at 50%, while the closest competitor is at 20%. Also, while it has only a 7 percent market share (given its presence only in the high-end segment of the Indian motorcycle market), it enjoys a market-leading share of voice of 40%. Unsurprisingly, despite intense competition from domestic and international players, including the iconic Harley Davidson, Royal Enfield has been a virtual monopoly in its focused segment over the years.

We know that engaged customers are emotionally invested in an organization (just like family members). They are loyal and, in fact, act as brand ambassadors because of the emotional payback.



Herein lies the opportunity for Indian organizations to reimagine customer connect. NIFTY50 organizations must **build communities** and **leverage gamification** (using frameworks like **Octalysis**) to shift from transactional to strategic communication and engagement.



## Build Entrepreneurial Capabilities

With an average score of just **7.2 / 12 on Experimentation**, most of the NIFTY50 firms have preferred to focus on the 'CORE, Here and Now' over 'EDGE, In the Future.' Coupled with that, an average score of a low **9.2 / 16 for the Autonomy attribute** shows that Indian firms still **operate with a 'Fixed' instead of a 'Growth' Mindset.**

Exponential Organizations are different. They are ambidextrous and focus on preserving value by 'exploiting' the current core business while creating value by 'exploring' at the edges for new possibilities and growth avenues.

Firstly, they adopt small, multi-disciplinary, networked, **self-organizing teams** as the primary operating structure and follow **decentralized decision-making.**

Take **Infosys**, for example, one of the Top5 Indian ExOs. The company has the **Power Teams** concept, which involves short and specific team intervention modules with a project as the nucleus. Apart from being an excellent way to engage with employees, Power Teams leverage the strengths of everyone to maximize project output. Another example is **HCL** (ranked 8th). HCL's **Ideapreneurship program** is based on the fundamental belief of inverting the organizational pyramid and empowering everyone at all levels.

Such best practices are significant differentiators when fairness in compensation, diversity and inclusion, employee well-being, and work-life

Secondly, ExOs enable empowered employees to nurture curiosity, look into the future, and develop breakthrough and disruptive solutions for strategic and operational business challenges. They foster an environment where failure and **risk-taking are pervasive** and even celebrated. Thirdly, they **deploy approaches such as lean startup, agile, and design thinking** to facilitate short feedback loops instead of conventional linear waterfall-driven NPD for value proposition enhancement and development.

Take the case of **Hindustan Unilever**. It reaches millions of households annually to generate trials, collect invaluable customer feedback, and use that to develop the next iteration of new product offerings but, more importantly, take decisions on 'killing' some of the ideas while taking calculated risks and moving forward on the others. This 'market-development' approach has helped HUL create a significant portfolio that did not exist a decade ago and accounted for over \$1 billion to its total turnover of \$7.5 billion in FY'23.

And, when talking about capability building at scale, **TCS** is a great example. As reported in its recent annual report, 568,000 employees out of the total 616,000 had acquired basic levels of Agile competency, with 495,000 groomed as Agile practitioners, over 35,000 as Agile certified, and about 3,000 certified as mentors and coaches.



To be competitive locally and globally, Indian firms must nurture a **culture of experimentation at all organizational levels** while being pragmatic about risk management. And the firms must aim to embed **agility and disruptive thinking as a way of working** (and not just AGILE as a methodology).





## Establish a Business and Innovation Ecosystem

Siloed products, services, and business lines often characterize 20th-century linear organizations. Further, their business models involve the corporate center, or a 'separate' innovation / R&D unit, being exclusively held accountable and responsible for defining and implementing the innovation agenda for the business.

Exponential Organizations are different.

They collaborate with local and even global start-ups, scale-ups, and external partners and do so at scale for mutually beneficial relationships while conforming to intellectual property protection standards – To enhance customer experiences, extend market reach, expand products and services and business portfolio, and, more so, realize their purpose.

