WASTE ELIMINATION & THROUGHPUT MAXIMIZATION

By

CMA S. DORAIRAJAN

Regional Cost and Management Accountants' Convention 2026,

SIRC of ICMAI

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THROUGHPUT MAXIMIZATION

THREE PHASES OF THRUPUT IMPROVEMENT

1. Increase **without any improvement**
2. Increase **with some improvement but without investment**
3. Increase with Investment

What is Throughput?

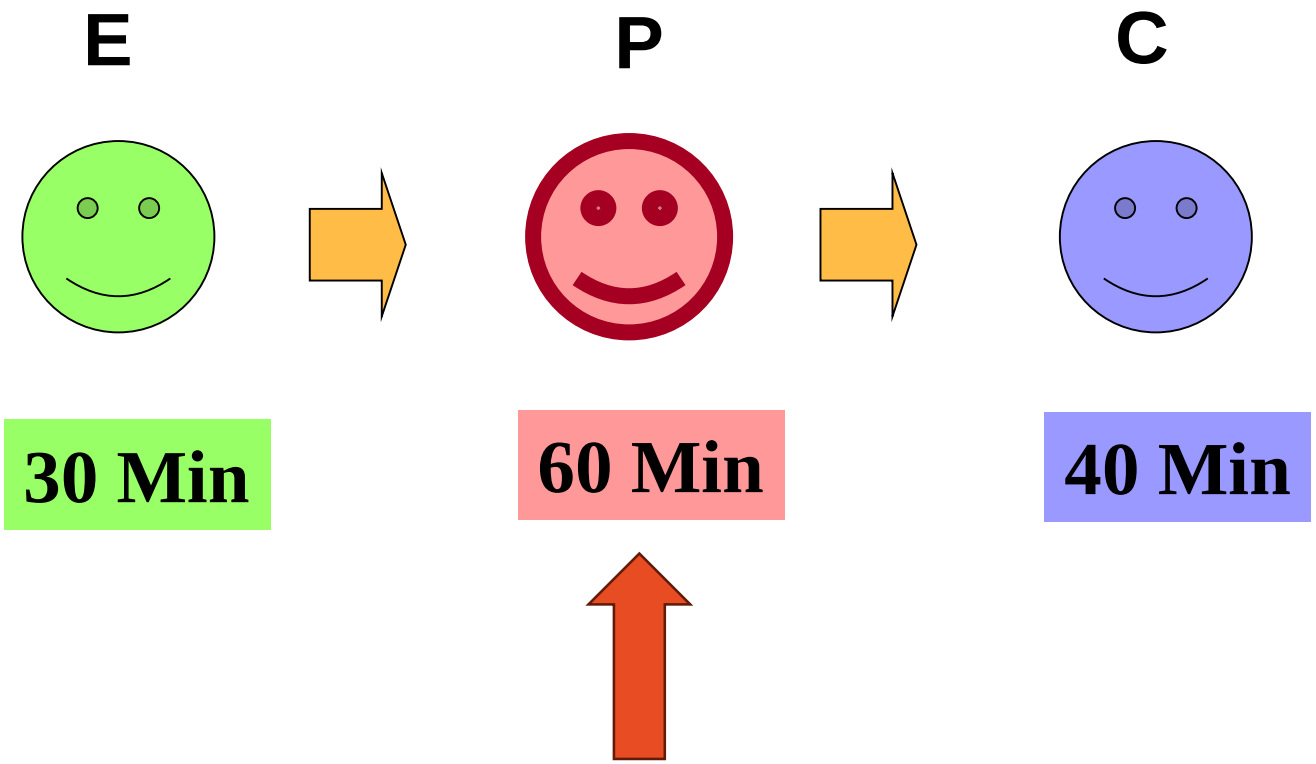
The amount of a product a company can produce & deliver within a set time period.

The rate at which data successfully transfers over a network in a given time.

It is not the *CAPACITY/ BANDWIDTH* – but the actual output.

Output is at Machine/ sub-system level – Throughput is at System level.

What determines Throughput



SLOWEST PROCESS P DETERMINES THE THRUPUT

WILL THE THROUGHPUT INCREASE?

	E	P	C
Before	~~30 min~~	60 min	~~40 min~~
Now	20 min	60 min	30 min

E and C reduce the cycle time of their operations –
P is too busy – No Kaizen

NO

This is Kaizen

Before	30 min	60 min	40 min
Now	30 min	45 min	40 min

P REDUCES THE CYCLE TIME BY 25% - THROUGHPUT WILL GO UP BY 25%

THEORY OF CONSTRIANTS - TOC

TOC is a management paradigm that views any manageable system as being limited in achieving more of its goals by a very small number of constraints.

There is always at least one constraint, and TOC uses a focusing process to identify the constraint and restructure the rest of the organization around it.

TOC adopts the common idiom "a chain is no stronger than its weakest link".

THEORY OF CONSTRIANTS - TOC

The underlying premise - organisations can be measured and controlled three measures:

1. Throughput, - rate at which system generates money through sales.
2. Operational expense,- all the money the system spends in order to turn inventory into throughput.
3. inventory. - all the money the system invested in purchasing/ producing things that it intends to sell.
4. Systems throughput is limited by at least one constraint.

5 STEPS - TOC

1. *Identify* the system's constraint(s).
2. Decide how to *exploit* the system's constraint(s).
3. *Subordinate* everything else to the above decision.
4. *Elevate* the system's constraint(s).
5. *Warning!* If in the previous steps a constraint has been broken, go back to step 1, but do not allow inertia to cause a system's constraint.[4]

SIMPLE SCRET TO IMPLEMENT

1. FIRST BALANCE THE LINE, ESTABLISH FLOW, MOVE TOWARDS LEAN – SMALL BATCH – SINGLE PIECE
2. IDENTIFY THE SLOWEST PROCESS/ OPERATION – CONSTRINT
3. ADDRESS MUDA - KAIZEN – PROCESS / METHODS IMPROVEMENT
4. REVIEW LAYOUTS & LINE BALANCING FREQUENTLY
5. ENSURE EQUIPMENT RELIABILITY AND PROCESS CAPABILITY

THREE PHASES OF THRUPUT IMPROVEMENT

1. **Increase without any improvement** by
   - Line Balancing and aligning the processes
   - Ensure flow - do some changes in Lay outs- if needed.
   - Point Kaizens at Bottlenecks – methods/ practices
   - FTR in every process/ operation
   - No investment – money spent in this phase is recovered in a couple of months

THREE PHASES OF THRUPUT IMPROVEMENT

Increase with some improvement by

- Changes in process sequence
- Changes in Process within the same technology – small engineering changes
- Point Kaizens to error-proof the process & deskill the operations.
- No technology change – No investment - only small modifications – recoverable within the financial year.

OPTIMIZE THE SYTEM TO GET BEST THRUPUT

THREE PHASES OF THRUPUT IMPROVEMENT

Increase with Investment

- In Technology and Engineering to increase the output in raise the system capacity
- In technology and process capability to raise the standards of products
- In making the machines intelligent to move on to Industry 4.0 and 5.0

ENHANCE THE SYSTEM CAPACITY TO NEXT HIGHER LEVEL TO GROW.

WASTE ELIMINATION

WHAT IS WORK - WASTE?

