THE DESIGN ISSUE

Design Thinking in the Business World

MAY 2013
ANNUAL ISSUE
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Engro Foods Limited’s Management Trainee Programme
DESIGN IS NOT JUST WHAT IT LOOKS LIKE AND FEELS LIKE. DESIGN IS HOW IT WORKS.

-STEVE JOBS
Note from the Patron
LUMS Business Review
Dear Readers,

Welcome to the LUMS Business Review (LBR), a student run publication at LUMS which is filled with business insights and information, and packaged inside the theme of Design Thinking.

The students of Suleman Dawood School of Business (SDSB), especially LBR have tried to make the content of this publication more relevant to business community and applicable to its needs.

I hope that you enjoy the current issue of LBR!

Best,

Dr Farrah Arif
Assistant Professor
Suleman Dawood School of Business
LUMS

About Dr. Farrah Arif

Dr. Farrah Arif is the Assistant Professor of Marketing in the Suleman Dawood School of Business at the Lahore University of Management Sciences. As a Commonwealth scholar, she obtained a PhD from the University of Cambridge Judge Business School. She is also a certified Associate Fellow of the Higher Education Academy (AFHEA), UK.

Farrah has been teaching in business schools (Pakistan and abroad) since 1999. Her areas of interest are: Marketing Strategy, Consumer Behavior, Marketing Research, New Product Development and Innovation, and Entrepreneurial Marketing. Currently, she teaches MBAs and executive MBAs. She has also designed and delivered executive programs at the Rausing Executive Development Centre.

Farrah's research focuses on consumer behavior of young people, brand activation, and entrepreneurial marketing. In 2012, she was awarded the Brenda M. Derby Memorial Award at the AMA Marketing & Public Policy Conference to recognize the policy implications of her research.
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Babar Suleman
MBA Class of 2014 | www.babarsuleman.com

PROMOTIONS DESIGN
Wakas Qamar
MBA Class of 2014
THE DESIGN ISSUE

The current LBR publication is themed around design thinking. For more content and updates on business and design, visit us on the web.
WWW.FACEBOOK.COM/LUMS.BR

THE LBR TEAM
Read the Editor's Note and meet the people behind LBR.

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Aina Maria Waseem wants to design Pakistan's future for the better.

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WORLD ISSUES
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IS MARXISM DEAD?
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On the cover
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We talk about design thinking in several of our articles in this year's publication. However, design is all about visual thinking and there is no better way to see the impact of design in the business world than to have pictures tell the story. For our cover story, we have compiled 25 pages of great design instances for you- all in the form of a gorgeous pictorial. Call it our Design Thinking scrapbook!

See how great design has resulted in cutting edge consumer electronics and storm resistant umbrellas, better sanitation systems and hip bags made of recycled materials, consumer oriented processes and patient-friendly hospital spaces!

ETHICS. Zeeshan Shaukat shares his internal search for honesty.

COLLOQUIUM. Faizan Faisal covers LUMS Marketing Club events.
Dear readers,

Welcome to LBR’s first ever Design issue!

To quell your curiosity as to why we chose Design Thinking (DT) as our theme for this year’s publication, I want to share the story of our process with you. As my team and I went about resurrecting LUMS Business Review after a seven year hiatus, we had to answer many questions about the best way to bring the magazine back. To make LBR a lasting platform for business discussion, we had to make sure that we were looking into the future and not the past. The biggest overarching question was, consequently, what is the future of the business world? Is there a way forward through the chaotic world we live in, business and otherwise? Can we make sense of everything around us and make life easier, better and more fulfilling? How can we create value in a way that is sustainable and accessible to all stakeholders?

Luckily for us, we didn’t have to look too far for the answer. Major business publications and corporate giants have already started giving a lot of recognition and exposure to an ideology known as design thinking—defined as a human-centric process that utilizes empathy, experimentation, prototyping and collaboration for solving ill-defined ‘wicked’ business problems. Design Thinking aims to provide user experiences that are simple and meaningful, and provide value.

In our current issue, you will be able to read about how businesses are using design for competitive edge alongside traditional business topics like investment climate and manism. In accordance with our design theme, our curated content includes insights on how design can be a powerful and effective tool for efficient operations, services, innovation, entrepreneurship and social activism. The content is brought to you in the form of student articles, LUMS faculty interviews, profiles of young entrepreneurs and local design evangelists, and our cover story that takes a highly visual approach to showcase the many ways in which design has impacted and reshaped the business world.

Hope you enjoy our work.

Happy Reading!

BABAR SULEMAN, 
Editor-in-Chief 
Art Director
LETTER FROM THE PRESIDENT

It is with great pleasure and enthusiasm that I present to you the revival of LUMS Business Review (LBR).

LUMS Business Review is the official business magazine of Suleman Dawood School of Business, LUMS. LBR is designed to bolster prudent management thinking, a platform which enables professionals, entrepreneurs, policy makers and students to understand the major issues and equip themselves with best practices that could be useful for all stakeholders.

LBR is designed to bolster PRUDENT management THINKING

To re-launch LBR, the motivation was twofold. Firstly, since LUMS is a premier business institute of Pakistan and carries a legacy of harnessing professional acumen, therefore an initiative like this would establish a precedent for the rest. Secondly, this club has been dormant since 2006 which triggered the challenge taking spark in us; we found immense merit in LBR which is why we were ready to go an extra mile. For these reasons I had to create a sense of urgency to make LBR happen once again. Thankfully, I had the good fortune of working with an extremely talented LBR team which has the ability to pull together and win. Finally, I know we still have a long way to go but each one of us is personally driving change and using operational discipline to revive LBR. So far what has kept me going on each day is the amazing appreciation and acknowledgement I get from my team, peers, instructors and alumni.

LBR aims at showcasing LUMS prowess. The passion to see this vision materialize and continue for all times to come is what’s driving the LBR team! With a diverse line-up of writers, I have tried my best to put together an all around collection of articles that are both enlightening and entertaining. I hope our endeavor is worthwhile in stimulating some constructive dialogue and thinking, along with providing a genuinely fun read.

Happy Reading!

SARA GHAZI,
President

About the President

Sara Ghazi (MBA 2013) is the lifeblood of the LBR society. It's to her credit that this magazine is now in your hands. By managing every minute aspect related to the society/magazine, choosing the right people to be a part of the LBR team and sheer determination and smarts, Sara has made LBR a thriving society with a bright future. And all within two years of her presidency!

Sara is an avid learning enthusiast who is highly intrigued by creativity. Her MBA concentration is in Marketing and Finance, and she has worked for almost two years as a corporate banker.
**Director PR, NEHAN HUSSAIN**
Nehan (MBA 2014) is a writer, entrepreneur and a self-confessed people's person. She enjoys rap music, cars and baking.

**Asst. Editor, FAIZAN FAISAL**
Faizan (MBA 2014) is a dynamic and creative individual who takes inspiration from all facets of life. He developed a keen interest in writing since he read his very first book; Animal Farm by George Orwell. He loves football and wants to be a millionaire.

**Vice President, ALI NASIR MIRZA**
Ali (MBA 2014) is a young entrepreneur and runs his highly successful bakery 'MiniTreats' while juggling his MBA coursework and responsibilities as a team member of many LUMS student groups.

For LBR, Ali looks after logistics, publicity, sponsorship and administrative matters.

**Director Promotions, WAKAS QAMAR**
Waqas (MBA 2014) is a very talented designer and has a great eye for good aesthetics. He loves cars and sings just for himself.

Waqas designed many of LBR's promotional materials (such as the poster shown below) that LUMS students have been seeing around campus.
SPECIAL NOTE FROM MANAGER, SDSB

LUMS Business Review is a magazine published by MBA students annually. The idea behind the magazine is to provide a forum for exchange of ideas between academia and the business community in Pakistan and the region.

Each feature in the magazine is an in-depth, presentation of management thinking and its application in the real world of business. These articles help business leaders establish an Intellectual agenda for discussion - and change - within their companies.

Each issue will have a spotlight section which includes feature articles on a particular topic – this year the spotlight is on design thinking in the business world.

We aim at making LUMS Business Review accessible to ...a forum for exchange of IDEAS between academia and the business COMMUNITY...

a wider audience and encourage educators, teachers, students, career and job seekers to browse its pages, and find inspiration and guidance for management practice.

Here I would like to commend the efforts of everyone involved with this issue. So kudos to Sara Ghazi, Babar Suleman, Ali Nasis, Faizan Faisal, Wazak Qamar and Nehan Hussain who managed to edit, compile, design amidst the semester end chaos of WACs, project deadlines and final exams.

Happy Reading!

AYEsha ZAFAR ALI
Manager,
Suleman Dawood School of Business

About Ayesha Zafar Ali

Ayesha Zafar Ali works in the capacity of SDSB's manager. From the very start she took on a vital role in making sure that LUMS Business Review did not fall through the cracks and the hard work of the students saw fruition.

From arranging sponsorship to pledging her support to the LBR society, Ayesha has truly been a rock for the LBR team.

Thanks for everything, Ayesha!
DESIGNING OPERATIONS

AN INTERVIEW WITH

DR. ZAHOOR HASSAN

by Babar Suleman and Zarmina Panzezai
MBA Class of 2014

HOW DO YOU VIEW THE ROLE OF DESIGN IN THE BUSINESS WORLD?

The main idea behind design thinking is a human-centric philosophy that fits the business world perfectly. Design is about integration and creating value, and that is of special importance in delivering products and services. The issue is the extent to which we are able to implement design thinking in creating innovation-driven and sustainable businesses as design thinking revolves around innovation.

HOW IMPORTANT IS DESIGN THINKING TO OPERATIONS MANAGEMENT?

When you are designing processes for competitive edge, they have to be distinctive, flexible and responsive. Design thinking becomes important in operation management because all of these attributes require you to think along a human-centric line. After all, you are turning inputs into outputs in light of the requirements of all the stakeholders.

WHAT ARE YOUR THOUGHTS ON THE WAY PROCESSES, SYSTEMS AND OBJECTS ARE DESIGNED IN PAKISTAN?

The MNCs in Pakistan already have a global perspective and a solid background that allows them to practice and implement design thinking in their Pakistani operations. It’s our local producers that need to recognize how useful design thinking can be for them in approaching opportunities and developing the ideas to benefit from those opportunities. We need to start understanding and developing ideas in response to real and lucrative market opportunities and then design the whole systems around those ideas for competitive edge.

HOW CAN OUR STUDENTS INCORPORATE DESIGN THINKING INTO THEIR WORK?

By thinking of the people involved, of course. Think of the people in the cases we study in class, think about your interactions with your fellow students, teachers and group mates. Developing an understanding of people is essential to design thinking. Also, there are several tools available that can help you take a more systematic approach. Experimentation, of course, is of the utmost importance. You have to try out ideas and start right away. Don’t wait for a learning opportunity to be handed to you. You have to be accepting and open to new ideas and be ready to be wrong. Arrogance and fear of failure are detrimental to design thinking as experimentation, whether it’s successful or not, teaches you a lot.

YOUR DESIGN THINKING SESSION HAD A SIGNIFICANT FOCUS ON PROTOTYPING. WHY WAS THAT AN IMPORTANT ASPECT TO HIGHLIGHT?

An experiment that is designed for learning is a prototype. It allows you to try out new things, analyze what you already have,
reveal the pros and cons, figure out what should be added and invite collaboration. Prototyping is at the heart of the design process.

WHAT ARE SOME OF YOUR FAVORITE Instances OF DESIGN THINKING IN THE CORPORATE WORLD WHETHER IT’S IN TERMS OF PROCESSES OR BRANDING?

There are a lot of great examples but I will go with a very famous one here as it’s as illustrative as it is well known. Apple is a design leader and you can actually see how well they’ve incorporated design thinking into everything they are. With Apple, it’s not just about the products but also about the people, concepts and the entire range of processes. For instance, take their decision to open their own retail stores. While a lot of companies let the distributors take on that aspect of their business, Apple has forward-integrated because it allows them a direct connection with their customers. With this holistic approach (another cornerstone of design thinking), they are not only able to keep in touch with their customers but also offer better service and support.

Apple’s products can be copied. But their content and approach? That’s difficult.

WHAT DO YOU THINK IS THE BIGGEST MISCONCEPTION ABOUT DESIGN AND DESIGNERS?

