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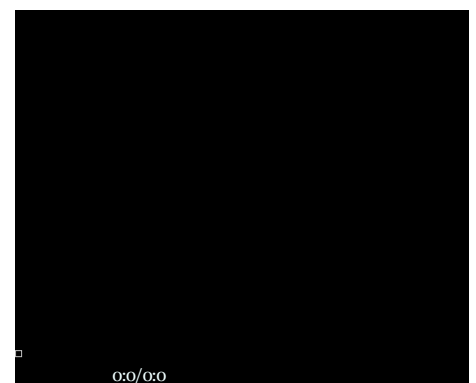
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nisations, value creation and preservation are key to avoid destruction

sations are confronted with two inevitable choices sooner or later: prepare for their own obsolescence by g, or becoming obsolete due to changes in the external environment. Over time, increasing competition industry approach what economics calls 'perfect competition', where margins eventually get eroded, and s threatened. Additionally, new innovative players may completely disrupt an industry, thus further ng the demise of old players.

izations strive for an eternal existence? While eternal existence may be an illusion, constant evolution can sious choice. Given that obsolescence is a matter of when, and not if, it pays to be the one planning ively for one's own obsolescence rather than wait for things to happen from outside. In this context, it may ew the organisation as an evolving system around three concurrent streams of activity.

ramework to think about these streams is the Indian conceptual triumvirate of creation, preservation and m. This cyclical perspective of the universe applies quite well even at the microcosmic level of an ion. Value creation has an inherent cyclical and impermanent nature. For an organisation desiring long- ainable existence, it is important to play effectively and simultaneously in all three.

ot is made here to outline the streams, and the key design features in each.

**tion Stream**

m refers to mature lines of activity in the organisation. A line of activity may refer to a product line, and whole host of processes across the board. In this stream the main focus is achieving growth and efficiency. ds to be done is well known and well established. All that remains is to continuously improve efficiencies vng. In designing the preservation stream, the most important design element would be the setting up of a analytic framework that can correctly diagnose progress, and recommend course corrections quickly. This

it is in this stream that the highest complacency creeps in.

### ion Stream

m refers to those activities in the firm that are at the beginning of a potentially declining phase. ions find it hard to decide on the destiny of such streams. This is usually due to a number of reasons. The ource inertia, and the false sense of hope that things may turn around. Additionally, there is a strong ntenty that organisations develop around legacy activities that may serve no purpose in the present. This se of identity can become the biggest barrier to change in an ever evolving system that is inherently ent. The main design element needed in this stream of activity is really a set of well-defined destruction

### Stream

s to those activities that involve exploration of new value creating opportunities. Successful experiments eam may well assume mainstream significance and become part of the preservation stream. From the point long-term survival, this stream is highly critical, yet receives lesser attention than it deserves. The key ture required for this stream is a culture of experimentation that is supported by organisational ture around rapidly incubating ideas on a small scale, and scaling up the successful ones.

tant consideration to think about is that each of the above streams requires equal prioritisation regardless rent economic value created (or destroyed) by them. For instance, the creative stream will feature many ; that produce no immediate value in the short run. Similarly, the destruction stream will feature many that may not yet be harming the system significantly as yet. The preservation stream in contrast may tivities that are creating disproportionate economic value at present, but may be on the verge of entering ction stream. Effective orchestration of these streams of activity is key.

of an eternally existing organisation will, of course, not be achieved. However, even contemplating that r through the perspective of preservation, destruction and creation is a useful exercise to enable us to ut ways in which we can design organisations that last.

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