WORK IS SAID TO BE DONE

WHEN A FORCE ACTS ON A POINT AND

CAUSES A DISPLACEMENT

IN THE DIRECTION OF FORCE. –

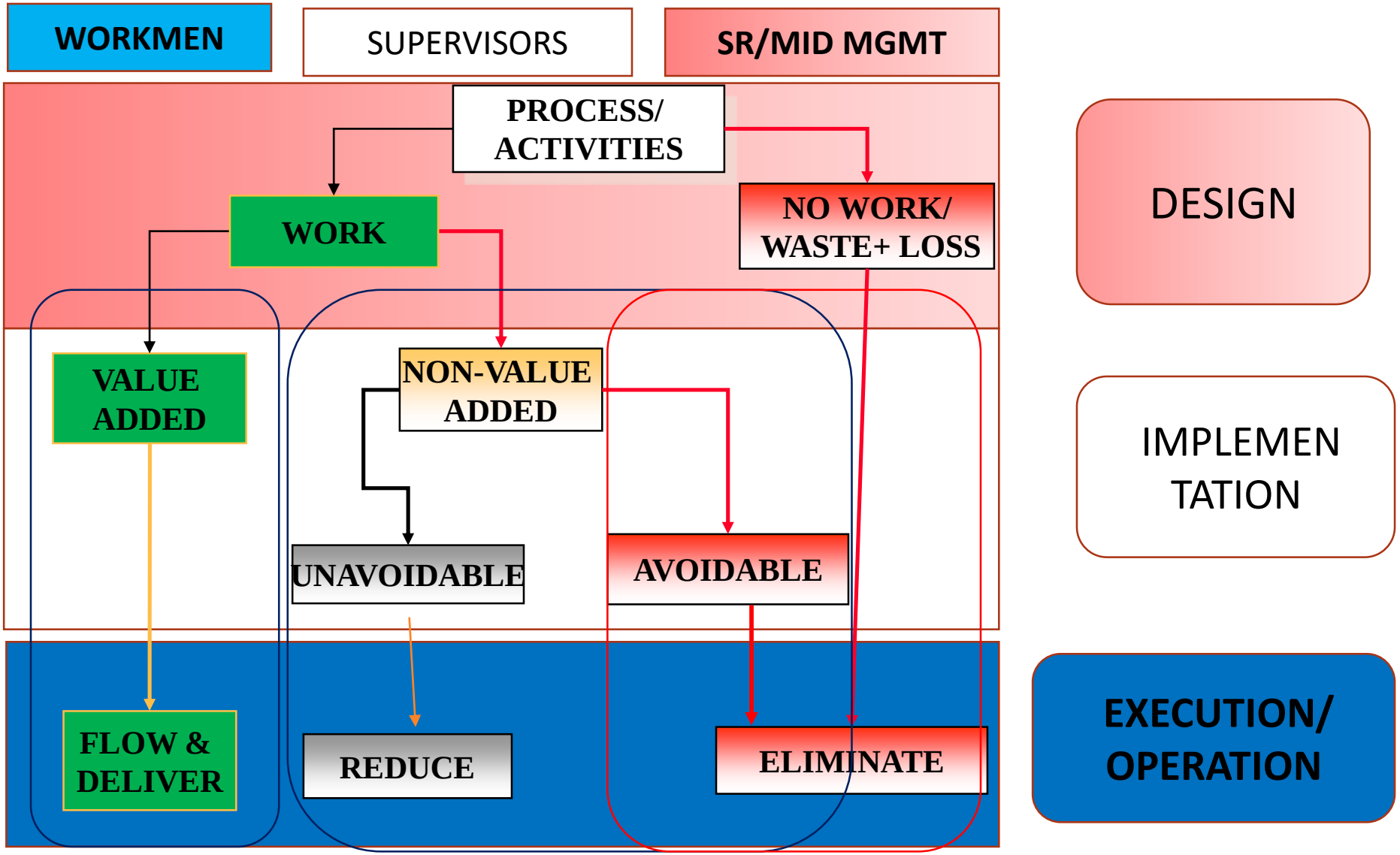
*IF NOT **WASTE!***

ANY ACTION WHICH DOES NOT CHANGE

THE SHAPE, SIZE, COLOR OR CHARACTERISTIC –

*IT IS NOT ADDING VALUE – **NOT WORK - WASTE***

WORK PROCESS – PARADIGM



7 MUDA – VISIBLE KILLERS

1. Over-production
2. Waiting - by Material, Machine & Men
3. Movement & Transport
4. Over Processing
5. Inventory – Mainly WIP
6. Motion – within workstation
7. Reworks and Rejects

7 - Muda – Silent Killers

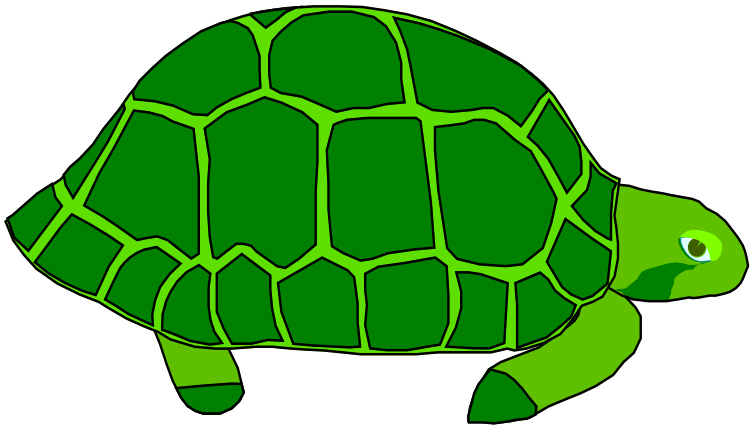
1. Untapped Human Potential
2. Inappropriate Systems
3. Over-designed Equipment –

   Excess Resources – Energy, water
4. Inappropriate Materials
5. Delay in Service and Offices
6. Customer Wait Time
7. Defecting Customers

GREAT 3 Mu PRINCIPLES

1. *MUDA* – WASTE + LOSS
2. *MURA* – VARIATIONS/ INCONSISTENCIES
3. *MURI* – AVOIDABLE STRAIN

Muda – Wastes - how to see it?

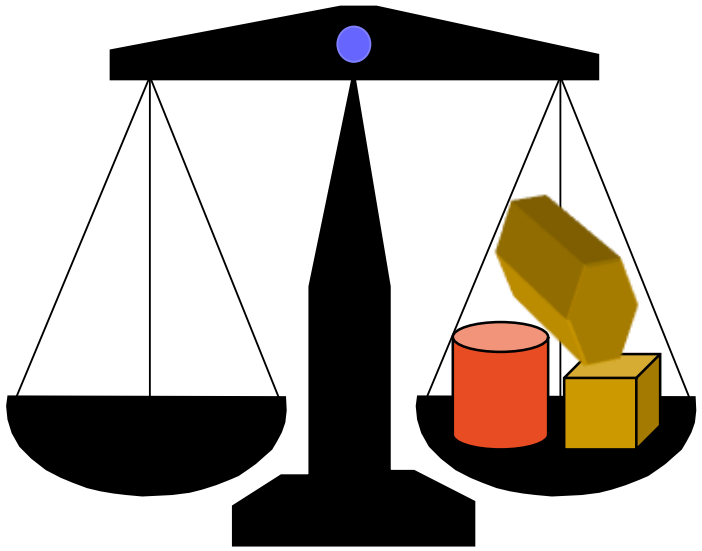


Muda = Waste+ Loss

with a special meaning

- What should flow
  - Material in a factory
  - guest in a restaurant
  - document in an office
- Is it stopping? Waste!
- Is it retracting? Waste!
- Is it piling up? Waste!
- Reprocessing? Loss!
- Multiple handling? Loss

Mura – Inconsistencies/ Variations



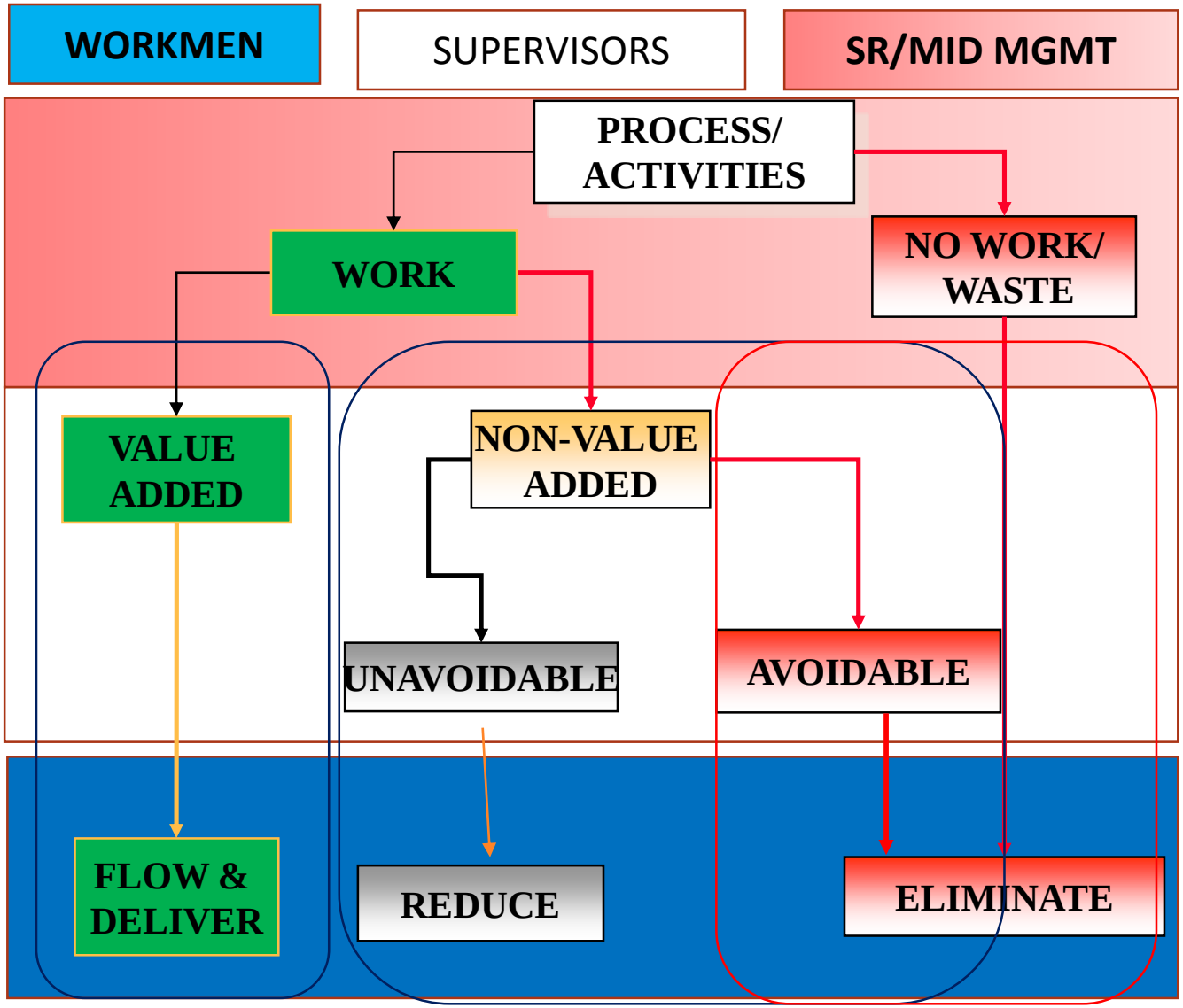
- Happens only sometimes?
- Happens to only some people?
- Happens only in some places?
- Happens only in some lines?