Design is often seen as art only. While the art aspect of design is very important as no one is more human-centric or experimental than artists, we can also draw a clear distinction between design and art. Design is intended for consumer consumption while art doesn’t have to be. In that sense design resembles commercial art more.

Moreover, Artists are, undoubtedly, the ‘makers’ of our world but even the ‘finders’ such as mathematicians require design thinking when they are solving complex problems with algorithms. Finders and makers together constitute design thinking which brings us back to the holistic, ‘all perspectives covered’, design ideology.

STANFORD’S HASSO PLATTNER INSTITUTE IS A NON-DEGREE GRANTING DESIGN SCHOOL THAT OFFERS CLASSES AND RESOURCES TO STUDENTS FROM ALL DISCIPLINES INCLUDING THE BUSINESS PROGRAM, ILLINOIS INSTI-

ABOUT DR. ZAHOOOR

Dr. Hassan has over two decades of extensive experience in the higher education sector. At LUMS, Dr. Hassan has served in many capacities besides his teaching and research, including Associate Dean, Dean, Pro-Vice Chancellor and Vice chancellor (VC) (2002-8). Dr. Zahoor received his masters from Stanford university.

Currently, Dr. Zahoor teaches Operations Management to MBA students at LUMS. His course focuses on creating lean and efficient operating systems and applying academic learning to everyday processes.

D-schools

The brightest young talent in the corporate world is now not just coming from top tier business schools. Design schools at places like Carnegie Mellon (pictured) are spearheading innovation and strategy.
Designing SERVICES

Design Thinking is not restricted to just products and manufacturing.

Muhammad Omar Rafiq
MBA Class of 2013

When put into thought, design a word is normally considered as part of a product, a physical/tangible object which the consumer might experience to his delight. Design thinking, however, goes much farther than just the physical form of the object. It is much more pervasive than just the final product that comes into being. It is easy to observe how well designed products such as the Apple iPhone, a BMW 7 Series or the likes take forms which appeal to consumers. Less obvious however remains the observation on how to see ‘design thinking’ in services; to an even lesser extent on how to capitalize on the same to remain abreast of competition.

Despite being popularly categorized as an agrarian country, Services Sector contributes the lion’s share in Pakistan’s GDP. Again, despite the strategic importance of this sector, little attention has been ever paid to applying modern concepts of design thinking to innovate and improve the same. While designing each service is unique to the business, this article will discuss the major factors which modern managers must address before they set themselves to the drawing board.

ARE WE CREATING VALUE FOR OUR CUSTOMERS?

The first question is always one of the easiest to observe. If you cannot attract or retain a customer, if you have not been able to develop a brand identity and if your company’s name is not on the honor’s list of most customers (by awareness at the bare minimum), you are obviously doing something wrong. Value has two components which need to be addressed. First being whether it really exists! Services differ from commodities; they are infinitely differentiable and in this is the ultimate reprieve for most managers. If your customers do not stick with you, you do not offer the value which by no means alludes to the impossibility of creating it. This brings us to the second aspect, do your customers perceive this value creation as important. If they do not, you need to rethink your way to the market. If the answer however is a resounding no, we need to ask ourselves the second question.

ARE WE ABLE TO IDENTIFY WHAT OUR CUSTOMERS WANT?

Services allow the producer to directly interact with clients and potential clients. This interaction is sacred and should be treated as such. Direct interaction allows the producer the unique opportunity to pose the most important question to provision of quality service – what is it you are really looking for. Unlike commodities, services can be tailored. Tailoring can be accomplished by layering of the clientele base; each layer depicting the tradeoff necessary between standardization and customization. For example, while Starbucks’ baristas may offer a customized coffee/latte, the same product should at least be on the menu. Similarly services offered can be tailored keeping in mind that core operations are not halted. Inefficiencies in the name of customization are inexcusable. Layering services entails key managerial skills – that is where do we draw the line. Not offering enough may lead to alienation and offering too much may lead to bad business practices. Either way we suggest that interacting with customers should help aspiring managers to identify customer needs.

ARE WE ABLE TO CREATE A SUSTAINABLE ADVANTAGE?

Always remember, you are not the only company in the arena, competitors are hot heeled and they follow quickly. Value which is imitable is often the least bit desirable. Why? Because after you as a manager has painstakingly understood the customers’ need and then re-designed your business practices accordingly, your competitor might just join the bandwagon. Value creation is often a question of what not to do as much as it is about what possible paths to take. Being a manager it is important to know what possible value can be easily copied and thus leave it for others to test and perfect, you might join their bandwagon once it has left the station.

CHALLENGES OF DT IN THE SERVICES ARENA

Now that we have asked ourselves the above few questions we need to understand one very important part of design thinking. Designing services entails understanding how every aspect of your internal service can be aligned with the ultimate objective of creating value. This might mean a change of roles, power (decentralization vs. centralization), process flows and
planning for SUSTAINABILITY

Service design for the future

organizational structure. While demanding at first sight, it is important to highlight that a well-designed service leads to greater growth and potential rewards to all and company. Role changes are inadvertent, a company trying desperately to understand the clientele may decide to install a CRM (Customer Relationship Management) system. The extraction of data might redefine roles of the Information Technology (IT) department, the sales personnel, the analysts at the very least. The same could result in creating other roles which were previously not present, such as feedback analysts, or CRM management teams. The changes in roles nearly always brings about a shift in the power structure, from as little as a consultative position for a department to a completely new set of 'blue-eyed' department. Either way, a manager's role is not to be overwhelmed by such changes; after all it was the manager who initiated the process. It is here where the manager's ability to leverage his skill set with new capabilities of the organization allows him/her the opportunity to grow. Changing power structure and new information will allow (and sometimes force the management) to reconsider the process flows. Continuing from our previous example of the CRM implementation, following a successful rollout, the upper management may deem it necessary for managers to consult CRM analysts before introducing new services to their clients. This is an example of how a step is added into the process of new project launch. Last but not the least, managers often has to live through a troubled time, where the upper management feels that organizational structure itself needs to be realigned to provide a better service to the client. In our example of the CRM implementation, the management may feel that the data analysis group which previously reported to the marketing department should instead directly report to the upper management whilst providing only consultative services to the marketing department. What is necessary is to understand that design thinking, as alluring as it is, comes with its set of challenges. Managers must realize that while this may seem like inviting trouble, it is extremely necessary to keep abreast of competition. Designing a better service will not only create value for client, it will reap benefits for the manager and the company too.
The banners of hope are flying high and the barely suppressed anticipation is on a leash, only to be released in full force come election day. These days, I spend a lot of time contemplating on what exactly the new Pakistan will be like and how we will go about building it. I am extremely cognizant of the fact that the drawing board is in the hands of the minority in this country, people like me who are fortunate in getting the best education this country has to offer, and it is time we take this duty seriously. In view of this, I have a proposition. There is a long way to go and a lot to accomplish, but first we need quick results, to encourage team Pakistan to take every step with a renewed enthusiasm, for the road to change is lined not just with jasmines, but travails and discouragements of all variety. Following are the steps we need to follow in order to institutionalize the change:

They don’t make them like that anywhere else!

The first step is to identify our strengths. For example, no one makes footballs the way Pakistanis do. FIFA has patronized us much more than it would like, owing to child labour allegations. In Sialkot, whole families have lost their livelihood due to the closing down of several football factories. Child labour is one issue. The second is the advanced technology that China uses to automate football production, and on which Pakistani manufacturers are still playing catch-up. We need to embrace automation and sell handmade footballs at a premium. What this will do is that on the one hand it will enable Pakistan to compete in volumes with China, while at the same time maintain our competitive advantage, which is high-quality handmade footballs, the very reason FIFA orders from us.

We need to add value to our exports

T-Shirts and Polo Shirts that are made in Pakistan are sold under expensive brands all over the world, and the premium goes in the pocket of those who own the brand or the designer label. The same applies to bed linen produced in Pakistan. We are creating value and not earning our rightful share in it. We can earn a big boost to export earnings merely by switching from raw materials to value added goods.

We must establish a presence at every stage of the value chain

Currently, the bulk of our exports are raw materials. In order to effectively sell value added goods, we need to align the value chain with the requisite strategy. In order to charge a premium on our brands, we first need to create those brands. The proceeds can be reinvested both in the same business, and in the country’s development, through taxation. A government that is responsible can ensure both the collection, and the prudent use of these taxes. Monitoring and control of the value chain is also necessary to plan the usage of agricultural produce. Agricultural produce will continue to be the backbone of the economy, and the delicate balance between its use locally, both as it is and in the production of value added goods, and export with or without further processing, will have to be maintained. To sum up, "Made in Pakistan" is the way to go if we want to turnaround our beleaguered economy in a sustainable manner.
MADE IN PAKISTAN
IS THE WAY TO GO
In some ways is also breeding articulation brought by way of rendering the ability for just about anyone to become an author. However caution needs to be exercised. Users need to become wise and must learn to discriminate between information resources of varying quality, to detect bias and conflict of interest. Here's a quick guide to analyze information presented and determine its credibility:

1. **Authority**: Check to see who authored the information. Under what authority was the information posted?
2. **Credentials**: Check the author's credentials
3. **Purpose**: Check the primary purpose of the posted information. i.e. what is the purpose to provide information? to sell a product? to make a political point?
4. **Timeliness**: Check to see when the data was last updated on a website
5. **Coverage**: Refers to the "comprehensiveness or depth of the information provided on the site" (Metzger, 2007)
6. **Validation**: Verify if the same information is available from sources already proven to be credible
7. **Integrity**: Make sure the article being read shows easily identifiable citations
8. **Accuracy**: The most important and difficult task is to verify the credibility of information found online. In other words, is the presented information free from errors?

One pragmatic approach adopted that many online library databases use is the ability to apply specific search criteria which will return only those materials which are peer, or scholarly, reviewed. This helps ensure accuracy of the material provided.

**Avoid Bias**: Another important facet is to check the objectivity or bias of the material. This would require the user to take notice of the organization presenting the material.
10. Offline to the rescue: Another important facet is to check objectivity or bias of the material. This would require the user to take notice of the organization presenting the material.

THE "BIG DATA" REVOLUTION

"Every day I wake up and ask, "how can I flow data better, manage data better, analyze data better?""

Rollin Ford CIO, Wal-Mart

Economic production used to be based in the factory, where managers worked closely on every machine and process to make it more efficient. Now statisticians mine the information output of the business for new ideas. Wal-Mart, a retail giant, handles more than 1 million customer transactions every hour, feeding databases estimated at more than 2.5 petabytes. Facebook, a social-networking website, houses more than 40 billion photos. These examples elicit the fact that the world contains an unimaginably vast amount of digital information which is plummeting ever more rapidly. This makes it possible to do many things that previously were unheard of i.e. spot business trends, prevent diseases, combat crime and so on. Provided data is managed well, it can be used to unlock new sources of economic value, coin fresh insights into science and hold governments to account. With this data revolution come a host of new problems i.e. despite the abundance of tools to capture, process and share all this information (sensors, computers, mobile phones and the like) it already exceeds the available storage space. Moreover, ensuring data security and protecting privacy is becoming harder as the information multiplies and is shared virally, ever more widely around the world.

Joe Hellerstein, a computer scientist at the University of California in Berkeley, calls it "the industrial revolution of data". This phenomena contains a ripple effect which is being felt everywhere from business to science, from government to the arts. The business of information management is growing phenomenally and is helping organizations to make sense of their proliferating data. Chief Information Officers (CIOs) have gained prominence in the executive suite, and a new kind of professional has emerged, "the data scientist", who combines the skills of software programmer, statistician and storyteller/artist to extract gold hidden under mountains of data. Hal Varian, Google's chief economist, predicts that the job of statistician will become the most sought after job around. He further explains that data are widely available; what is scarce is the ability to extract wisdom from them.

DATA AND HUMAN BEHAVIOR

Data is practically turning social sciences upside down. Researchers are now able to understand human behavior at the population level rather than the micro level. Data is becoming the new raw material of businesses, an economic input almost at par with capital and labor. "Data exhaust", the trail of clicks that internet users leave behind from which value can be extracted is becoming lifeblood of the internet economy. One example is Google's search engine, which is partly guided by the number of clicks on an item to help determine its relevance to a search query. If the fourth listing for a search term is the one most people go to, the algorithm puts it higher up.