Amongst the NIFTY50 organizations, we could identify **only 16 firms** that have **built an Innovation ecosystem** (i.e., having an in-house incubator or a partnership with an external incubator). **Only six firms** have initiated journeys to **morph into a business ecosystem** (i.e., strategic partnerships directly with start-ups, scale-ups, and other incumbents). While some of these initiatives are quite simple, they are powerful. The direction of the efforts and commitment to implementing them at scale and consistently matters.

Take the case of **Eicher Motors**. It has partnered with 'Helmets for India,' a not-for-profit, to change the perception of wearing a helmet and improve road safety. This collaboration is unlocking the potential of the community of Royal Enfield owners, offering the initiative a larger canvas. From a business growth perspective, inspired by the shared legacy of pure motorcycling, Eicher has joined with boutiques like European Belstaff and TCX to co-develop an exclusive range of apparel, shoes, and motorcycles. Such collaborations have enabled 4X revenue growth in the non-motorcycle business over six years, accounting for nearly 15% of last year's revenues.

For **TCS**, its Co-Innovation Network (COIN) has over 2,700 start-ups in the network and 80+ active partnerships. COIN Business Accelerator, a high-touch program with emerging tech companies, kicked off its 3rd cohort in 2023. It has been instrumental in increasing TCS's innovation footprint and, more significantly, winning deals across its different business units.

While the traditional principles of business strategy have been rooted in the concept of competition, the success of large global organizations that operate as incubators and platforms (e.g., Allianz, Amazon, Apple, Bosch, DBS Bank, Google, John Deere, Johnson & Johnson, and Maersk) over the last few years, has demonstrated the benefits of interconnectedness, and focusing on creating instead of merely capturing value.



NIFTY50 firms, on average, spend a mere 0.3% of their revenues on R&D, but a reasonable 7% on Capital Expenditure. So, the focus on preparing for the future is undoubtedly there. What's needed is that the NIFTY50 (and potentially all Indian incumbent firms) **reimagine the pathways to their growth – Incubate and Collaborate instead of Going Solo.**

# The Road Ahead to Thrive

Today, Exponential Organizations are the true embodiment of acceleration in human culture and enterprise. And they are overhauling commerce and other aspects of modern life at a scorching pace, rapidly leaving behind the old world of “linear” organizations.

Through the performance analysis of the Fortune 100 firms shared earlier, we have established that **Exponential Organizations deliver superior business results and outperform the others.**

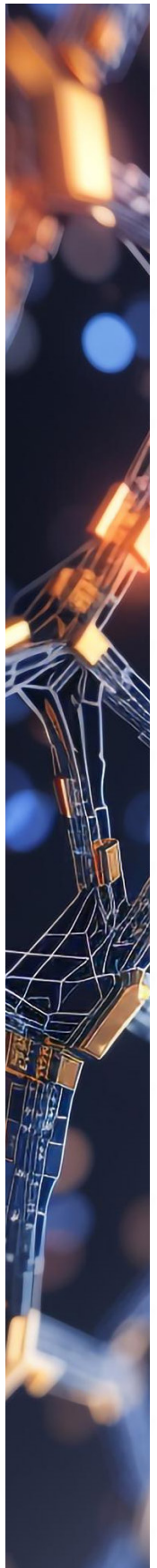
**Building upon the current four key strengths** of Being Purpose-Driven, Embracing Digital, Stakeholder-Centricity, and Robust Governance, as well as **taking strategic actions toward the four key improvement opportunities** of Truly Engaging Customers, Building Entrepreneurial Capabilities, Establishing Business and Innovation Ecosystems, and Embedding Digital would **enable NIFTY50 firms and Indian organizations at large to become agile and resilient, and scalable and adaptable.**

**Towards the same, we believe that it’s important to:**

- Firstly, Ascertain your current state of ‘future-readiness’. We strongly recommend leveraging the free **Exponential Quotient (ExQ) assessment**. Based on your responses to a set of 25 questions, it will provide you with a quantitative score overall and individual exponential attributes to help identify your strengths and opportunities for improvement.
- Secondly, Balance the yin and yang of exploiting the current and exploring at the edges. This requires ambidextrousness. It calls for individual and organizational **learning** (and unlearning) to become a continuous pursuit.