Muri – Physical/ Mental Strain

- Bend/Climb/ Stretch to work?
- Large batch? Heavy to move?
- Avoidable movements?
- Avoidable Motion in the workstation
- Non-Standard operations

INTER-CONNECTION - 3 MUs

WORK PROCESS – PARADIGM



DESIGN

IMPLEMEN TATION

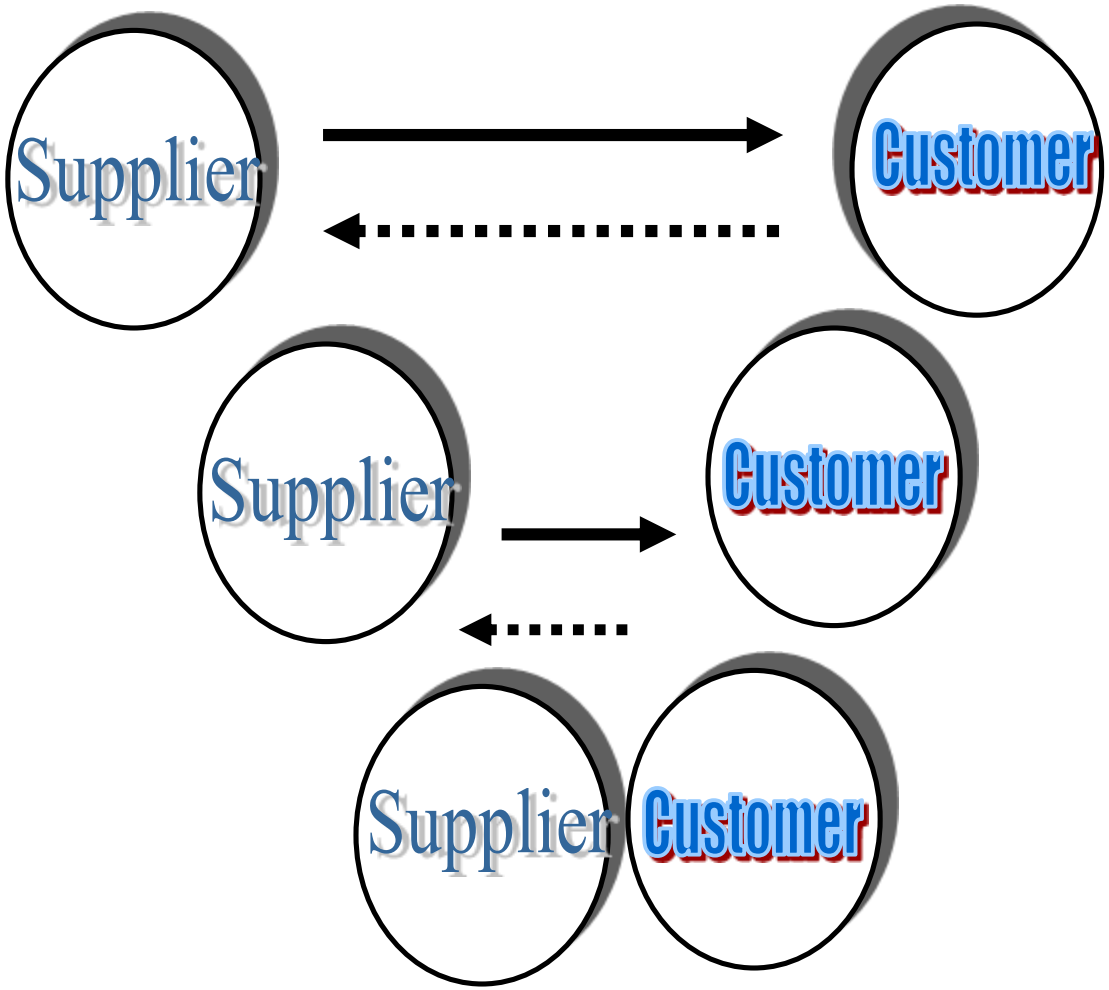
EXECUTION/ OPERATION

WASTE BY DESIGN

A FEW KEY DESIGN FACTORS RESULT IN WASTE:

1. *OVERDESIGNING THE PRODUCT*
2. *OVERDESIGNING THE PROCESS – EXTRA-CAUTIOUS ON MACHINE/ PROCESS CAPABILITY*
3. *LEGACY PROCESS FOR NEWER PRODUCTS*
4. *LAYOUT LEADING TO EXTRA MOVEMENT/TRANSPORT*
5. *WORKSTATION DESIGN LEADING EXTRA MOTION/ STRAIN*
6. *DESIGN OF OPERATIONS - METHODS*
7. *SEQUENCING OF OPERATIONS/ UNBALANCED LINE – LEADING TO EXTRA HANDLING.*

Lean - Bring Supplier and Customer Closer



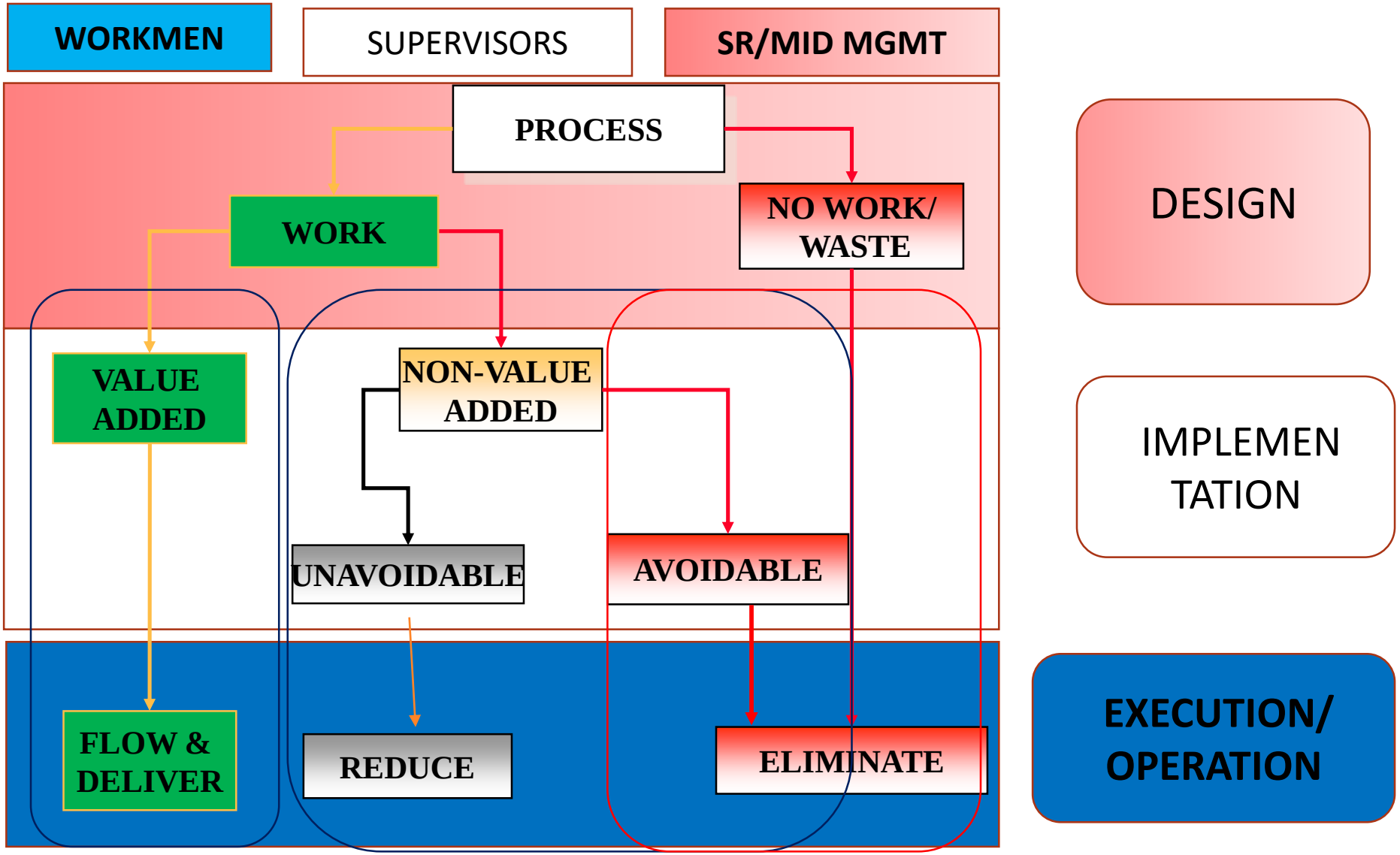
KEY INITIATIVES TO ADDRESS WASTE

1. *QUALITY FUNCTION DEPLOYMENT*
2. *DESIGN FOR MANUFACTURING*
3. *KAIZEN – PROCESS / METHODS IMPROVEMENT – REDUCE HANDLING, MOVEMENT, MOTION*
4. *ENSURE EASY TO OPERATE MACHINES*
5. *LEAN LAYOUT – SMOOTH FLOW, MINIMIZE WIP, HANDLING, MOVEMENT, TRANSPORT*
6. *TPS/ LEAN MANUFACTURING*
7. ***MOST CRITICAL – FIRST TIME RIGHT QUALITY***

SIMPLE SCRET TO IMPLEMENT

1. FIRST ADDRESS *MURI* - ***M***INIMIZE PHYSICAL STRAIN, HANDLING MOVEMENT & TRANSPORT
2. ADDRESS MURA – VARIATIONS - QUALITY
3. ADDRESS MUDA - KAIZEN – PROCESS / METHODS IMPROVEMENT
4. REVIEW LAYOUTS & LINE BALANCING FREQUENTLY
5. ENSURE EQUIPMENT RELIABILITY AND PROCESS CAPABILITY