But big data can have far more serious consequences. During the recent financial crisis it became clear that banks and rating agencies had been relying on models which although required a vast amount of information to be fed in, failed to reflect financial risk in the real world. This was the first crisis to be sparked by big data and there may be many more.

Information sure seems like a legal tender as the world is evolving. Multitude of data is available for our information, of which the handiest one is that available on the Internet. However every luxury has a cost attached and that can be likened to reliability of data. Undoubtedly, information will continue to look like cold hard cash. On the flip side one needs to enter this binary world armed with knowledge, as misinformation can be more harmful than good to oneself and others.
PUTTING THE FAITH BACK IN FINANCE

Today, we live in an environment where trust in financial institutions’ ability to bring capital to its most effective use has eroded. It would be an understatement to say that people have lost faith in finance. From the subprime mortgage debacle to the collapse of Lehman Brothers and the recent LIBOR fixing scandal, finance is a much derided industry. “Banker bashing” is all too common, with one particular financial institution even being referred to as a “giant vampire squid,” underlying people’s disgust towards the behavior of financial institutions and their focus on maximizing profits without any regard for the consequences. Risk transfer and risk mitigation is the modus operandi of most financial institutions. This is particularly true in the case of debt financing, where the borrower or entrepreneur bears most of the risk while the investor expects to be compensated with a high interest rate while having security over the borrower’s assets in case of default. “Risk sharing” does not really register in most investors’ vocabulary.

Can a case be made for finance based on risk-sharing principles? One solution could be faith-based finance. Charging “usury” or “interest” is prohibited in all Abrahamic faiths, though there are varying definitions of what really constitutes usury among the different faiths and sects. In theory, both Judaism and Christianity are against exploitation through charging interest but formalized mechanisms and institutions to provide equitable alternatives to borrowers have not been established.

Alternatively, Islamic finance has established clear alternatives to the exploitative nature of charging interest. It goes a step beyond banning interest by also prohibiting speculation or investing in businesses which are deemed socially harmful (gambling, alcohol, weapons manufacturing, pornography, etc). Islamic finance emphasizes the concept of risk sharing, where the borrower and the financier work together to grow the business and share the profits. Being a relatively new phenomenon, the first Islamic financial institutions emerged in the 1970s in the Middle East and have now spread to major financial centers globally with over $1 trillion in assets. Even though it has achieved significant success, the industry has had its share of problems, with below par performance being the subject of great debate.

Despite these debates, one of the key successes of Islamic finance has been that the ethical nature of financing has attracted a considerable number of non-Muslim customers, as has been witnessed in Malaysia where over 50% of Islamic bank customers are non-Muslims.

Islamic finance shares much in common with impact investing in terms of its goals of poverty alleviation and equal wealth distribution. It should be a welcome addition to the impact investing landscape. Acumen fund has already provided financing on a Musharakah (profit sharing) basis to one investee. Leveraging these Islamic modes of financing also has the potential to unlock large pools of capital from Muslim countries (where Islamic financial institutions and philanthropists are unable to make interest-based investments).

The success of Islamic finance and its acceptance with non-Muslims bodes well for the further development of socially responsible investing. Maintaining an ethical foundation while sharing risk between investor and entrepreneur will benefit all mankind, not just those of a particular faith.

In a time when capitalism’s unbridled excesses have been laid bare, it is time to ask: How do we put the faith back in finance?
ISLAMIC FINANCE HAS ESTABLISHED CLEAR ALTERNATIVES TO THE EXPLOITATIVE NATURE OF CHARGING INTEREST
PAKISTAN'S INVESTMENT CLIMATE AND ECONOMY: AN INTERVIEW WITH

KHALID A. MIRZA

by Babar Suleman, Faraz Akbar and Nehan Hussain

Walking in the hallways of Suleman Dawood School of Business, Khalid A. Mirza projects an aura of stateliness about him. Yet for a man who has served as the chairman of both, the Securities & Exchange Commission of Pakistan and the Competition Commission of Pakistan, (a rarity, mind you), he is surprisingly down to earth and humble. With a man of such stature, it was an honor for LBB to meet him and discuss issues ranging from the investment climate in Pakistan to his personal achievements.

For a country blessed with exceptional natural and human resources, it really is surprising that Pakistan hasn’t kept pace with the emerging markets. Latest economic figures would compare us with the likes of Somalia and Afghanistan. Opening of new businesses is becoming a rarity even though Pakistan has never had a shortage of entrepreneurial spirit. Khalid Mirza blames the government’s attitude and the underdeveloped risk averseness sector for this malaise.

"The biggest strength of Pakistan is the body of entrepreneurship that you do not find very often in other countries. The strength of Pakistan is in the strength of its entrepreneurs and that is what we need to develop and foster. To reach this end and for entrepreneurship to take root and bear fruit is for the market to be functional and not dysfunctional, so that everybody has a happy hunting ground for entrepreneurship."

A quick view of the government’s investment policies will show them to be attractive. What then is hampering business activity in this country?

"The thing is that you can have the best businessmen, the best entrepreneurs, who have the capacity to deal with all problems and set up industry and businesses, but what they lack and what they cannot do anything about is finance. The government needs to address the shortfall in the investment climate. You can have all the policies to attract investors, but what we lack here is the raft of financing that the business world needs."

You would think that with the plethora of private banks now operating in Pakistan, getting the projects financed should be the least of worries for entrepreneurs. But Mr. Mirza is none too impressed with their efforts to promote business activity.

"Sure, you have 35 to 40 banks operating here, and they do provide short term liquidity, and also provide working capital up to a point. But the bulk of their investments are in government securities. So they are not actually supporting businesses. But then you have other types of financing that entrepreneurs need, you need seed capital, angel capital, venture capital, mezzanine capital, and then you need real equity to tap the market and then underwriting. Investment banking simply doesn’t exist in Pakistan. When you need long term financing, say, to set up a plant or invest in other long term fixed assets, the sources for long term financing are just not there. Finance system has two sides to it: risk averse and risk-taking sector. The risk averse one exists, but can be improved upon. The other side, investment banking or the risk taking side, is non-existent. The provision of high risk money, which gives high return, is not available."

One obvious reason for the absence of investment houses, according to Mr. Mirza, is the short term nature of the whole economy and the mindset of the people, which basically stems from all the uncertainty that permeates the investment and political climates.

"It’s a gap that the government needs to address. Many years ago the World Bank espoused the establishment of Development Finance Institutions (DFIs) for addressing long term financing needs of Pakistani businessmen. Now that experiment flourished in many countries but floundered in Pakistan, but there’s no reason why it can’t be revived so businesses can get long term funding. And the returns are very high so we can afford it. The problem is not cost of financing but access to financing."

And what does he make of the meager Foreign Direct Investment (FDI) that Pakistan has attracted in recent years?
“Law and order is an obvious factor. It’s not something to get hooked at. An investor, wanting to set up a huge plant in Pakistan means taking a macro risk. They don’t want the Government of Pakistan directly or indirectly, explicitly or implicitly, as a guarantor. If you have the IMF backing your government, which by extending credits is backing your government, then they will invest in Pakistan, otherwise not. When it comes to small plants, what are the protections? Is there a competition regime? Can they get the type of funding they need? Are the various bits and pieces they need for industry to prosper there or not? Those questions, the answer is no while its yes in India or Malaysia. You’re not talking about difficulty of doing business, but certain essentials like law and order, and it’s being a problem for foreign investors. For FDI, there needs to be peace within and peace outside - on the borders that is. You can’t change neighbors as a country. There needs to be peace with our neighbor. The distance between Islamabad and Delhi will stay intact. Internal peace means that the country needs to be in peace with itself. We have this issue of religion. We have over 50 Muslim countries and just a few Islamic countries that are built on the Islamic ideology and are outliers; we are not in sync with the rest of the world. We have hooked ourselves into religion being our life, morning, evening, etc. Turkey is a Muslim country as well as many others but they are essentially secular. But we are still grappling with questions such as who is a Muslim and questions are raised in other Muslim countries. Here again the state hasn’t resolved the question of religion, for minorities and otherwise, and this is a huge problem for foreign investors. And then the judicial system doesn’t work. I mean the list goes on and on.

It surely would, since there certainly is no shortage of problems facing Pakistan. So we changed tack and brought the discussion to his old stomping ground, the Securities & Exchange Commission of Pakistan (SECP). As Chairman of the SECP (2000-2003) he implemented a major program of capital markets and corporate sector reform, including substantiative measures to improve corporate governance. He also implemented a series of carefully considered steps to enhance the institutional capacity of the SECP and make it an effective regulatory body. Mr. Mirza has always been a prominent advocate of strict regulation of the stock markets. We asked him about recent policies implemented by the regulatory body, such as the capital gains tax issue, which has elicited investment of the SECP was over-regulating, and scared the investors away by investing in other unregulated avenues such as real estate. What does he make of all that?

“This Institution is not working properly. It is at the moment over regulatin

I agree, in the sense that at the moment it is doing a lot of micro stuff, which is short-term. They are trying to fix it. I’m not saying that they are not trying to, but at the moment, SECP is getting into areas which it shouldn’t be getting into. For example, they say that in order to set up an Asset Management Company, you have to have PKR 500 million, and for that the person, already have a license or own. Where will he go? Let’s say that he is able to convince someone based on his education and experience to give him the money to set up a company. But it will have strings attached. The reservation of the lender might be that he wants PKR 10 million every month. And if he doesn’t pay, the lender will take the company away from him whenever he pleases. So how will he do it? He will, in a wit, not do anything new, anything constructive, he will not break new ground. He may have many ideas, but he will be scared because he has to make those 10 million rupees a month. So what does he do? Plain vanilla things. I don’t think they have any new ideas. I don’t think they produce to that 10 million. He will not have added any value. Not only is this over-regulation, because the SECP is asking for PKR 500 million, whereas he only needs is PKR 20 million, but it also is a failure of regulation. What it means is that the regulator is saying I can’t distinguish between a horse and a donkey. They are effectively saying that they will just go with the money, if they think that money is fine.

And there are all sorts of other things which the SECP is doing. For example, if you want to do a new issue of shares, an IPO, they don’t let you take your own shares. They will dictate to you the price, or a range of prices, otherwise they won’t proceed. Also, they are doing merit-based regulation, not disclosure-based. What I promoted during my tenure at the SECP, was disclosure-based, where I said that all the risks have to be put in front of the investor, and you price it the way the market wants to price the share, and it is up to the investor if he wants to buy it or not. If you have been to jail, he should be mentioned in the prospectus that you have been to jail. If you have done something wrong, it should be on the prospectus, and if you have done something right, it should be there on the prospectus too. It should be transparent. They should know you as a whole, and then decide if they want to invest in you or not.

Also, what I always insist is that you should have an underwriter, someone who provides some security if you issue shares, they would all be bought. And there could be negotiations between the issuer and the underwriter, on the price, which is a market phenomenon, and that price could be the price for the issuer. That is not what is happening right now. Proposals for IPOs have been held for years and years. After months if not years. In my time, the process took 3 days; if it took one hour more than 3 days, somebody had to hell to pay.”

Apart from being a good conversationalist, Khalid Mirza is a class teacher who has excelled in his personal achievements. He recounted to us his experiences in a very amusing and frank manner—something that could fill volumes about his great personal humility.

“You see I always wanted to become a chartered accountant, but never became one. It’s still one of my unfulfilled wishes. At the time of my graduation, the top industrial groups in those days were the Adamiye, Daim and the Saigo groups, but I found employment in the fancy group, which you could say was the second best group. I wanted to make a career in finance so I wanted to join the top financial institution, PICIC, but ended up in the second best which was the Investment Corporation of Pakistan. When I went to the UK, I wanted to work in a top merchant bank but ended up in the number two bank, the Credit & Financial Corporation. As fate would have it, I ended up in employment in the World Bank which was again not the top but second to the International Monetary Fund. And within the World Bank group, the top one was the International Bank for Reconstruction and Development but I went to number two, the International Finance Corporation. And within the IFD, the investment department was the real deal, but I went to the second tier, the capital markets department. And finally when I came back to Pakistan, the top regulator was the State Bank of Pakistan, but I came to number two which is the SECP. And so much so that when I got married, I said so to my father-in-law. All my life I’ve been going up by being number two.”