Towards this imperative, we invite you to join the OpenExO Global Community Platform. OpenExO has created an online platform for anyone anywhere in the world to build an Exponential Organization. You can become a member of the global community and access learning, tools, and a network of exponential thinkers and doers. Membership to the platform starts for free, and membership tiers correspond to different requirements. The image below outlines some of the benefits within each of the tiers. More information can be found [here](#).

Free Start your journey	Basic Explore an exponential future	Premium Stay on top and find opportunities	Pro Solve for 10X
\$0/month	\$4/month	\$20/month	\$97/month
AI ExO Bot Chat Basic Profile Basic Feed Insights	Free+ Weekly ExO Networking calls Online ExO 2.0 Book Engage Build Reputation Web3 Flex Profile	Basic+ Weekly ExO Networking calls Get Certified in ExO Foundations Apply and post to Marketplace Premium Feed Bi-weekly ExO Masterclasses Access to ExO Learning Hub (Courses and ExO Learning content)	Premium+ Advanced Professional Certifications (ExO Consultant, ExO Sprint Coach, ExO Trainer and more)* Pro Marketplace* Content Posts* Enterprise Profiles* Monthly exclusive Masterminds with Salim Ismail ExO Mastermind Sessions *Coming Soon
Select	Select	Select	Select



Within the **Free Tier**, you can **access AI-X, our Exponential Organizations AI**. You can ask AI-X any question in your unique context that you want answers to from an ExO Lens.

Within the Basic Tier, you can also Read the Living Book Exponential Organizations 2.0 and build a more comprehensive profile.

At the **Premium Tier** level, you get access to the **ExO Learning Hub** to complete the ExO Foundations and other learning programs, including masterclasses, Access to the community through **networking** and the marketplace, plus access to **AI-curated news feeds, insights, and research**.

The **Pro Tier** is for those people who want to go even deeper. The tier includes weekly masterminds, monthly session with Salim Ismail, as well as **advanced learning and certification opportunities**. The OpenExO team is available to Pro members to assist in creating Exponential Organizations.

Sign up for your ExO Pass by clicking [here](#) or scanning the QR Code below. By using the Code INDIA, you will receive a 20% discount for the first year of your membership.



- Finally, Let go of the status quo, be bold, and aim for 10x growth and impact.

A **ten-week ExO Sprint** (that leverages the lean start-up, AGILE, and Design Thinking methodologies) aims to achieve these goals, leapfrogging your thinking and results three years ahead. The SPRINTs help establish a set of initiatives designed to transform the organization (and often, even the industry) by **innovating the current business model**, while disrupting at the edges to **create the next generation of business opportunities** – to enable you to stay ahead of the curve.

If every NIFTY50 (and other Indian) firm were to think and act as an Exponential Organization, operating at the nexus of technology, purpose, and impact, we would catalyze a profound shift and **realize India's true potential**.

It is an opportunity for you as a business leader or a policymaker to **access the abundance**, embrace the success formula of MTP + SCALE + IDEAS – **To Thrive** and **Be Future-Ready** – **“Be the Disruptor” instead of “Being the Disrupted.”**

We at OpenExO strongly believe that we are living in the **“Decade of the ExOs.”** The analysis of NIFTY50 firms' future readiness in terms of scalability and adaptability, agility and resilience, and the fact that India already has several existing and emerging ExOs inspires us to invite you to make it the **“Decade of a Reimagined, Exponential India.”**

# About the Authors

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Chander, Founder and Managing Partner of Enabling Excellence and Head of Research at OpenExO, is an advisor and coach with a passion and track record of delivering substantial and holistic business impact through strategic and complex change and transformation initiatives.

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