WORK PROCESS – PARADIGM



WISH YOU ALL THE

SUCCESS & GLORY

THANK YOU

FOR YOUR PATIENCE

JAPANESE APPROACH

1. *CENTERED AROUND KAIZEN – PERFECTED IN TPS*
2. *GO TO GEMBA, OBSERVE THE PROCESSES*
3. *IDENTIFY MUDA, MURA AND MURI*
4. *LOCATE POINT/ PROCESS HAVING HIGHEST WIP*
5. *D0 KAIZEN – PROCESS / METHODS IMPROVEMENT – TO REDUCE THE CYCLE TIME OF THAT PROCESS BY IMPROVING PRACTICES (MURI), METHODS (MUDA) & PROCESS – IN THIS ORDER.*
6. *STANDARDISE BEFORE LOOKING FOR MUDA IN THE LINE AGAIN.*

Architecting
India's $10T Value Engine:

The Zero-Defect Digital Frontier

Raja Mukherjea

20 February 2026 | RCMAC - Hyderabad

Operational Excellence Has Reached a Turning Point

Traditional Approaches Are No Longer Enough

- Lean improved efficiency and waste reduction
- Six Sigma reduced variation
- Complexity and speed requirements increasing
- Data abundance but underutilized
- Need predictive intelligence

Traditional methodologies delivered significant gains, but increasing operational complexity requires predictive capabilities. Organizations must integrate analytics, automation, and AI-driven insights to sustain performance excellence and remain competitive.

Evolution of Operational Excellence

From Process Improvement to Intelligent Systems

Lean

Waste elimination

Six Sigma

Statistical control

Digital

Data visibility

AI & Industry 4.0

Prediction

Seven Sigma

Autonomous quality

Operational excellence has evolved from efficiency toward intelligence. AI enables organizations to prevent defects proactively by combining predictive analytics, automation, and adaptive decision-making into integrated operational systems.

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Beyond Six Sigma: Introducing Seven Sigma

The Next Frontier in Quality

Six Sigma

- Six Sigma focuses on variation reduction
- Structured improvement cycles
- Data-driven root cause analysis

Seven Sigma

- Seven Sigma = predictive + autonomous systems
- AI-driven continuous learning

Seven Sigma extends beyond statistical control by embedding artificial intelligence into operational processes, enabling predictive quality management, automated correction, and continuous system learning for near-zero defect performance.

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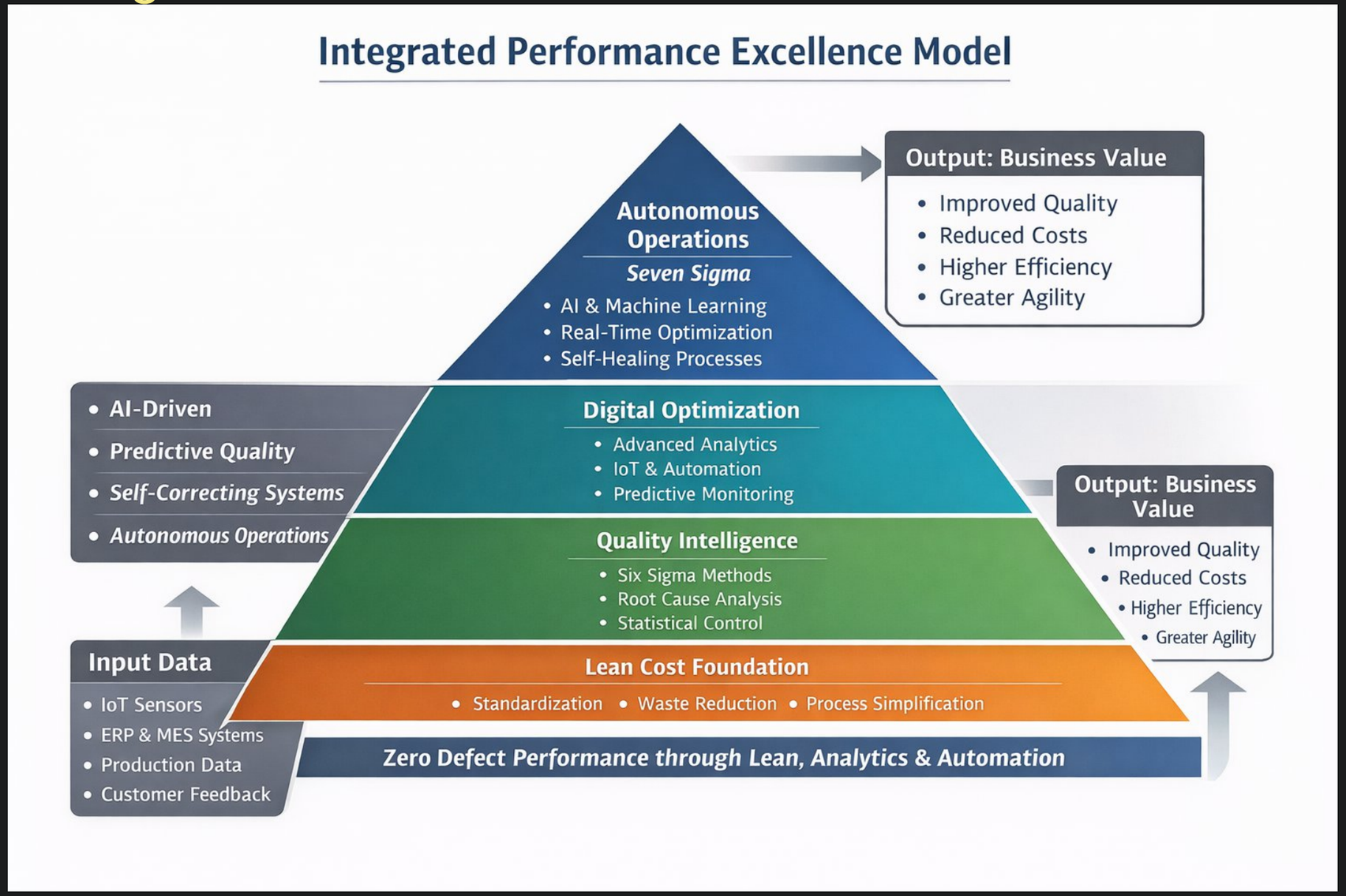
Integrated Performance Excellence Model



Zero Defects is an Intelligent Operating System — Not a Standalone Initiative

Core Operational Layers

- Lean foundation stabilizes execution and removes waste
- Quality intelligence evolves Six Sigma through advanced analytics
- Digital optimization enables predictive monitoring and automation
- Autonomous operations (Seven Sigma) enable self-correcting systems

Input Layer — Data Foundation

- Operational, quality, and customer data feed intelligent decision systems
- Real-time visibility enables proactive risk identification

Purpose of the Model

- Integrates Lean discipline, quality science, advanced analytics, and automation into one execution framework
- Enables transition from reactive improvement to predictive and autonomous operations

Outputs — Business Value

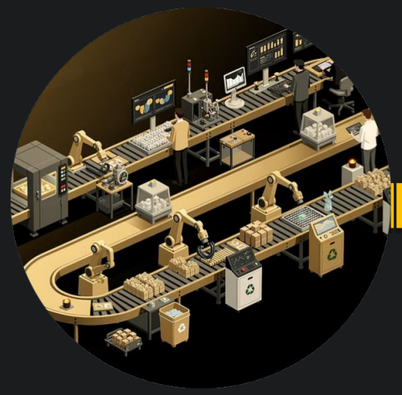
- Improved consistency and reduced defects
- Lower cost structures and faster decisions
- Scalable performance improvement capability

Governance (Cross-Cutting Layer)

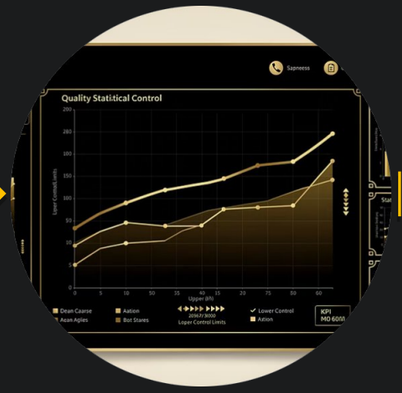
- Data ownership and governance structures
- Integrated operating model accountability
- AI risk management and performance alignment

Integrated Performance Excellence Framework

Zero-defect performance requires integration across Lean processes, analytics-driven quality monitoring, digital tools, and autonomous decision-making systems rather than isolated initiatives focused on technology or process improvements alone.