Laughs go all around the room. "Well, call LUMS as the number two university in Pakistan. "Of course not. LUMS is without a doubt the best business university in Pakistan. Sehgal as the number three was the only seat." Clever answer as always.

ABOUT KHALID A. MIRZA

Khalid Mirza has had the distinction of heading both the Competition Commission of Pakistan and the Securities & Exchange Commission during the past decade. Mirza has extensive experience in the securities market and currently teaches MBA students at LUMS. Amongst students, Mirza is re-knowned for his profound knowledge and fascinating personal anecdotes.
DESIGN
25 PAGES OF VISUAL OVERLOAD
Products, Packaging, Operations, Layouts, Interfaces, Brands, Experiences and More!

by the LBR Team

DID YOU KNOW?
Thomas Edison's lightbulb is considered as an early example of design thinking.

WICKED PROBLEMS
Designers take ill-defined problems and create clarity and simplicity from ambiguity.

Note: While our team contributed some original content, most of the write up for the featured images is taken directly from official descriptions of the products/companies.
For our cover story we have rounded up 25 pages of great design instances. From products to processes, interfaces to layouts and brands to experiences, our visual feast looks at design in all its enveloping glory.

As a problem solving approach, design thinking is generally considered the ability to combine empathy for the context of a problem, creativity in the generation of insights and solutions, and rationality to analyze and fit solutions to the context.

As form or final output, process or ideology, design is a powerful tool for making our future better for it's #1 user: us human beings. As we move into a world where technology and automation are taking over, design keeps a human-oriented focus that allows our scientific progress to not become desensitized to our emotions, desires and needs. To that end, design thinking boasts a vast domain that includes shiny consumer products like the iPod as well as ergonomics research and better work environments. Design has clearly rejected its inaccurate categorization as a field that is just about form and style to form a set of principles that will govern how we think of products, processes, spaces and user experiences in the future. Finally, by redefining frustrating problems and making sense of ill-defined ones, design is helping us tackle issues like poverty, hunger, poor sanitation, inadequate education, and unsatisfactory healthcare in creative and cost-effective ways. Turn the page and see exactly how!

- BABAR SULEMAN

Empathy & Collaboration
Design is about understanding humans and working with people.

Experiment & Prototype
Design is about taking chances and ideation through reiterating.

Want to join in the action? Post a visual showcasing great design with a brief caption.

facebook.com/LUMS.BR
PINTEREST www.pinterest.com

Pinterest uses a simple continuous tile flow to create a spectacular visual display out of its biggest asset - its content. Pinterest truly epitomizes the design oriented visual culture of today and has set the benchmark for modern interfaces.
PEPSI www.pepsi.com

Pepsi has fully rebranded itself to truly be the hip, fresh and young company it wants to be - as per its 'Live for Now' tagline. The company's brand new website uses modern web design techniques – tiles and dynamic updates – to display the content that's most important to the company's consumers.
MICROSOFT WINDOWS 8- AND THE "METRO" LOOK

Tiles and the 'masonry' look have taken over. And to think that this latest trend in web and interface design has been brought to the forefront by none other than Microsoft- a company often accused of not being design savvy. Watch out, Apple!
WIKITUDE

Wikitude is the award winning augmented reality app that allows users to 'see more'. Through Wikitude, you can explore what's around you, find new and interesting places, events, and activities. You can also play augmented reality games, scan objects and create your own augmented reality world with Wikitude’s exclusive ‘myWorld feature. Wikitude is just one output of interdisciplinary design domains like augmented reality and spatial interfaces that are blurring the distinctions between human experiences and technology.
iPAD

More than any other company, Apple has been the pioneer in bringing great design to the forefront of the business world and right into consumers' hands. From the meteoric success of the iPod to the iPhone and iPad, Apple continues to lead through products that are as beautiful to look at as they are user friendly.
BANK OF AMERICA: KEEP THE CHANGE PROGRAM

IDEO helped design Bank of America’s wildly successful “Keep the Change” innovation, a service which helps promote savings by rounding up the cost of each purchase made with a check card to the nearest dollar and transferring that change to the user’s savings account. The program is a result of a deep understanding of consumer desires.
GOOGLE

By offering a clean and simple interface for searching content on the web and revolutionizing how ads are curated and displayed to the end user, Google was one of the earliest tech companies to successfully employ design thinking.
SENZ UMBRELLAS

We are all so used to the ordinary crappy umbrellas that go belly up whenever there is a storm that we never thought how easy our life would be if the umbrellas were just designed better. Luckily for us, Senz Umbrellas are especially designed to fend off wind and all other bad weather hazards - down to the very tilt angle.
VERT-A-PAC

GM developed the Chevrolet Vega as an answer to the affordable and popular subcompact imports finding homes across America. Transporting the Vega from Ohio to the Pacific coast was turning out to be expensive for a $2000 car. General Motors and Southern Pacific Transportation company teamed up to design "Vert-A-Pac" railroad cars for transporting the Vega. Compared to the conventional tri-level autoracks which held 15 cars (or 18 compact Vegas), a "Vert-A-Pac" railroad car was able to carry 30 Vegas in a single railroad car. The Vega was specifically designed for being transported in a verticle position with all its engine fluids in place. Its is estimated that GM was able to reduce the transportation cost per Vega by as much as $100, a significant amount for a $2000 car.
ACUMEN www.acumen.org

Acumen is a non-profit that raises charitable donations to invest in companies, leaders, and ideas that are changing the way the world tackles poverty. By rethinking the investment process and poverty solutions, Acumen utilizes Design Thinking for one of its biggest benefits: social reform.
H&M DESIGNER COLLABORATIONS

H&M is famous for their cheap trendy clothes and their global expansion. Since 2004, H&M has launched several 'designer's collections', made by designers like Karl Lagerfeld, Sienna Miller and Versace. The clothes in such a collection are still affordable but they are more pricy than the ordinary collection and the series are smaller, hereby establishing a sense of urgency: "buy it now, tomorrow it is sold out."
The music industry is seeing its worst years ever. Troubled by piracy and digital distribution, working out a viable business model in the industry had become a perplexing issue for all the players—from record labels to the artists themselves. Enter Spotify.
PEEPOO www.peepople.com

Peepoo is a personal single-use toilet that sanitisates human excreta shortly after defecation, thereby preventing the faeces from contaminating the immediate area as well as the surrounding environment.

The development of Peepoo directly addresses the fact that more than 2.5 billion people lack access to basic sanitation. In order to re-think sanitation, the Peepoople founding team started at the source. This meant preventing disease transmission as early as possible through rapid inactivation of pathogens immediately after defecation.

With Peepoo, Peepoople has taken an affordable, innovative, sustainable and easily scalable approach to providing safe sanitation.
FREITAG

Back in 1993, graphic designer brothers Markus and Daniel Freitag were on the lookout for a messenger bag. Zurich citizens worthy of the name travel by bicycle - 'velo,' they call it. When it rains, they get wet. The FREITAG brothers wanted a heavy-duty, functional and water-repellent bag to carry their designs. Inspired by the cheerfully coloured lorries rumbling along the cross-Zurich highway just in front of their flat, they cut a messenger bag out of an old truck tarpaulin. As the carry belt, they used second-hand car seat-belt webbing, while an old bicycle inner tube provided the edging.

As luck would have it, their personal need turned into a business which now employs more than 130 people. Since their original messenger bag, the FREITAG brothers have developed and marketed several bags for women and men. FREITAG products now sell around the globe.
IKEA

IKEA's products are affordable without looking cheap. This is a result of IKEA rethinking their product cycle. By involving the user in the assembly process, IKEA is able to offer their products at a lower price. In addition, the user is also more emotionally involved because the product is partly created by them.
"[Design Thinking] has been transformative for our leadership teams," says Cindy Tripp, marketing director at P&G Global Design, as she describes her work rolling out the company's Design Thinking Initiative. With a cadre of 100 internal facilitators, more than 40 design thinking workshops have been held in P&G business units across the globe during the past year. The design thinking facilitation team comes from every function at P&G (such as marketing, research and development, info tech, and product supply as well as design). Perhaps most important, half of the workshops focused on something other than new product initiatives to include other types of pressing business issues such as strategy, retail relationship building, and matters of operational excellence. "We want people to use these techniques daily in their work—using broad insights, learning faster, failing faster. Design thinking can be applied everywhere, every day," says Tripp. [Excerpt from Businessweek]
MAYO CLINIC

To enhance the way in which the institution provides services, Mayo invited IDEO to help turn an internal medicine wing into a laboratory for improving the patient-provider experience. The new venture is known as the SPARC Innovation Program, an acronym that stands for See, Plan, Act, Refine, and Communicate.
McDONALD'S

McDonald's has perfected the hamburger business to be operationally efficient and serves the same hamburger product worldwide. The company creates new food products, and perfects production of products that the public supports. For example, McDonald's managers noticed customers were coming in with Starbucks' coffee when buying their food at McDonald's. So McDonald's analyzed the market and developed an upgraded gourmet coffee to capture that business, which has been very successful.
KAISER PERMANENTE

Not only did healthcare giant Kaiser Permanente utilize Design Thinking to improve their nursing system and yield huge savings but they also improved the experience for their customers by radically re-thinking the layout for their patient rooms—now called guest rooms to represent the focus on well being.
MEMORIAL SLOAN KETTERING CANCER CENTER

Memorial Sloan Kettering Cancer Center is partnering with Parsons The New School for Design in New York City, to develop layout and patient service designs for a new satellite chemotherapy lab.
WALMART

Walmart has an impeccably designed logistics system and an impressive commitment to sustainability but we are choosing to feature the retail giant in our layouts section to highlight how Walmart and many supermarkets like it utilize design thinking in planning product and aisle placement for maximum profits.
SATURN

When Saturn, the automaker, asked Jump Associates, business strategists in San Mateo, Calif., to help it refurbish its retail spaces, Jump's design thinkers helped it develop entirely new showrooms. Modeled after an interactive museum, they feature hands-on exhibits, self-guided tours and touch-screen computers. Customers can place magnetized strips of paint samples on Saturn models to see how the finishes look, and they can drape large swatches of fabric and leather inside the cars to check out the upholstery options.
PANASONIC NOTE EARBUDS

Made for music and packaged to appear just like a musical note, Panasonic Note Earbuds won the Gold Lion at Cannes in 2010. The packaging was designed by Scholz & Friends, Germany.
ALTERNATIVE ORGANIC WINE

"The market for surprising, dramatic and even shocking wine bottle design seems to have no limit. Doing something truly new is now a serious challenge, but the Alternative Organic series rises to the challenge. The line includes labels that feature raw twine, and vine leaves. This particular label featuring laser cut balsa wood – just demands to be grabbed and marveled at, and just possibly to be quaffed!"

-Marcus Hewitt (The packaging won 'Best in Show' at the 2012 Dieline Awards)
GÖRTZ 17

Shoeboxes designed for Görtz 17's Converse Collection show one of design's best qualities— a great merger of form and function.
DESIGN HAS THE POWER TO ENRICH OUR LIVES BY ENGAGING OUR EMOTIONS THROUGH IMAGE, FORM, TEXTURE, COLOR, SOUND, AND SMELL. THE INTRINSICALLY HUMAN-CENTERED NATURE OF DESIGN THINKING POINTS TO THE NEXT STEP: WE CAN USE OUR EMPATHY AND UNDERSTANDING OF PEOPLE TO DESIGN EXPERIENCES THAT CREATE OPPORTUNITIES FOR ACTIVE ENGAGEMENT AND PARTICIPATION.

-TIM BROWN
INNOVATION AND DESIGN IN THE AUTOMOBILES INDUSTRY
WAQAS QAMAR
MBA CLASS OF 2014

Human beings are characterized by their highly cognitive nature and are blessed with the ability to imagine, create, learn and evolve. Driven by needs and desires, we are constantly redefining what we deem possible and are trying to build upon our legacy. From this perspective, design is the process that lays the groundwork for the execution of what we desire. It is our ability to preempt, solve, create, predict and prosper.

With this auspicious evolution, however, requires a thorough understanding of all the variables affected and a willingness to consider all the stakeholders, a task that leaves us with an inherent propensity to err in one way or another.

