



CGN & Associates: Building Flexibility for Long-Term Success



Seshadri Guha from CGN & Associates, a solution provider at the **marcus evans CFO Summit XXI Fall 2010**, on building organizational flexibility.

Interview with: Seshadri Guha, Chief Executive Officer, CGN & Associates

FOR IMMEDIATE RELEASE

Chief Financial Officers need to invest in building organizational flexibility to protect the business from market volatility and uncertainty, says Seshadri Guha, Chief Executive Officer at **CGN & Associates**. A solution provider at the **marcus evans CFO Summit XXI Fall 2010**, taking place in Las Vegas, Nevada, November 4-6, Guha discusses why structural transformation is needed for superior financial performance and maintaining competitive advantage.

What should be on CFOs agendas today?

Seshadri Guha: Organizations have to plan for much more volatility and market uncertainty. Instead of investing primarily on growth or cost take-out, they need to focus on increasing the flexibility and agility of the business. Not only should they find out where profitability can come from and how they can protect those ideas, organizations should also invest in flexibility to protect against volatility and make sure the business is well positioned to compete in the marketplace. Companies that create structural advantage will be those which will be well positioned for the future.

What is the best way of building structural advantage?

Seshadri Guha: Traditionally, large companies have taken significant investment positions in specific markets, facilities and products; they look at the whole portfolio and decide what to invest in. For example, in the product side they should try to focus on driving better synergies and flexibility, and reducing complexity. In the

supply chain, they need to become more responsive to market changes and not carry a lot of inventory for work in process.

The fundamental idea of structural flexibility is to invest not in specific strategies, but in a method which actually provides flexibility, and builds options in the system, technology and operation standpoints; aligning the organization to be more responsive and diversifying the risks. This might cost more in the short term, but in most cases, the return will be significantly higher. In fact, our research shows that companies that invest in these structural changes outperform their competitors in both the up and down business cycles.

How do Business Transformation solutions transform organizations?

Seshadri Guha: We are really focused on this idea of a high velocity business transformation. It is about bringing together a recipe that not only aligns the business but achieves that at great speed resulting in ability for a business to transform quickly. We take the problem apart in five steps and connect all the pieces together. A piece we consider is market segmentation and the segments that should be played in for shorter and longer terms. Another is related to the competition, and where the critical points for repositioning the business are located. Thirdly, how do you compact the distribution and supply chain models to give the business flexibility and agility. Fourthly, what are the critical operating strategies for creating competitive advantage through the supply base. And finally, how do all these affect the finances of the company.



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Taking all of this into consideration, we are able to understand the critical areas where change can be driven in the organization for a speedy transformation at the structural level. We focus on identifying the 20 per cent that gives 80 per cent of the results. We come up with a fast, achievable recipe that makes the company structurally competitive for superior financial performance.

What upcoming developments and trends should CFOs get prepared for?

Seshadri Guha: There are financial regulatory trends coming into place that will confuse CFOs of global companies. The capital,

credit and debt markets are creating a certain amount of uncertainty as well, which is not new; however it will be interesting to see how they play out.

In terms of trends, businesses will need to consolidate their footprint. Small is beautiful. We should see how we can keep things very close to the markets we serve, minimizing currency and market risks. We need to shorten supply and distribution chains to respond to market ups and downs without compromising cost and margin advantages. Volatility is going to create great opportunities for businesses but at the same time a great deal of risk.

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About the CFO Summit XXI Fall 2010

This unique forum will take place at the Red Rock Casino Resort & Spa, Las Vegas, Nevada, November 4-6, 2010. Offering much more than any conference, exhibition or trade show, this exclusive meeting will bring together esteemed industry thought leaders and solution providers to a highly focused and interactive networking event. The summit includes presentations on building financial strength, implementing enterprise risk management and positioning the organization for long term success.

For more information please send an email to info@marcusevanscy.com or visit the event website at www.cfosummits.com

Please note that the summit is a closed business event and the number of participants strictly limited.

About **marcus evans** Summits

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