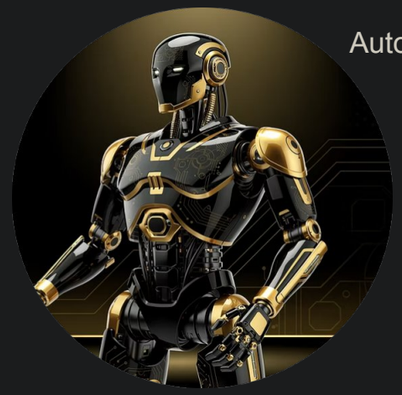
Lean cost foundation



Quality intelligence layer

Digital optimization capabilities

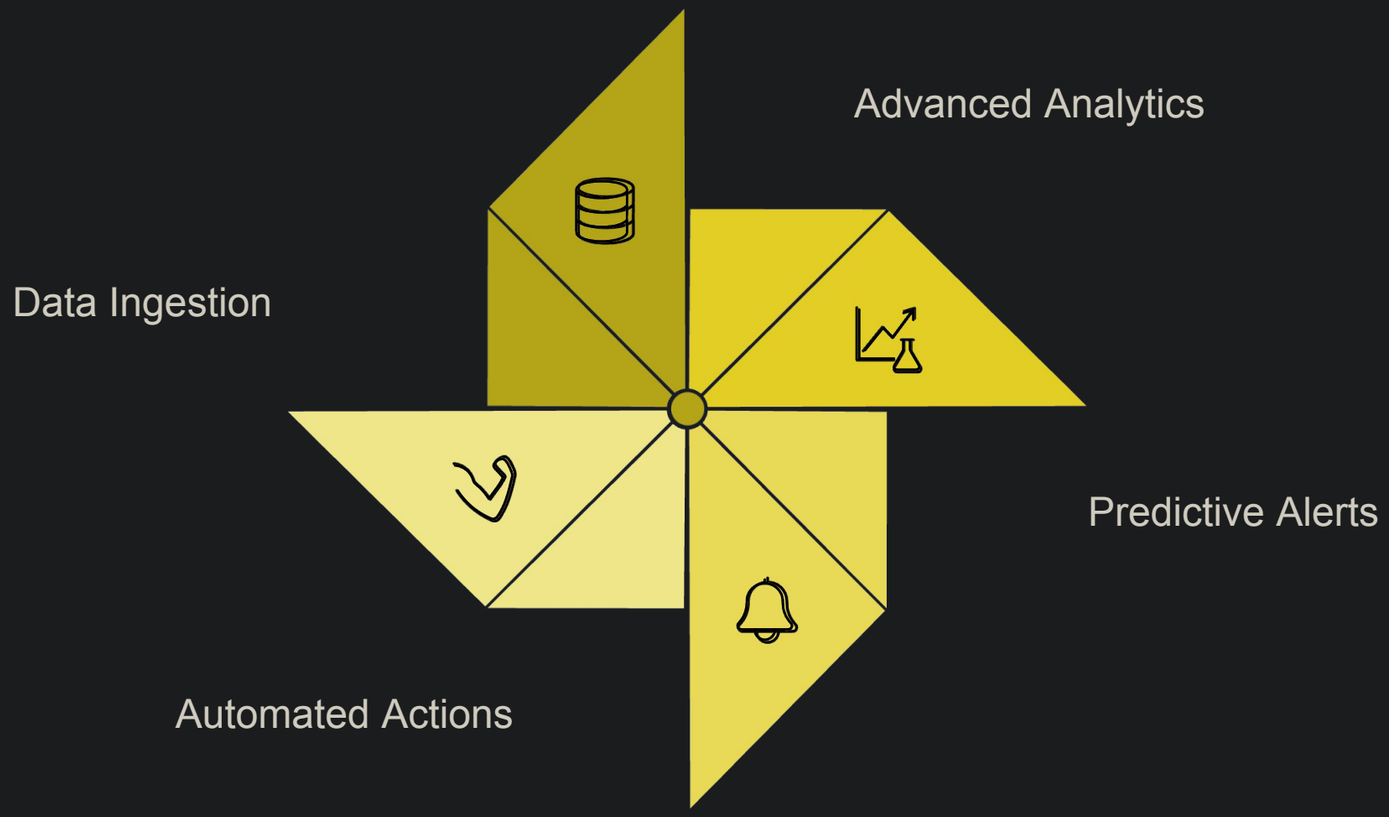
Unified operating model



Autonomous operations enabled by AI

Architecture of Zero-Defect Operations

AI-Driven Quality Loop



AI-driven quality loops transform operations from reactive monitoring toward predictive optimization by combining data pipelines, analytics engines, automated responses, and learning systems that continuously refine performance.

Where AI Creates Step-Change Impact

Advanced Analytics Applications

Predictive maintenance

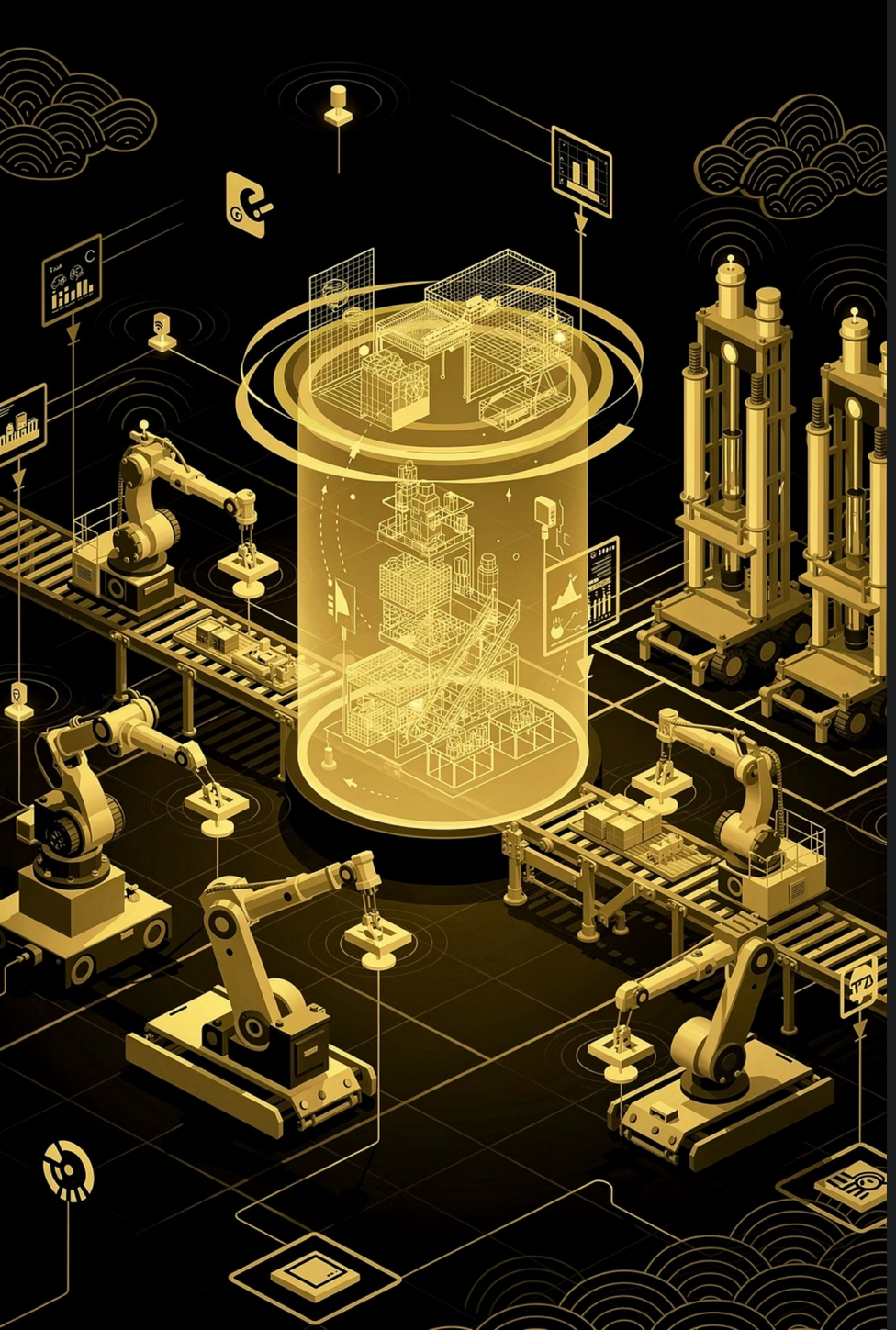
Process anomaly detection

Computer vision inspection

Process drift monitoring

Intelligent workflow automation

Advanced analytics uncovers hidden operational patterns, enabling earlier intervention and improving reliability, consistency, and cost efficiency while reducing dependence on manual inspection and reactive problem-solving.



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Industry 4.0 Technology Stack

Enabling Intelligent Operations

- IoT sensors
- Digital twins
- AI/ML models
- Robotics and automation
- Cloud data platforms

Industry 4.0 technologies enable real-time visibility, predictive insights, and automation capabilities. Value creation emerges when organizations integrate these tools into redesigned operating models aligned with strategic objectives.

Case Study : Manufacturing

AI-Enabled Predictive Quality

Challenge

- Complex plant operations
- Reactive maintenance challenges

Solution

- AI-based predictive models
- Real-time monitoring dashboards

Results

- Improved reliability and yield

Indian manufacturers are leveraging AI-driven predictive analytics to detect equipment risks early, reduce downtime, improve quality consistency, and enhance operational efficiency through integrated digital and operational capabilities.

Case Study: Services Sector

AI-Driven Quality Transformation

01

High-volume transactional environments

02

Manual QA limitations

03

AI anomaly detection

04

Intelligent automation workflows

05

Improved accuracy and cycle time

Service organizations deploy AI monitoring and automation to improve decision accuracy, reduce manual errors, and enhance scalability while ensuring consistent quality across complex operational environments.

Why Many Transformations Fail

Technology Is Not the Problem

- Data silos
- Weak governance structures
- Skills gaps
- Automation without redesign
- Quality and analytics disconnected

Many initiatives fail because organizations adopt technology without transforming operating models. Integrated governance, cross-functional alignment, and capability development are essential for achieving sustainable transformation outcomes.

Future Vision: Autonomous Enterprise

Next Phase of Performance Excellence

AI-driven decision engines

Digital twins for simulation

Continuous optimization loops

Real-time enterprise dashboards

Autonomous enterprises leverage AI to monitor, predict, and optimize operations continuously, enabling resilient systems that achieve higher efficiency, adaptability, and near-zero defect performance.