From a business perspective, the way a company handles different issues while developing products and services defines its competitive position in the future. As an industry gets more competitive, a company must exercise greater control over a greater number of issues while developing products and services. This article accentuates the role design plays as a driver of control, innovation and strategy execution.

by elucidating upon the evolution of US vehicle fuel economy standards following the oil crisis of the 70's. This issue is unique in that it is geared towards a very simple and quantifiable objective and the solution depends on the activities of multiple entities, over many years, governed through regulations.

Depending upon the scale and complexity of the issue, the way its solution is designed and implemented defines its fate. This is especially true for issues requiring innovation.

**STRATEGY: ISSUES TO ADDRESS**

While making decisions, companies are often faced with situations where priorities lead to ignorance of some issues that have the potential to place it at a serious disadvantage. Therefore, identifying the right variables and keeping a close eye on the competition and their competitive strengths should be a direct input into the strategy-defining process. Sometimes, a radical shift in one or more of the variables involved may require an entity to reconsider its developmental priorities.

The automobile, albeit a huge step forward for the human civilization in meeting its mobilization needs, had some long-term costs associated to it. Among the most significant costs was its impact on the environment and non-renewable resources. The US has always been among the nations with the highest number of vehicles per capita, as fuel was relatively cheap till the crisis of 1970's. Automobile companies placed little emphasis on fuel economy as consumers preferred horsepower over economy. After the oil crisis of the 70's, both the government and the consumers became more concerned about fuel economy. The rising oil prices led to a shift in consumer preferences in favor of frugal Japanese and European compact cars, leading to a decreasing market share of American manufacturers.

**DESIGNING STANDARDS AND CONTROL**

Since resources are limited, defining standards for a certain aspect in innovation may require a company to forgo some other opportunities. Therefore, the approach to any issue should be in line with its relative importance to the company and current market trends.

As a result of the 1973 fuel crisis, corporate average fuel economy standards were designed that aimed to improve the fuel economy of cars and light trucks so that American companies can compete with the fuel-efficient European and Japanese compact cars. The US government was also highly interested in limiting emissions from vehicles.
Driven by needs and desires, we are constantly redefining what we deem possible and are trying to build upon our legacy. From this perspective, design is the process that lays the groundwork for the execution of what we desire.

The resources it spends on oil. In 1974, the average mileage in cars had fallen to around 13mpg (5.48 km/l). Starting from 1978 CAFE required a manufacturer's passenger car fleet to have an average fuel economy of 18mpg (7.65 km/l), a number that stood at 30.2mpg (12.84 km/l) in 2011. The required standards were shared with the companies years in advance so that they can develop technologies accordingly. For example, the standard for compact cars in year 2025 is 61mpg (25.93 km/l) and 66mpg (29.56 km/l) for full size sedans.

The control aspect of CAFE standards are also quite interesting, the standards for passenger cars remained static from 1990 onwards at 27.5mpg when oil prices had stabilized. Starting from 2011, the standards are being revised every year till 2025. Similar programs are in place in Europe, Japan and even China (proposed) that demand an even higher economy rating than in the US. These regulations have acted as an impetus for R&D focused towards higher mileage. The objectives of the regulatory bodies are translated to objectives for individual companies through control mechanisms. These objectives within the company encourage greater understanding of the variables relevant to the issue.

With a greater incentive to invest in fuel efficient technologies, automotive companies all over the world are coming up with highly fuel efficient concepts that will hopefully lead to significantly better fuel economy in the future. Some interesting examples of concepts are given below.

**EDISON2**

Drag is the resistance the vehicle faces as it slips through air. A lower drag leads to higher fuel economy and higher speeds. Edison2's the "Very Light Car" (VLC) is the winner of $5m Automotive X Prize and recorded the lowest ever multi passenger car drag coefficient of 0.16Cd at GM Aero Lab (a typical family sedan has a Cd of 0.35). The VLC is capable of 47 km/l on petrol.

**MERCEDES F-CELL**

Mercedes F-Cell vehicles use Hydrogen and Oxygen as fuel and emit only water as a byproduct. The latest example (B-Class F-Cell) will be available as a production model in 2014 and will have an oil equivalent mileage of 38 km/l.

**VOLKSWAGEN XL-1**

This plug-in diesel hybrid uses a two cylinder 800cc diesel engine and an electric motor. The car can achieve a staggering mileage of 130 km/l on hybrid drivetrain and 53 km/l on the diesel engine alone. The vehicle weighs only 880 Kgs and has very low drag. This car will be available as a production vehicle in limited quantities.
Thinking Big for Small Businesses

NAJAM US SAQIB
MBA class of 2013

Even small business owners who don’t regard themselves as pioneering or creative can have great ideas and incredible payoffs just by being more vigilant, ready to test and quantify what works and what does not.

In my experience, what really works when generating fresh ideas in business is sticking with basics, then combining and reiterating existing assets or resources into new products, services or niches. Here are five suggestions to get you thinking, moving and looking in different directions for ideas you can apply to your own business:

1. GET INSPIRED.

A great example of this is Zacky Farms, a small enterprise that originally started as a grower of organic food consumables like poultry, vegetables and wheat. From lessons learned in researching the frustrations buyers faced when shopping quality raw food items, the company developed a concept that reinvented the basic grocery business. They instead went for customer fulfillment by incorporating a free home delivery mechanism which allows their customers to book an order online and get it delivered to their residence within the delivery window time. Just by incorporating the booming industry of online distribution, they have created a set of unique activities that meets the needs and wants of their targeted consumers.

2. DIG FOR YOUR CUSTOMERS’ NEEDS.

This seems evident, but I’m perplexed how many companies fail to ask for -- or more importantly, listen to -- customer opinions on services, selection, or added value they’re looking for someone to deliver. Complaints are also a good start. They signal customer frustrations that in majority of cases can be relieved with better service, delivery and communication. Questions are also brilliant prompts: “Do you sell this?” “Do you sell this?” or “Can
you do this for me?" may guide you to realize a way to offer new goods or services that cost very little to execute but breed revenues with significant margins and healthy returns on investments.

3. PAY ATTENTION TO YOUR TEAM

Your team is an additional source for great ideas, particularly when it comes to operational efficiency. If you are eager to ask the questions and pay attention, you'll perhaps find two or three great ideas you can implement with small interference to your existing operations. This, by the way, is appropriate in any business.

4. TRAIN THY PEOPLE

Many owners mark down the importance of seminars, books and workshops. We live in an exceptional age where additional information is readily available than at any other time in history. Take advantage of our capital stock of accumulated knowledge and information. You'll start to see connections between categories and industries you never realized before.

5. GET YOURSELF A TRUSTED ADVISOR

Getting an external perspective can add worth and aspect to you operation, mainly if the person working with you is growth-oriented and has a established track record of success. A good advisor can characteristically look at your operations and present you a numerical of strategically sound suggestions you might have not thought of, whether it's handling idle stock or capacity for new uses or markets, re-pricing your product or service lines, updating your brand or adopting new processes for targeting new or existing customers. The best ideas turn up when we're keen to see and do new things. Begin noticing and appreciating what areas of your business you'd like to innovate or turn around. Not every fix might be a good fit for you, but the more you investigate and test, the sooner you will find innovations with a potential to be transformational for your company.

Even small business owners who do not regard themselves as pioneering or creative can have great ideas and incredible payoffs just by being more vigilant, ready to test and quantify what works and what does not.
MNC Fever of MBAs & the Country’s Staggering Social Sector

The degree of Masters in Business Administration has been extensively associated with the corporate sector career with every fresh graduate pursuing top multinationals in the region. However in order to achieve the sustainable triple line growth of people, planet and profit in a longer run, an actuation campaign for MBAs is required in Pakistan to target the nonprofit sector or self-sustainable social enterprises adding substantially more value for society at large through a more direct path.

A country that has 28% of its population living under the poverty line demands competent management and leadership in organizations facilitating social welfare. However for the last few years, the MBA programs at all distinguished business schools of the country have only been associated with multi-nationals. This tilt has created a widening gap in the underdeveloped social enterprises and NGOs of Pakistan who are faced with the extreme dearth of business acumen.

Societal Impact:
The situation has adversely affected the state of social work in the country. Consequently, people’s trust has faded away from social enterprises and NGOs and questions have been raised over the management and planning capacity of the social sector. The ignorance even from the graduates of country’s top business schools has left social enterprises in dire straits.

Global Top Business School Initiatives:
The problem has been well catered in the developed world where top business schools have already modified their curricula exploring the ways in which business skills and disciplines can be harnessed to achieve social objectives. Big names like Haas Business School of University of California (UC) Berkeley have their core curriculum consists of a comprehensive CSR (corporate social responsibility) component, and nearly half of the cases addressed concern CSR. Berkeley’s Haas School has partnered with McKinsey & Co. so that McKinsey consultants act as coaches to student teams who do pro-bono work for local non-profits.

Harvard Business School (HBS) Social Enterprise club (SEC) has been the most famous club on campus for quite some time now. With over 300 members and a firm vision to train and connect leaders that will bring a social change in the world rather than individualistic careers in MNCs, SEC has been on the forefront of leading this global shift of mentality in two contrasting priorities. Moreover HBS Boar Fellows program is specially geared toward the training of MBA students for non-profit board governance which demands the maximum level of skills and integrity in the policy formulation of nonprofit or public sector organizations. Harvard Business School now says that it has about 90 faculty members—more than most schools have faculty-engaged in social enterprise research, teaching and programs. Since 1993, more than 500 books and case studies have been published by Harvard professors on social enterprise. Northwestern’s Kellogg School of Management now dangles $80,000 in seed money to a graduating student who launches a non-profit straight out of school that can compete for the prize.

Similarly Yale’s School of Management (SOM) and Stanford’s Graduate School of Business (GSB) are consistently ranked by US News & World Report at top positions in non-profit specialization.

Although not very impressive in rankings on paper, F.W.Olin Graduate School of Business at Babson College has been instrumental in designing an integrated curriculum that weaves social and ethical responsibility themes into all classes, allowing students...

ABOUT THE AUTHOR
Muhammad Adnan Aram
MBA Class of 2014

Pakistan’s top business schools have also realized the gravity of the situation...
"...people’s trust has faded away from social enterprises and NGOs and questions have been raised over the management and planning capacity of the social sector”

Ed their own social ventures. As an alumnus of MIT and Harvard Business School (HBS), Sai Khan left his job at hedge-fund at the age of 33 and started his own not-for-profit internet based Khan academy that are turning traditional and obsolete paradigms of public education upside down.

Similarly Muhammad Younus, a famous Bangladeshi banker, economist and Nobel peace prize recipient established Grameen Bank in 1983 fueled by the belief that credit is the fundamental human right.

Institutionalization of Motivating MBAs towards Social Sector:
Apart from individual examples, there are some organizations that have institutionalized the motivation campaign for MBAs to gear themselves towards the social sector.

One such company is Emzingo that came into being as an incubator at IE Business School, in Madrid from Ramon Marmolejo, Amari M’Bale, and Drew Bonfiglio, all MBA themselves. The goal of the company is to connect MBA students with social ventures and organizations that need them to grow. The founders of the company were inspired by the need to bridge the gap between business and society and that there needs to be more responsible leaders. The flagship initiative of Emzingo has been NexGen Leadership Program, where

Emzingo Fellows are placed in their field partner organizations for six to eight weeks to help with various activities including business development, funding, and performance management. Fellows also participate in a one-week, intensive orientation with workshops and lectures on topics including leadership, social innovation, and microfinance. This is where they learn about the countries and organizations with which they will be working.

The NexGen pilot was launched in the summer of 2010 with six students. While the program targeted MBAs at IE Business School, it has expanded to include students from Leeds Business School, London School of Economics, and ESADE, as well as partner organizations in Peru.

Similar efforts both on the individual level as well as on the organizational level are required in Pakistan to address the challenges faced by the social sector. Rapidly increasing poverty and lack of basic necessities of life for a large segment of population are asking loud echoing questions from the educated privileged MBAs of the country and reminding them about the fact that “With great power come great responsibility.”

BELOW POVERTY LINE
28% of Pakistan’s population is living below the poverty line. Rapidly increasing poverty and lack of basic necessities of life for a large segment of population are asking loud echoing questions from the educated privileged MBAs of the country...
crossing the line:
POP ART
as a lifestyle brand

Advertising professional, HASSAN IQBAL RIZVI, one third of the creative partnership behind 9Lines, tells us more about his collaborative venture and the design thinking fueling it.

HOW DID 9LINES COME ABOUT? WHAT IS THE STORY BEHIND THE NAME?

9Lines is the brainchild of one of my partners Saad Shahid, who is a marketing professional at Lahore School of Economics. Me and my other partner Zainab Masood who like me is a graduate of National College of Arts, dreamed like artists but Saad thought like entrepreneur. In our own space we both wanted to create a product, a label, that was both lifestyle and/or fashion for a long period of time, and it was incidental that we all three created an opportunity to collaborate on a project such as this.

It took us over six months to fine tune the concept and eventually execute 9Lines. The label has separate 9 lines that covers everything. If this sounds deliberately vague, the reason is that 9Lines has everything: stationary, paintings, bags, jewelry, clothes, and a lot, lot more.

HOW DO YOU WORK TOGETHER? AND WHAT IS EACH OF YOUR TEAM ROLE?

The designing of the outfits, jewelry and paintings are done entirely by Zainab. While I concentrate on the visual and digital art for all the products. Saad on the other hand, coming from entrepreneurial background is responsible for marketing strategy making, operations and production. We bring complimentary skills to 9Lines and that’s the trick of the trade.

WHAT’S THE THEME FOR YOUR DESIGNS?

The idea behind this was to create a label that shouted fun, quirkeness, edginess, and creative originality. We are consumed in popular culture but still we were very intent on exploring classic Hollywood, and drawing inspiration from the very many mass culture inspired visuals that have been long forgotten. We wanted to bring in the pop culture and make it visually appealing and accessible to people.

WHY LIFESTYLE ITEMS AND FASHION?

As an artist who uses canvas as a medium to showcase his creativity or art, this is only another medium to showcase the same. Through this medium I am able to stick to the very art genre I have often worked with - pop art - which propagates mass culture. While art has often been held in very exclusive regard, lifestyle and fashion has the ability to reach a larger audience. This becomes a channel to showcase an idea, a visual, a thought through a canvas that surrounds you completely. Through lifestyle items and fashion, art has now has a wider reach and easier access.

TELL US ABOUT YOUR DESIGNS. HOW HAS THE FEEDBACK BEEN?

It took close to six months to get the first collection together. At this point we plan to introduce a new theme two times a year.

9Lines has had an overwhelming response. The feedback we have garnered has been very, very encouraging. We only initially planned to sell the items through Facebook page. But because of the overwhelming response, we want to introduce online web store where customers from remote areas can buy and enjoy our products. This should soon translate into international orders as well since we have a large number of inquiries coming in from Europe, India and South East Asia. We’ve had a wide range of buyers, from young adults, and kids, to a number of socialites. If sales keep going the way they are, then we will consider opening a physical outlet as well.

ABOUT 9 LINES

The greatest ideas known to mankind are born out of unrealistic thoughts and sheer chaos. 9Lines, the brainchild of three overworked, neurotic designers with excessive levels of creative insanity, is a roller coaster ride over a colorful rainbow full of pop, kitschy, loud, yummy, tangy lifestyle products with lots of attitude and spunk - overhauled with aesthetic sensibilities.

facebook.com/ninelines9
CURRENT WORK
At this point the focus is on 9LINES. I am also currently working on paintings for a collaborative show with Zainab Masood in Lahore. Simultaneously I am working on layouts for two magazines: Flavor and Youth Affairs. I am looking forward to pursuing 9LINES aggressively and taking it international. With every transition and progression we alter our goals and our dreams follow suit. I keep changing the scales so the existing boundaries can be pushed and something more exciting can be introduced.

VISION FOR THE FUTURE
I see a paradigm shift in design sensibilities and a larger international exposure for students who have had exposure to international design- which allows them to contribute to the Pakistani Design scene. Contemporary Graphic and Arts are still at a nascent stage in Pakistan and I am certain this will change in due course for the better.

HOW SHOULD DESIGNERS PROMOTE THEMSELVES?
I think the key essence is not promotion but focusing on the work itself. I would like to believe that in a creative industry it is of foremost importance that designers, particularly the new breed, need to focus on creating their own space and niche, creating a visual identity of their own so they can bank on that as their USP. Once the works of art speak, promotion becomes a whole lot easier. Social Media is also a great platform.

HOW DO YOU JUGGLE YOUR DIFFERENT ROLES AS AN ENTREPRENEUR (9LINES AND DESIGN CONSULTANCY, NARCISSIST DESIGNS), AND GRAPHIC DESIGNER AT SEFAM (BAREEZE GROUP)?
With these diverse roles to play, I have no sense of time management and I seem to find myself working all the time. I don't complain - I love it - as this really isn't work for me but play. To me, being involved in the creative process, being an artist is not a 9-5 job that requires structure but passion. I don't think I planned everything this way, but at some levels I was always certain I wouldn't be satisfied with playing just one dimension. I enjoy experimenting and I am spontaneous and adventurous; when I have a new idea, I go about trying to find ways to execute it. This is what led to the formation of 9LINES with my colleague Zainab. We began painting to while away time when I had no design work and soon it stemmed into a full fledged path which in turn got me a ton of design work and accolades, which in turn led me to meet Saad and we founded 9LINES. Amidst all this chaos I find my order.

- LBR

Hassan Iqbal, Saad Shahid and Zainab Masood, are the brains behind 9LINES. They design everything from dresses to stationary, cushion covers to jewelry; almost anything you want a quirky and fun design on!

A graphic designer by degree and trade, Hassan graduated with a BFA from NCA and now divides his time between his multitude of creative interests- painting, writing, photography, marketing and, of course, design.
DESIGN IN THE TIME OF CHANGE  The Desi Design’s Najwat Rehman talks to LBR.

TELL US A BIT ABOUT YOURSELF.

I like to identify as a design entrepreneur plus technology geek plus sarcastic writer. I graduated with a major in Marketing from IBA a couple of years back and since then have been working on a bunch of really exciting and innovative projects, of which The Desi Design is one.

YOUR LOGO, A CHEQUERED BOMB INSIDE A BRIGHT YELLOW BOX, IS INTRIGUING. WHAT IS IT ABOUT?

With the logo we wanted to convey a sense of chaotic potential and energy. Like it’s all really jarred and bold, and it’s a bomb, so it really is a symbolic representation of Pakistan itself: an entity that is volatile, edgy (sometimes uncomfortably so), vibrant, and at the same time bursting with potential.

HOW DID IT ALL START?

Like most websites, The Desi Design started as my own personal blog where I posted rants about stuff happening in the local advertising, branding and design areas. This year however, we re-launched as a dynamic online magazine with a brand new website, new members on the editorial and technical teams and a whole lot of energy. Our aim is to highlight and promote the creative and design industries of the country and ultimately become the hub of all things creative in Pakistan.

HOW HAS THE RESPONSE BEEN?

At our launch we published two lists, Best and Worst Brand Happenings of 2012, both of which imme-diately went viral. We were quoted by more than a dozen brands on their websites and social pages and the resulting viral buzz was crazy. So yeah the response has been absolutely overwhelming!

HOW DO YOU MANAGE?
"We want to establish the Desi Design as a hub of creative thought and innovative ideas. We envision an online community centered on analyzing creative work and discussing new ideas."

About the Desi Design

The Desi Design is the Pakistani magazine for branding, design, advertising and visual culture. Having started only this year, The Desi Design has quickly gathered steam and carved out a niche for itself as a consistent source of original, creative content and analyses.

Right: Detail of the feature image for 'Lawn Wars', a popular annual feature of The Desi Design.

www.thedesidesign.com

Well, the truth is, managing an active magazine and maintaining quality of content requires a lot of effort and dedication. Within a very short period (4 months!) we have earned a reputation for creative and insightful content, so we have to be particular about the quality of our content.

But we have an amazing team that is always bursting with ideas. And ideas drive and energize us. We do most of our editorial work on weekends since all of the team has regular day jobs to care of as well.

YOUR TEAM, TELL US MORE ABOUT THAT.

Our editorial team is made up of, in addition to me, Marium and Faizan, both of whom are business grads with a knack for ideas. Then there's our amazing development team - Saad, Sameer, Noman and Imran - who we bug all the time and who keep the website going.

WHAT'S YOUR FAVORITE STORY FROM THE DESI DESIGN?

I really love the Prime Ministers of Pakistan Infographic that we did back in January. Recently we explored a completely new approach to making a resume and that project is also a personal favorite.

GOING FORWARD, WHAT ARE YOUR PLANS FOR TDD?

We want to establish The Desi Design as a hub of creative thought and innovative ideas. We envision an online community centered on analyzing creative work and discussing new ideas.

Top to Bottom: Marium, Faizan and Najwat.
Growing up, I couldn’t wrap my head around the concept of how my gender is supposed to dictate the way I should act. Since a young girl, I was never really interested in Barbie dolls, and devoted much of my time to reading. I deviated even further from “girly interests” and indulged in rap music and got obsessed with cars (I still get excited when I see a Range Rover roll by). By the time I was a young woman, these “quirky characteristics” were frowned upon as they became the foundation of who I am; an independent woman who is infringing the bounds society has placed on her, and is on her way to “make it” in this ruthless world.

When I decided to do my MBA, friends and relatives would drop comments that women don’t have a strong place in the corporate environment, and I should choose a career more fit for a lady. Their concern for my choice of profession was absolutely valid; the number of women who are in “managerial positions”, let alone CEOs or board members, as compared to men world over is appalling. This number is also reflected in my own MBA batch; we have 24 females out of a batch of 110, a sad 22%.

Moreover, this rift is even more concerning when we look at positions of power; no female Class Representative has been elected so far and we only have one female Vice President of an MBA executive club. Women are remarkable beings; they have the resilience to thrive even when they were shunned as out-

"No nation can ever be worthy of its existence that cannot take its women along with the men. No struggle can ever succeed without women participating side by side with men. There are two powers in the world: one is the sword and the other is the pen. There is a great competition and rivalry between the two. There is a third power stronger than both, that of the women."

MUHAMMAD ALI JINNAH

Statistics:

Women comprise a paltry 22% of the current LUMS MBA class.
work harder because we are going against the grain, against the patriarchal society. After reading a lot of literature on this subject, and with my own experiences, here are my top 5 suggestions for women struggling to survive in the corporate world.

1. GOSSIP GIRL? JUST A PRETTY FACE? NOT ME!

I cannot emphasize the importance of communication skills in today's work environment, but go beyond the basics of small talk or how to write an effective email. I am talking about how to carry a conversation, whether it is on a one-to-one level or in a one-to-many level such as meetings. Present your argument convincingly but be open to different points of view. Logic is your best friend; stand your ground and only change your opinion based on logic, not intimidation. Offer constructive feedback. Once they see you as a key team player, your importance is established in the workplace.

2. MORE THAN A SOCIAL NETWORK!

In our society, people who have succeeded have had two things: merit and a connection that helped push them into the limelight. Establishing friendly relationships are important in a healthy work environment, whether it be peers, juniors or seniors; something which is a breeze for women. But they forget to look at the bigger picture; your job also gives you the opportunity to make connections with people that can help you succeed. People skills are important, but don't let your personal friendships cloud your judgment. Also, don't be reluctant to show you care about others. It's a strength, not a weakness.

3. MAKE A FASHION STATEMENT NOT A FASHION FAUX-PAS!

What you wear plays an important part in anyone's career, but let's face it, it has deeper implications when it comes to women. Don't let go of your personal style, let it come through, but modify it a little to suit the workplace. You want to be known for your intelligence, so don't let your clothes divert the attention from that.

4. BE A RISK TAKER!

Women are regarded as being very risk-averse; which can hold them back from going up the corporate ladder. Jump at opportunities, take on that new project, be active! Passivity will not land you anywhere. Look at the bright side, with risks comes rewards, and if once in a while, things did not end up how they should have been, take that a learning opportunity.

5. BE PROUD OF WHO YOU ARE!

At the risk of sounding like a L'Oreal advert, remember that you are worth it! Women and men are fair competitors when it comes to intelligence and professionalism. Don't change who you are to fit into the corporate culture. Believe that if you work hard and be committed to your career, no one can stop from getting off that sticky floor and breaking through the glass ceiling. To quote Beyoncé: 'Who run the world?' 'GIRLS'!

NEHAN HUSSAIN
MBA Class of 201
Creating a Palestinian state based on Israel’s pre-1967 borders would require Israel to relinquish control of parts of East Jerusalem and dismantle many settlements in the West Bank.