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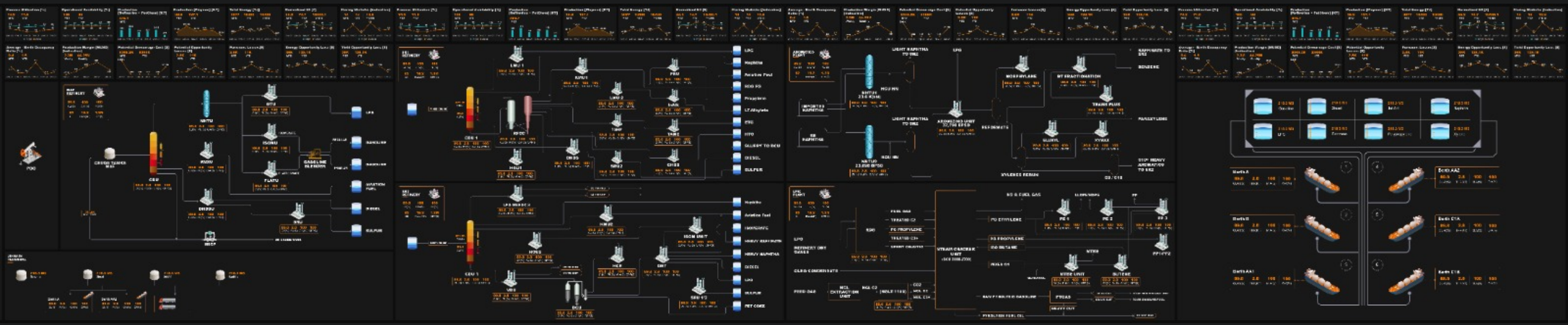
From Operational Excellence to Intelligent Excellence….

- Integrate Lean, analytics, and automation
- Move beyond isolated experimentation
- Build intelligent operating models
- Competitive differentiation through execution

The future belongs to organizations integrating operational excellence with intelligent technologies into cohesive strategies, transforming performance through predictive capabilities and integrated execution models.



Regional Cost & Management Accountants' Convention

Technical Session 3

Future Ready People & Leadership: Innovation, Resilience & Cultural Transformation

Nilanjan Majumdar

BCom, ACMA, ACA, CISA, CRISC, CFE

Former Finance Leader – APAC, Cargill
Founder – Agile Finance Partners

Convention Theme

"Reimagining The CMA Profession – Driving Sustainable Value & Strategic Impact"

Leonia Resorts, Shamirpet, Hyderabad

Presentation Agenda

Context & Strategy

Case Studies

Skills & Capability

Technology & Future

Strategy: Three Pillars

Purpose: Enable scalable, controlled and compliant operations with measurable value across the organization.

Process

- Process Taxonomy (tech agnostic)
- Standardized end-to-end workflows
- Clear ownership & RACI
- SOPs, Controls & approvals
- KPIs, Audits & reviews
- Agile Transformation

Data

- Single Source of Truth
- Data Governance & Quality
- Secure Data handling
- Actionable Insights
- Audit trails & Traceability
- Change Management

Technology

- Integrated ERP & Systems
- Scalable IT architecture & Cloud Computing
- Workflow Automation
- Remote Process Automation
- Data Viz
- Cybersecurity & Access
- Machine Learning and Predictive Analytics & Modeling
- Algorithms
- AI, GenAI, NLP, DL, Agentic AI
- Semantic Technology

Enablers:

Design Thinking
Operations Excellence
Continuous Improvement
Continuous Learning

Efficiency | Risk Mitigation | Transparency | Compliance | Scalability

Global Food & Agri Enterprise

GCC Case Study

A strategic and high-growth component of global operations, accelerating digital, operational, and cultural change at scale.

Key Objective

Building an Intelligent Enterprise by rewiring the core through SAP implementation for integrated, real-time capabilities.

Multi-Function Scope

- Finance
- IT Services
- T&L
- Sourcing
- Trade Execution
- HR

Transformation Journey

Consolidation

Unifying fragmented activities into standardized, owned workflows.

Change Management

Structured approach to help people adapt to new ways of working.

30% Cost Savings Achieved

Offshore-Enabled

AI-Augmented

Big 4 Global Delivery Center

GCC Case Study

Global Delivery Center blending world-class service delivery with transformational innovation from a BOT (Build-Operate-Transfer) model.

Key Objective

Transforming dispersed functions into a single, agile GCC framework that delivers scalable, resilient operations.

Global Support Functions

- Advisory
- Tax
- Risk
- Managed Services

Innovation & Transformation

Innovation Labs

Accelerators for AI, Digital twins, Cybersecurity, and AR/VR solutions.

- Digital Twins
- AR/VR
- Cybersecurity

Consolidation

Transforming scattered activities into a streamlined, governed operational model.

35% Cost Savings Achieved

- Automation-Augmented
- Resilient Ops

Skills Roles Outcomes

Linking capability building directly to business value creation across the GCC and Enterprise.

Core Skill	Enabled GCC Roles	Enterprise Outcomes
Problem Solving	**Business Analyst, Process Excellence Lead**	Faster resolution, reduced risk
Collaboration	**Team Lead, Service Delivery Manager**	Stakeholder alignment, productivity
Design Thinking	**Transformation Lead, CX Analyst**	Innovation, better customer experience
Project Management	**Project Manager, PMO Lead**	On-time, on-budget delivery
Product Management	**Product Owner, Digital Product Lead**	Scalable platforms, faster value
Communication	**Business Partner, Change Manager**	Executive alignment, adoption
Digital Leadership	**GCC Head, Digital Transformation Lead**	Digitization, competitive advantage
AI & Data	**Data and AI Officer**	Enhanced org performance & competitiveness

As skills mature, GCC roles shift from execution support to strategic enterprise impact.

Maturity Ladder

Evolution from execution support to strategic enterprise partnership. As GCC maturity increases, as capabilities and focus shifts from efficiency to value creation.

Level 4 represents the pinnacle where GCCs drive enterprise digitization and innovation velocity.

04 Strategize

Primary Skills
Negotiation, Digital Leadership, Vision

Typical Roles
GCC Head, Digital Transformation Leader

Outcomes
Enterprise Digitization, Innovation velocity

03 Transform

Primary Skills
Product & Program Management

Typical Roles
Product Owner, Transformation Lead

Outcomes
Scalable solutions, Benefits Realization

02 Optimize

Primary Skills
Design Thinking, Continuous Learning

Typical Roles
Process Excellence Lead, PMO Lead

Outcomes
Productivity, Process simplification

01 Execute

Primary Skills
Problem Solving, Collaboration, PM

Typical Roles
Analyst, Team Lead, Ops Manager

Outcomes
Cost efficiency, SLA stability

Workforce Evolution

Creativity & Cognitive Skills

> As automation scales, human value concentrates in creativity, judgment, and higher-order thinking.

TRANSITION:

Task Execution → Human Advantage

Yesterday
Task-Centric

- Rule-based Execution
- Process Compliance
- Efficiency-driven roles
- Individual Expertise

Today
Knowledge-Centric

- Problem solving
- Data interpretation
- Cross-functional collaboration
- Experience-driven outcomes

Tomorrow
Creativity & Cognition-Centric

- **Sense-making in complexity**
- **Creative problem framing**
- **Ethical judgment**
- **Human-AI Co-creation**
- **Story Telling**

Digital Mindset Maturity

Evolution Ladder

Organizations must evolve across five key dimensions to transition from traditional models to an AI-First competitive advantage.

Dimension	Traditional	Digital	AI-First
Focus	Efficiency & Control	Customer & Experience	**Intelligence & Prediction**
Tech Role	Support Function	Strategic Enabler	**AI as Co-Pilot**
Ways of Working	Linear Planning	Agile / Test & Learn	**Continuous Optimization**
Organization	Siloed Teams	Cross-Functional	**Human + Machine**
Data	Past / Lagging	Real-Time Insights	**Predictive & Prescriptive**

KEY SHIFT

From reactive Efficiency to Predictive Intelligence.

Case Study : Future Ready People & Leadership: Innovation, Resilience & Cultural Transformation

Technology Trends in Agribusiness

Digital forces are redefining productivity, resilience, and value creation across the entire agriculture value chain.

Digital Farming Impact

Leveraging IoT and Big Data provides real-time information to farmers, optimizing activities and yields while minimizing resource waste.

Hyperconnectivity

End-to-end connectivity of farmers, markets, and machines enabling real-time visibility.

01

Super Computing & Analytics

High-performance computing unlocking insights from massive sensor, climate, and crop data.

02

Cloud & Platform Computing

Scalable digital platforms replacing legacy IT to support global operations and ecosystems.

03

Smart & Autonomous Agriculture

IoT, drones, and robotics improving yield, reducing waste, and optimizing resource usage.

04

Cyber Security & Data Trust

Data protection and trust becoming critical competitive differentiators as digital risks rise.

05

GCC Response: Capabilities to Build

Enabling Agribusiness Transformation

To address shifting technology trends, Global Capability Center (GCC) must evolve from support functions to strategic innovation hubs by building these five core capabilities.

Analytics & AI COEs

Enterprise analytics, forecasting, and decision support systems

Cloud & Platform Ops

Cloud engineering, platform management, and scalable integrations

Cyber Security & GRC

SOC, data governance, compliance, and IP protection

Smart Ops & Automation

IoT analytics, robotic process automation, and remote monitoring

Product & Program Leadership

Digital product ownership, change management, and user adoption

Agility & Future Skills Model

From Operational Finance to AI-Enabled Strategic Leadership

Agility Maturity Continuum

Future State

5. Cognitive Agility

Human + AI Co-Decision Making · ESG & Risk Integrated

Enterprise Value & Trust

4. Strategic Agility

Capital allocation · Business Partnering · Foresight

Decision Impact

3. Predictive Agility

Advanced Analytics · Forecasting · Scenario Planning

Anticipation & Insight

2. Adaptive Agility

Cross-Trained Teams · Digital tools · Standardization

Speed & Responsiveness

1. Operational Agility

Siloed Execution · Manual / Rule-Based Processes

Accuracy & Compliance

Future Skills Architecture (Value Stack)

Human & Leadership — Multiplier Layer

Cognitive adaptability · Ethical judgment · Influence · Leading AI-augmented teams · Innovation

Business & Strategic — Value Creation

Strategic Storytelling · Investment & M&A Analytics · Enterprise Business Partnering

ESG, Risk & Regulatory — Trust Layer

ESG Data & Assurance · Climate Risk · Integrated Reporting

Data, AI & Automation — Acceleration

AI-assisted Forecasting · RPA & Intelligent Workflows · Finance Data Modeling

Core Finance & Assurance — Foundation

IFRS / IND AS · Costing · Controls · Audit · Tax

Capability Flywheel: Assess → Design → Implement → Measure → Sustain & Scale | Continuous Market & Technology Sensing

Thank You

We are now open for questions and discussion.

"Preparing for the future means investing today in tech-savvy talent—developing, empowering, and transforming skills to lead tomorrow's innovation."

Speaker

Nilanjan Majumdar

Founder, Agile Finance Partners

Reference

CXOTalk: AI Workforce Disruption

https://www.cxotalk.com/episode/ai-workforce-disruption-rewriting-the-future-of-work

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REGIONAL CMA Convention 2026
Reimagining The CMA Profession
Driving Sustainable Value & Strategic Impact

Governance, Ethics & Resilient Growth Mindset

The Triad for Future-Ready Cost and Management Accountants

CS Shujath Bin Ali

Chief Legal Officer & Head of Governance, Compliance, Ethics & Risk

FOURTH PARTNER ENERGY
Partnering for Sustainable Change

Resilient growth is the outcome of three disciplines operating as one system:

- Governance (decision rights and oversight),
- Ethics (decision quality under pressure)
- Resilient leadership (speed of truth under uncertainty).

CMAs sit at the intersection of economics, controls, and truth

The Boardroom Conversation Has Shifted

Modern boards are navigating an increasingly complex landscape, demanding deeper engagement across critical areas beyond traditional financial oversight.

ESG & Stakeholder Capitalism

Cyber Risk & Digital Transformation

Geopolitical Risk & Supply Chain Resilience

Generative AI & Governance

VUCA/BANI World Navigation

Regulatory & Compliance Complexity

Valuation & IPO Readiness

Board Diversity & Succession

Climate Risk & Disclosure

Enterprise Risk Management

The Pattern Repeats: 16 Years of Governance Failures

2001-2009

- Ketan Parekh (2001)
- Satyam (2009)

2012-2018

- Kingfisher (2012)
- Ranbaxy-Daiichi (2013)
- Winsome Diamonds (2013)
- PNB/Nirav Modi (2018)
- Gitanjali Gems (2018)
- IL&FS (2018)

2019-2020

- Jet Airways (2019)
- DHFL (2019)
- PMC Bank (2019)
- Fortis/Singh Brothers (2019)
- Religare (2019)
- Videocon (2019)
- Yes Bank (2020)

2021-2023

- Amrapali (2021)
- Unitech (ongoing)
- ABG Shipyard (2022)

2023-2025

- Byju's (2023-24)
- Gensol (2024)
- Paytm (2024)
- Religare (2024-25)

Patterns Across Failures

- Warning signals existed long before the collapse
- Boards failed to challenge management narratives
- Incentive structures rewarded risk over prudence
- Internal controls were bypassed or diluted
- Rapid growth outpaced governance capacity
- Financial engineering masked underlying weakness
- Dissenting voices were ignored or sidelined
- Disclosure lagged behind economic reality
- Promoter concentration weakened independent oversight
- Regulatory intervention came after damage was done

Corporate Governance Lapses Of The Past: From Fraud To Mismanagement

	Company	Founders	Nature Of Issues	Outcome
2021	ZILINGO	Ankiti Bose, Dhruv Kapoor	• Financial Mismanagement • Corporate Governance Lapses	• Company Shutdown • Investor Losses • Legal Battle Between Founders
2021	BharatPe	Shashvat Nakrani, Asheer Grover, Bhavik Koladiya	• Funds • Misappropriation • Fake Vendors • Embezzlement	• Legal Battles And Settlement With Sacked Ex-MD Ashneer Grover, Madhuri Jain Grover; Reputation Dented
2022	trell	Pulkit Agrawal, Bimal Kartheek Rebba, Prashant Sachan	• Financial Irregularities • User Metrics Misreporting	• VCs Write Off Investment • Company Shuts Down
2022	BYJU'S The Learning App	Byju Raveendran, Divya Gokulnath, Riju Ravindran	• Funds Mismanagement • Revenue Inflation • Governance Lapses	• Company Scaled Down • Bankruptcy Cases On • Legal Proceedings Against Founder Byju Raveendran
2023	GoMechanic	Amit Bhasin, Kushal Karwa, Rishabh Karwa, Nitin Rana	• Financial Misreporting • Inflated Revenues	• Company Scaled Down • Restructuring • Sold To Servizzy
2023	BROKER NETWORK	Rahul Yadav, Pratik Choudhary	• Inflating Revenues • Embezzlement	• Company Shut Down • EOW Cases Against Founder
2023	mojo	Ashwin Swaminathan, Rajat Gupta	• Fudging Sales • Inventory Round-Tripping • Revenue Inflation	• Operations Shut • Funds Returned To Investors

Source: Inc42 Research

Inc42


The Warning Signs Were Always There
▪ Small cracks
▪ Ignored signals
▪ Deferred decisions
▪ Comfortable silence


When Governance Fails, Trust Collapses
▪ Investor confidence lost
▪ Reputation damaged
▪ Employees impacted
▪ Regulators intervene