**Pre-1967 borders**

ISRAELI
- Settlements
- Outposts

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**THE PROMISED LAND**

Faraz Akbar | MBA Class of 2014

With the reiteration of America’s undying support of Israel, its right to protect itself from internal threats (read Hamas) and external ones (read Iran, Hezbollah and the spillover from the Syrian civil-war), and a peaceful resolution to the Israeli-Palestinian conflict, Mr. Obama boarded Air Force One and departed the lands of Judea and Samaria (that’s Palestine for you and me) and headed towards Jordan, leaving behind nothing but a trail of symbolic gestures. Given that the peace process is now literally in tatters, and there’s as much a chance of a “Palestinian State” in the West Bank as there is of pigs flying over our heads, it’s better to get used to the Biblical name for that region, the way Israelis prefer to call it. For they have effectively killed all debate and all hope of a two-state solution, and are in total control of their destiny. Divisions of countries are usually protracted affairs, ask the people of the Sub-Continent, former Yugoslavia or Sudan. But the peculiar case of Palestinian statehood has rather dragged a bit too long for its own good. Gone are the days of Yasser Arafat and the thunderous speeches of support for the Palestinians from past Arab titans like Faisal, Hafez, Gaddafi and Saddam. Nowadays, no one even bothers to talk about this issue, least of all the Arabs themselves, too preoccupied by their own Springs and struggling to contain their own ‘Intifadas’. It is perhaps telling to note that after almost five years in power, Obama’s first visit to Israel had more to do with containing the perceived threat of Iran and the upheaval in the greater Middle East than to actually revive the infamous “peace process”, a process that was originally a “road map” to peace but later derailed, and now has to be put “back on track”.

The usual jargon, the typical clichés. Yet it is ironic that after tactically ignoring the burning issue, Obama’s recent visit still exceeded expectations. His mediation was crucial in normalizing the diplomatic relations between the two regional power houses, Turkey and Israel. Relations between the countries were severely strained after that flotilla debacle in 2010. But it speaks volumes about how far expectations have fallen, given that what was expected of him was to deliver absolutely nothing at all.

**THE ACTUAL PICTURE**

Of course, we’ve been here before. Empty promises have become the norm on such visits. But where earlier visits by US presidents at least had the façade of a desire to resolve this issue, or at least kick start the peace process, this time around the US President did not even object openly to Israel’s ludicrous demands that the peace negotiations with the Palestinian Authority should resume without freezing the building of settlements in the West Bank. To be fair to Obama, his previous stance regarding the settlements issue was clear; they were illegal under international law and hampered any meaningful peace negotiations. Even the position taken by previous US administrations considered Israeli settlements in the Palestinian territories occupied in 1967 as an obstacle to peace. But after a bruising first term of failed Middle East diplomacy and strained relations with Israel, notably after the Cairo speech in 2009 when he called for a freeze on settlements, Obama’s prime concern was to ensure that the situation does not get any worse. And in his bid to ap-
pleased the powerful Israeli lobby in Washington whose support is vital for promoting domestic reforms, he embraced the Zionist narrative about Palestine as the historic home of the Jewish people more than any American president that came before him. This rendered Palestinians - the indigenous inhabitants - guests in their own homeland. No more talk, then, of 1967 borders or UN Security Council Resolution 242. He incorporated all of Israel’s security arguments into his own political lexicon. Arab anti-Semitism, terrorism and rejection of Israel’s existence, he reasoned, were to blame for six decades of war, occupation and dispossession. Obama pitched a vision of peace, free of occupation and dispossession, to be achieved through Israeli “sacrifices”, not as the long-delayed and necessary restoration of the inalienable Palestinian right to live in liberty and security in their own homeland. He simply was not prepared to offer the Palestinians anything remotely upsetting to the Israeli Right. Instead, restricted his comments to lofty narratives about the future, and the importance of economic exchanges to achieve coexistence: the mirror image of Netanyahu’s “economic peace”, albeit between occupied and occupier.

THE WALL OF SEGREGATION

The Israelis have hidden the Palestinians away behind that wall, that monstrosity that Israel calls a “security barrier”. Its route substantially deviates from the Green Line (the pre-1967 border) into the occupied territories captured by Israel in the Six-Day War of 1967, and it quite clearly is an illegal attempt to annex Palestinian land under the guise of security. It violates international law, has the effect of undermining negotiations (by establishing new borders), and severely restricts Palestinians who live nearby, particularly their ability to travel freely within the West Bank and to access work in Israel. The Israeli settlements in the West Bank are a blatant violation of international law too, and unless there is an immediate halt to building settlements in the West Bank, there will be no real progress in the peace process. What’s more, settlement construction activity is carried out in a way that deters Arab towns, so that now there are numerous illegal settlements, or “outposts” as the Israelis like to call them, built between Arab areas of the West Bank. This is a calculated and deliberate attempt by Israel to prevent any future Palestinian state based on 1967 borders, as it would require Israel to relinquish control of parts of East Jerusalem and dismantle many settlements in the West Bank, which it simply is not prepared to do. Since the Oslo Accord (in 1993) until 2011 around 43,304 new hous-

Another major issue of contention is the right of return of Palestinian refugees living in the Palestinian diaspora. Arabs, whose normal places of residence were in Israel and were expelled after the creation of the Jewish state in 1948, had their right of return recognized in the United Nations Resolution 194 of 1948. Israel even promised to the UN that Palestinian Arabs would become full citizens of the State of Israel, and the Israeli declaration of independence invited the Arab inhabitants of Israel to “full and equal citizenship”. In practice, however, Israel does not grant citizenship to the refugees, as it does to those Arabs who continue to reside in its borders. This has left millions of Palestinians scattered around refugee camps and slums in the Palestinian Territories and neighboring states. Even more hypocritical is the stance of the Arab League, which has instructed its members to deny citizenship to original Palestine Arab refugees (or their descendants) “to avoid dissolution of their identity and protect their right to return to their homeland”, as if such a protest will somehow erase their pain and win them their homeland back. The refugees know of their condition. They are acutely aware of the might of Israel, the ineptness of the Western governments and their corrupt counterparts in the Arab world. They have been living in a limbo for over six decades now, without a country, without a home. And they know they might not live to see it ever again.

WHAT’S IN A NAME

Yet hope springs eternal in the breasts of those yearning to one day go back to the lands of their forefathers, the land of Palestine. Or is it Judea and Samaria? For the sake of peace, let’s just call it The Holy Land.
THE BUNNY NEEDED A FRIEND

Before joining graduate school, I worked for a digital marketing firm. Creative competence was part of the job with employers facilitating the creative process and encouraging out-of-the-square thinking (the term ‘box’ was deemed too clichéd). The entire team sat in one big room – killing distances and thus all barriers to free flow of ideas (it was distracting sometimes). Employees became soundboards. Walls became whiteboards and the place bore more post-it notes than an amnesiac goldfish’s refrigerator. In-house presentations were held and we were made to compete against one another to generate ideas which could be proposed to clients. The gain from the pain? To keep the creative juices flowing and develop a culture where idea generation becomes an inherent quality for all the employees. It seemed like a good proposition, but did this exercise translate into new ideas? It was spelt, mostly. The ideas proposed to clients were customized versions of something someone somewhere around the globe had already done. Let’s just say we knew really well how to use Google.

Created out of thin air?

So how do people around the globe do it? For example, who came up with Hoops and Yoyo - the animated characters that are featured on all Hallmark greeting cards? Hoops and Yoyo love to have fun, and they love coffee. Simplicity personified. If we go back to a time when they did not exist, can we figure out how their genesis actually happened? In my imagination, it was a reflection of the one who created them (his name is Bob). According to Bob:

1. There was a due date breathing down his neck.
2. There was a bunny in the room.
3. The bunny needed a friend.
4. Dig deeper beyond the trivial and we have the basis of a successful creative process. So what was it fuelled by? Breaking it down, we knew there was pressure to meet deadlines, there was an external source of inspiration and lastly, there was the human element involved of us being interactive beings, unable to survive all alone which gave Hoops the bunny a friend named Yoyo, both possessing a personality emanating directly from within Bob himself. I am inspired here by the Islamic philosophy of how we are a reflection of God. The created is nothing but a reflection of the creator. Hoops and Yoyo were born in 2009 and Hallmark
INTELLECTUAL PLAGIARISM

Is now just building on what had already been created and cashing in.

What was wrong with our process?

if we apply the model I just built above that leads to creation of eternal characters like Hoops and Yoyo to my workplace, we can prob-
ably figure out where is it that we are going wrong.
1. We had external sources of inspiration - the internet and our colleagues. Check.
3. Our creativity generation process was not original because we let the inspirations takeover. We let Google intimidate us, and we
unconsciously believed it to be the end of our creative process. We need to understand that it is just a means to an end, and we need
to break the shackles (I already feel like a Spartan). Let’s learn from Bob. Bob loves coffee. Bob could connect to his inner self, which is
as simple as realizing what is it that you love. As humans, we are on a higher level of knowledge today, but it is also true we have been
living in this world for quite some time now, and our reality is, that a lot of ideas have already been thought out before us. But that
All-Encompassing Creator after all, in these complex times, all we need to do is understand ourselves and connect to our self, like Bob
writing.

The bigger picture

Are these derivations of how originality can be lent to the creative process any helpful? The answer, in today’s world, is a resounding,
yes. Creative competence may not be part of everyone’s job but the world needs all of us to be creative, both at home and at work.
Before suffocating our creativity and becoming human machines, we need to understand that creativity is the future driver for sustain-
able businesses. Lack of innovation is a death sentence. So even if you are Rebecca Black, forcing painful creativity through a camera
lens or Sir Alexander Fleming, the brilliant yet clumsy biologist who accidentally stumbled upon the discovery of the life-saving drug
penicillin, I have one request for you. Let the law of unintended consequences be your guide. Don’t stop now.

LET THE LAW OF UNINTENDED CONSEQUENCES BE YOUR GUIDE. DON’T STOP NOW!
DECONSTRUCTING CONSUMERISM

Over the last few decades, marketers have ensured that the line between what we consider needs and wants has blurred. Smartphones and push-email have become a necessity for most, while energy drinks have become a prerequisite for study marathons.

For all our fancy gadgetry, we are or at least ought to be more aware than ever before. Yet, we see all around us consumers being manipulated, if not completely controlled, by global conglomerates and the efforts of the marketing agencies they engage. Of course, we like to think we choose to consume what we consume, but we also tend to give ourselves too much credit.

Our purchase decisions are largely focused on perceived value, and on convenience, amongst other things. Large companies are, by virtue of their size, in a position to influence both these dominant factors through their marketing and distribution efforts, thereby undermining the extent to which we can exercise our choice and free will. It is not surprising to see product categories being dominated by a few dominant players.

As brands become more powerful, we see the fundamental assumption of the ‘rational’ consumer failing. Consumers are paying more for big names and exclusivity, owing largely to the superior branding efforts of the firms involved. Others are consuming goods that do more harm than good, based on their availability and illusion of value, sometimes even paying premiums for these ‘bads’, as I like to call them. An outer-worldly being would marvel at the choices we make, and the lives we live, so far are we from what would be an arbitrary notion of rationality.

We batter our bodies with preservatives and sugary fizz, and then spend enormous amounts on hospital bills, insurance covers and even diet regimes. Gen-Y consumers spend a bulk of their time staring at computer screens and their phones and then complain about getting frequent headaches. Something is very, very wrong in the way we have designed our lives.

So what if you get fat and unhealthy? Here, get this liposuction, or some harmful diet pills. Here, have some Diet Coke filled with chemical sweeteners that will destroy your innards. A headache, you say? Have some chemicals in pill form.

We must start evaluating our purchases based on merit that is independent of the marketing efforts of companies. In a rational utopia, McDonalds wouldn’t sell, and companies like Coca-Cola would die out due to the negative value of its products. Rationality would dictate that we consume more of that which is natural and good for the body/mind in the long-run. The supernormal profits posted by the aforementioned corporations indicate that while our phones may have gotten smarter, we seem to be lagging far behind.

The effects of our short-term consumption focus can be seen in the rising rates of
obesity and other diseases, or in the success of hospitals in the developing world. What is needed is a redesign of our thinking process. A good framework to start is: what are the implications of consuming a product as opposed to the alternatives available? Do the positives of the product outweigh the negatives? Will I be better off in the long-run by consuming this product?

By deconstructing our thought process, and reengineering it with a long-term focus in mind, we can perhaps bring about a fundamental shift in the way we view products and services. The shift is not limited to just products, of course. We see in Pakistan a number of outdated cultural practices like expensive weddings and dowries that have no place in a rational society. Yet, these practices are common within the lower strata of society, who spend beyond their means to keep up to the Joneses (or the Hajji Muhammads, or Hanifs). Cultural practices that promote waste and extravagance should be done away with, but with everybody so concerned with ‘fitting in’ and living up to expectations, who will bring about the change?

We have forgotten that we were born to stand out, not to fit in. As we take the backseat and let the brands battle it out for a share of our wallets, we are effectively saying: we will buy whichever is easily available, or has a more attractive woman in the advertisement, or is perceived by our peers to be ‘cool’ or ‘hip’. What about our own individualism?

It is high time that we started inconveniencing ourselves to make better choices. And perhaps it is time we started using our Smartphones for seeking out information that can help us make informed choices, instead of playing the latest version of Temple Run.
Not again, you must be thinking. I'll admit, this question has been repeated ad nauseam and this topic has been done to death since the demise of Karl Marx himself in 1883. So why ask this question now? The answer is simple.

The fall of Soviet Union in the 1990s has not only declared the triumph of capitalism, but it has invariably led to its proponents declaring the tenets of Marxism ever since. Yet, this alleged demise of Marxism appears greatly exaggerated especially since Marx's indictment of capitalism — i.e. that a society which creates great wealth for a minority at the expense of its majority is destined for collapse — appears to be true. This truth in Marx's prophecy thus begs the question: is Marxism really dead? I think not.

Karl Marx explained the construct of society from an economic perspective. Marx believed that societies undergo a constant struggle between workers (the proletariat) and capitalists (the bourgeoisie); this struggle, if left unchecked, would result in a small number of really rich capitalists, whose wealth and power will initially lead to class polarization, and eventually to a socialist revolution.

Marx's notion of a constant 'class struggle' gained prominence in academic and intellectual circles when the Great Depression of the 1930s created a US with extreme income imbalance. This era added credence to Marxist ideals, which were readily adopted by the American Left throughout the 1930s and 1940s. This acceptance of Marxism however proved ephemeral in nature, when it eventually fell out of favor in political circles during the 1950s. The authoritative, genocidal policies of Joseph Stalin in Russia became associated with Marxism, eventually instilling its fear. These fears were further compounded by the 'Red Scare' which was initiated by a Senator in the US — a man also named Joseph — Joseph McCarthy. With time, the growing economic strength and political clout of 'capitalists' and 'big businesses' eventually deemed Marxism as dead and declared its proponents as social pariahs.

Now, once again, the tables seem to be turning. The lingering Great Recession of 2007-08 and the Occupy Wall Street Movement et al. all seem to suggest that Marxism is no longer taboo — at least not to the same extent that it used to be. There is still other evidence which would suggest that Marxism is not completely dead, and is in fact present in even the most 'capitalist' of countries, albeit in an impure form. Take the US and European Union, for instance. These regions which thrive on capitalism have 'social welfare' — a distinctly Marxist Socialist amenity. By providing state education, national healthcare, child care etc., these capitalist nations that downright denounce Marxism, do adopt some of its tenets, it can be argued, thus keeping it alive.

Furthermore, mainstream Western philosophy has persistently demonized Marx and tainted his ideals; yet, one cannot ignore the fact that this self-declared atheist proposed a social system that was essentially grounded in the most basic precepts of all religions of the world i.e. that "all men are born equal". By that logic, Marxism then perhaps appeals to the inherent virtues that man aspires to, and declaring its death will be akin to declaring the death of man's virtues themselves.

Marx and Engels wrote in 'The Communist Manifesto' (Incidentally one of the best-selling books of all time along with the Bible, Qur'an and Quotations of Chairman Mao): "What the bourgeoisie therefore produces, above all, are its own grave-diggers. Its fall and the victory of the proletariat are equally inevitable."

In the first part of this statement, at least, Marx was right (pun intended), which is why there has been a great revival of interest — a rebirth — in his philosophy in the wake of the Great Recession. The second part of his statement, of workers winning the class war, though is a completely different story.
Spotlight
SYNERGIES 2013

2013 proved to be yet another successful year for General Management Club (GMC) with more than 250 business students from universities all across Pakistan participating in 'Synergies-2013'. The increased interest of participants made this year's round of Business games an immense success with a very high enrollment in events such as Gauntlet (Business Simulation), Perspicacia (Case competition) and Beverage game (Supply Chain Management Simulation).

GMC, through its flagship event Synergies continued its legacy of providing students from business schools with the opportunity of experiencing real business scenarios under the supervision of Pakistan’s best Business faculty. These games aimed at not only testing but also honoring their marketing, strategizing and operations management skills.

Coverage by Ali Nasir Mirza and Usman Javed
I remember the time when my mother used to narrate stories to me of strange lands and mysterious people. I remember when she repeatedly convinced me to finish my vegetables, to meet and greet the guests and to establish prayer. I remember my father feeding me lessons in honesty, goodness, moral uprightness and guiding me through the intricacies of life by example and never by speech. They've always believed in parenting through osmosis rather than forcefully guzzling it down one's throat.

But after 23 years I find myself as confused as I once thought I was clever. How many of their cherished values stuck? How much of it has been blunted out by the dirt spewed by society? I do not know. How are my values, given to me by my parents, different from those of an orphan? What makes a less privileged person have better morals and a more pleasant footprint on people's lives the well educated but corrupt lawyer, doctor, businessman and banker who exploits societal norms mercilessly? What makes one person a philanthropist and another a looter? I do not know.

"Watch your thoughts; they become words. Watch your words; they become actions. Watch your actions; they become habit. Watch your habits; they become character. Watch your character; it becomes your destiny."

What I do know is that there has always been a constant clash. A clash between what I know to be correct and what I know is wrong and questionable. Life forces one to choose, I hold honesty as very dear but have been compelled on many occasions to choose dishonesty. During my undergrad in Australia I was offered a job at a reputable bank. For an international student, it was foolish to let go of such an opportunity and after months of toil this job offer seemed just reward. However, the job’s hours in the initial training week violated my visa restrictions. Under immigration laws I was not allowed to work more than a set number of hours and I was being asked to do so for this particular job. My job hours would return to the normal permissible limit after the initial week long training and my employer asked me if I was okay with the schedule. I weighed all my options and realized that there was no way for my employer to find out about my visa restrictions if I went ahead with the job. I seemed to have all bases
covered except for my mother’s recurring voice in the back of my head reminding me of how the best things come to those who wait. She was ensuring me that my honesty will not go unrewarded and that such temporary gains would be of no use to me a few years down the road. I succumbed and refused to take the job offer. Oddly enough, a couple of weeks later I found myself sitting at my desk with a new employer, a better employer. And I heard my mother’s voice congratulating me on my choice. I felt relieved and content.

But there have been other instances of which I cannot be so proud. I am guilty of succumbing to temptation. Dishonesty appeared to be too easy and convenient to let by. I have used personal contacts to avoid spending time at the mercy of the monumental inefficiency of our governmental institutions. My Passport, driving license and National Identity Card were all obtained through such measures. Even though my parents and the society repeated warned me of the rights of the common man, about the equality that should prevail in society, I still chose to do what I did. I have also been guilty of the relatively smaller ills of lying, backbiting, not paying a traffic fine, littering, jumping a traffic light etc. So what then drove me to do all those things? Were my previously held and often practiced values not sufficient? Do my wrongs cancel out my rights? I do not know.

Lao Tzu once said: ‘Watch your thoughts; they become words. Watch your words; they become actions. Watch your actions; they become habit. Watch your habits; they become character. Watch your character; it becomes your destiny.’

After all my years riddled with confusion and bewilderment, this is probably one quote that brings to my life the greatest purpose and meaning. I may not know the answer to life’s questions but what I do know is that the worse one can do is to stop trying. I believe in my ability to continually improve and redefine one’s personality. I value second chances and believe that everybody deserves them. I believe that in most cases, circumstances get the better of us mere mortals.

ZEESHAN SHAUKAT
MBA CLASS OF 2014

Zeeshan originally wrote this article as a response to a class assignment on Values for the course Leadership and Social Responsibility.
Spotlight

Marketing Colloquium

LUMS Marketing Club organizes its biggest events of the year

The LUMS Marketing Executive Club (LMEC) comprises solely of LUMS MBA students, with the purpose of providing valuable hands-on exposure to the new developments in the field of marketing. The club has already organized two events in this calendar year; Battle of the Brains Competition and LUMS Marketing Colloquium. The highlights of these events are covered in this article.

BATTLE OF THE BRAINS

The competition was sponsored by Indus Motor Company and was a collaborative effort of LMEC and the IBA Marketing Society. The actual competition comprised of four teams each from both LUMS and IBA to compete in a case competition at IBA. The panel of judges for the competition comprised of top Indus Motors board room decision makers that included Sales & Marketing Manager Mr. Taimur Ahmed and Corporate Planning Manager Mr. Babar Salim Khan as well as HR & Production Manager.

The competition was also graced by the presence of CEO Indus Motors Mr. Pervaiz Ghias, who appreciated the quality of business strategies along with the efforts of LMEC and IBA Marketing Society.

The victorious 'Team Green' was led by Muhammad Adnan Azam with Hashaam Ahmed, Zaid Bin Shahid and Ansar Muqeensuddin from the MBA Class of 2016 in Suleman Dawood School of Business (SDSB).

The winning team is a great source of pride for both LMEC and the whole MBA batch of LUMS. Their success will encourage LMEC to organize similar competitions in the future.

MARKETING COLLOQUIUM

The Marketing Colloquium is held annually and this year LMEC held their 4rd LUMS Marketing Colloquium on the 30th and 31st of March, 2013. The theme of this year’s event was “Digital Marketing”, as the event aimed to focus on the various business and marketing strategies that can bring success at the doorstep in the emerging markets.

The concept of the LUMS Marketing Colloquium 2013 was to bring together renowned academicians, top corporate executives, and the brightest young minds from the best business schools in Pakistan, in an effort to create a platform for engagement on different topics and sectors of the business world.

The conference included guest speaker sessions from famous practitioners of the business world in Pakistan, networking session, competitions and an entertainment evening. Apart from the presence of knowledge bases of the Professional elite of the country, the event will comprise of various competitions such as, 'Intopia' and 'Brand Plan' and 'Ad Effect'. These competitions were designed to test the creative limits of the participants and compel them to come up with unique marketing strategies, advertisements and debates in light of the given scenarios.

The Intopia challenged the participants to come up with a new business idea and the winning team received internships and investment in their business idea. Brand Plan competition urged the participants to strategize the complete marketing strategy of a real company. Ad Effect competition tested the creativity of the participants to come up with a video advertisement.

In addition to the competitions, the event attracted charismatic speakers, who shared their marketing experiences. Insights about the corporate world and discussed some of the hottest marketing topics to excite a marketer’s mind. Furthermore, there was a brand debate session that invited renowned marketers for a panel discussion in favour of traditional marketing. Lastly, the event organized a workshop to give the participants a chance to interact with the experts of branding and marketing.

All sessions of the Marketing Colloquium were highly appreciated by the participants and attracted a lot of footfall. Both events were a success in their own right and will encourage LMEC to keep organizing such events.

All sessions of the Marketing Colloquium were highly appreciated by the participants and attracted a lot of footfall.

FAIZAN

FAISAL
The LBR team would like to thank Dr. Zahoor Hassan and Prof. Khalid Mirza for taking the time to sit with our interviewers, our contributing writers for their excellent submissions, the tireless Ayesha Zafar for her patronage, Umer Brar for his resilience and hard work, Kanwar Anwar Saeed from Engro Foods and Saad Munawar Khan from Pepsico for their timely support, Sarah Karim from the MBA Placement Office for organizing our sponsors, Najwat Rehman and Hassan Iqbal Rizvi for giving us insiders’ access to their ventures, Amina Khalid and Usman Javed for their supplementary contribution and the broader LUMS community for all their support.
OUR WRITERS
Shout out to the incredible LBR team and our talented writers!