When Performance Is High, Nobody Talks About Governance

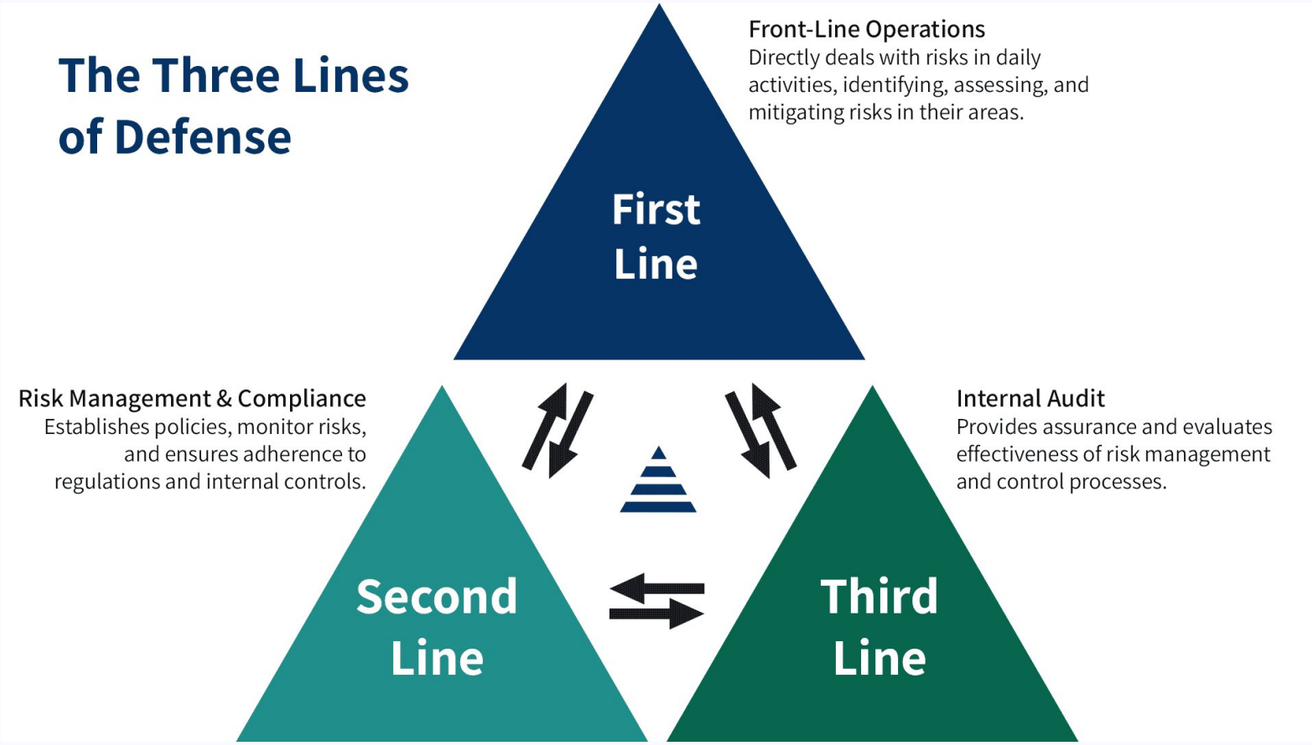
Success often hides weak systems

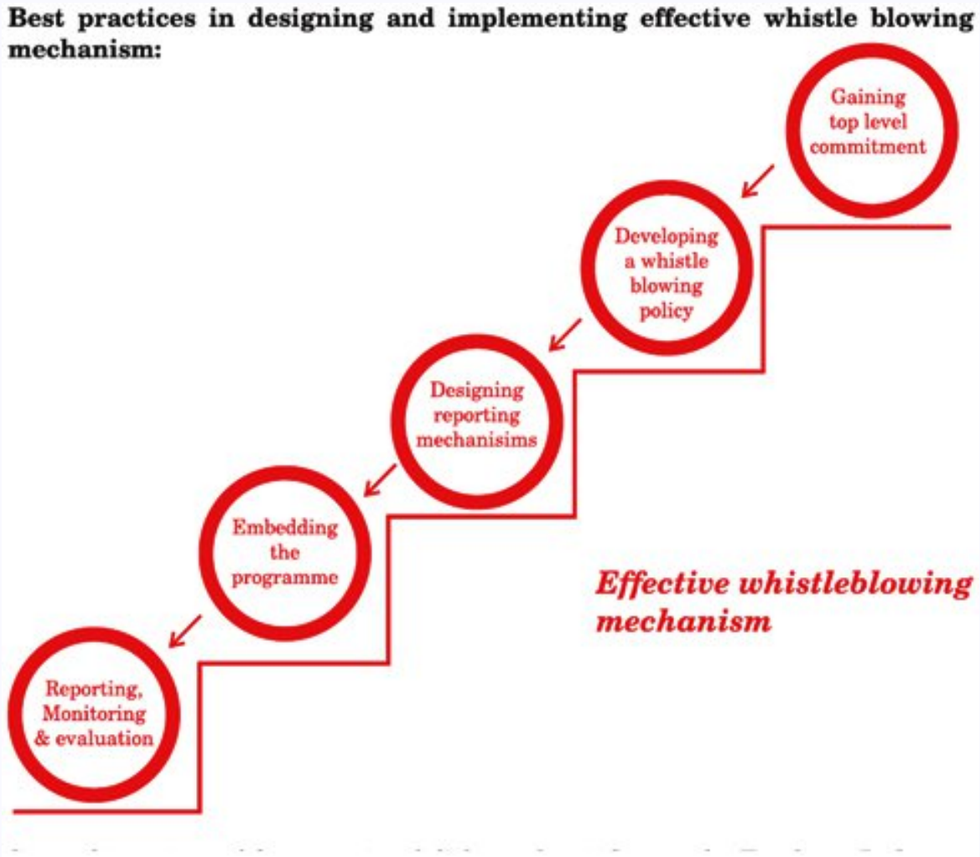
Strong profits can mask structural fragility

Control gaps surface only under stress

Calm periods are when foundations must be strengthened

Governance is tested in downturns, not upcycles


The Three Lines of Defense
Front-Line Operations
Directly deals with risks in daily activities, identifying, assessing, and mitigating risks in their areas.
First Line
Risk Management & Compliance
Establishes policies, monitor risks, and ensures adherence to regulations and internal controls.
Internal Audit
Provides assurance and evaluates effectiveness of risk management and control processes.
Second Line
Third Line


Best practices in designing and implementing effective whistle blowing mechanism:
Gaining top level commitment
Developing a whistle blowing policy
Designing reporting mechanisims
Embedding the programme
Reporting, Monitoring & evaluation
Effective whistleblowing mechanism

Compliance Follows Rules.
Governance Exercises Judgement.

- Legality is the minimum standard, not the leadership standard

  Governance begins where the rulebook ends

- Capital allocation reflects governance maturity

- The real question is not "Can we?" but "Should we?"

  Judgement today shapes long-term consequences

Governance defines the future. Compliance protects the present.

Governance Is Not Compliance. It Is Direction.

Compliance answers: Are we following the rules?

Governance asks: **Are we moving in the right direction?**

Boards and CFOs must focus on purpose, strategy, oversight, and accountability.

Weak governance fails slowly, then suddenly.

Message: Governance defines the future. Compliance protects the present.

The First Signs of Failure Are Usually Ignored

Warning Signs

- Uncomfortable data is rationalised
- Variances are explained away too quickly
- Risk warnings are postponed

The Pattern

- Optimism overrides prudence
- Silence becomes normal

Early detection requires vigilance and the courage to speak up

Numbers Tell a Story. CMAs Must Read Between the Lines.

- Cost structures reveal strategic intent.
- Variance analysis can signal operational stress or ethical shortcuts.
- Aggressive revenue recognition often precedes governance breakdowns.
- Financial discipline is the first layer of risk sensing.

Message: Finance professionals are the early warning system of governance failure.

Finance Professionals See the Cracks Before Others Do

Margin stress signals strategic pressure

Working capital stretch indicates liquidity risk

Revenue acceleration can mask weakness

Unusual provisioning patterns reveal discomfort

Numbers often whisper before crisis erupts

Finance professionals are the early warning system of governance failure.

Growth Exposes Weak Governance Faster Than Stability

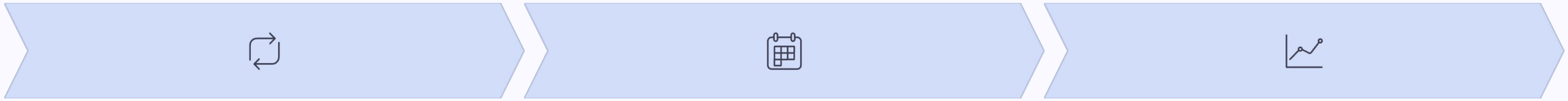
- **Expansion multiplies operational complexity**
- **Leverage magnifies errors**
- **Systems that worked at small scale fail at large scale**
- **Control bandwidth gets stretched**
- **Reputation risk grows with visibility**

Growth without governance is expansion. Growth with governance is resilience.

Pressure Does Not Create Character. It Reveals It.

- Targets influence behaviour more than policies
  - Incentives quietly shape ethics
- Quarterly urgency distorts long-term thinking
  - Compromise begins with "just this once"
- Culture is visible in trade-off decisions

Incentive Design Is a Governance Decision



What gets rewarded gets repeated

Short-term bonuses can weaken long-term value

Behaviour follows measurement systems

Integrity rarely features in performance metrics. **Compensation structure signals organisational priorities**

Incentives Shape Integrity

Compensation linked only to short term targets distorts behavior.

Balanced scorecards encourage sustainable thinking.

Ethical KPIs should sit beside financial KPIs.

Performance reviews must evaluate conduct, not just results.

Message: What gets rewarded gets repeated.

Ethics Is a Daily Decision, Not a Policy Document

Codes do not create culture. **Conduct does.**

Ethical failure rarely begins with fraud. It begins with rationalization.

Tone at the top must become echo at every level.

Incentive structures silently shape ethical behavior.

Message: Culture is the risk you cannot insure.

Ethical Decision Making Requires Structured Thinking

- [ ] Ask: Is it legal? Is it right? Is it sustainable?
- [ ] Consider long term impact, not quarterly optics.
- [ ] Challenge "everyone does it" logic.
- [ ] Encourage dissent in decision forums.

Message: Ethical leadership requires courage, not convenience.

Resilience Is Built Before the Crisis

Risk registers are useless if not debated honestly.

Scenario planning must include uncomfortable possibilities.

Supply chain shocks, cyber risk, regulatory shifts, ESG pressures are not theoretical.

Liquidity discipline is governance in action.

Message: The time to test your governance is before the market tests it for you.

Resilience Is Built in Disciplined Decisions

Liquidity buffers protect credibility

Conservative provisioning strengthens durability

Risk diversification reduces fragility

Scenario planning must include uncomfortable possibilities. **Preparedness is invisible until crisis arrives**

Silence in Decision Rooms Is a Red Flag

Lack of dissent weakens strategy. Optimism must be balanced with realism. Independent thought protects institutions.

Healthy tension strengthens oversight

Agreement without scrutiny is not governance

Leadership Behaviour Defines Ethical Culture

1. Employees copy reactions under pressure
2. Early admission prevents escalation
3. Transparency reduces long-term damage
4. Consistency builds credibility
5. Accountability builds institutional trust

The Leadership Mindset Determines Organizational Character

- Leaders must demonstrate humility and accountability.
- Transparency builds credibility during setbacks.
- Crisis communication reveals governance maturity.
- Leaders must model personal integrity under pressure.

Message: In every crisis, people watch leaders more than policies.

Resilient Growth Is About Stewardship, Not Scale

Sustainable Growth Is a Discipline

Growth must match control capacity

Speed without structure creates fragility

Risk appetite must be explicit

Reputation is an asset on the balance sheet

Long-term thinking stabilises strategy

Sustainable growth balances profitability, responsibility, and risk.

The time to test your governance is before the market tests it for you.

Governance, Ethics and Growth Are Interdependent

Strong governance builds investor confidence.

Ethical systems reduce cost of capital and reputational risk.

Sustainable growth requires trust from regulators, customers, lenders, and employees.

Without trust, growth is fragile.

Message: Growth without governance is expansion. Growth with governance is resilience.

Top 10 Executive Takeaways

01

Governance is tested in adversity, not prosperity.

02

Compliance proves adherence. Governance demands judgement.

03

Small compromises precede large failures.

04

Incentives shape ethical culture.

05

Financial signals reveal governance stress early.

06

Rapid growth magnifies weak systems.

07

Resilience requires disciplined decisions.

08

Dissent strengthens oversight.

09

Leadership behaviour defines tone.

10

Sustainable growth demands governance, ethics and resilience together.

Building a Resilient Mindset in the Corporate World

Transforming Challenges into Opportunities for Growth and Success

What is Resilience?

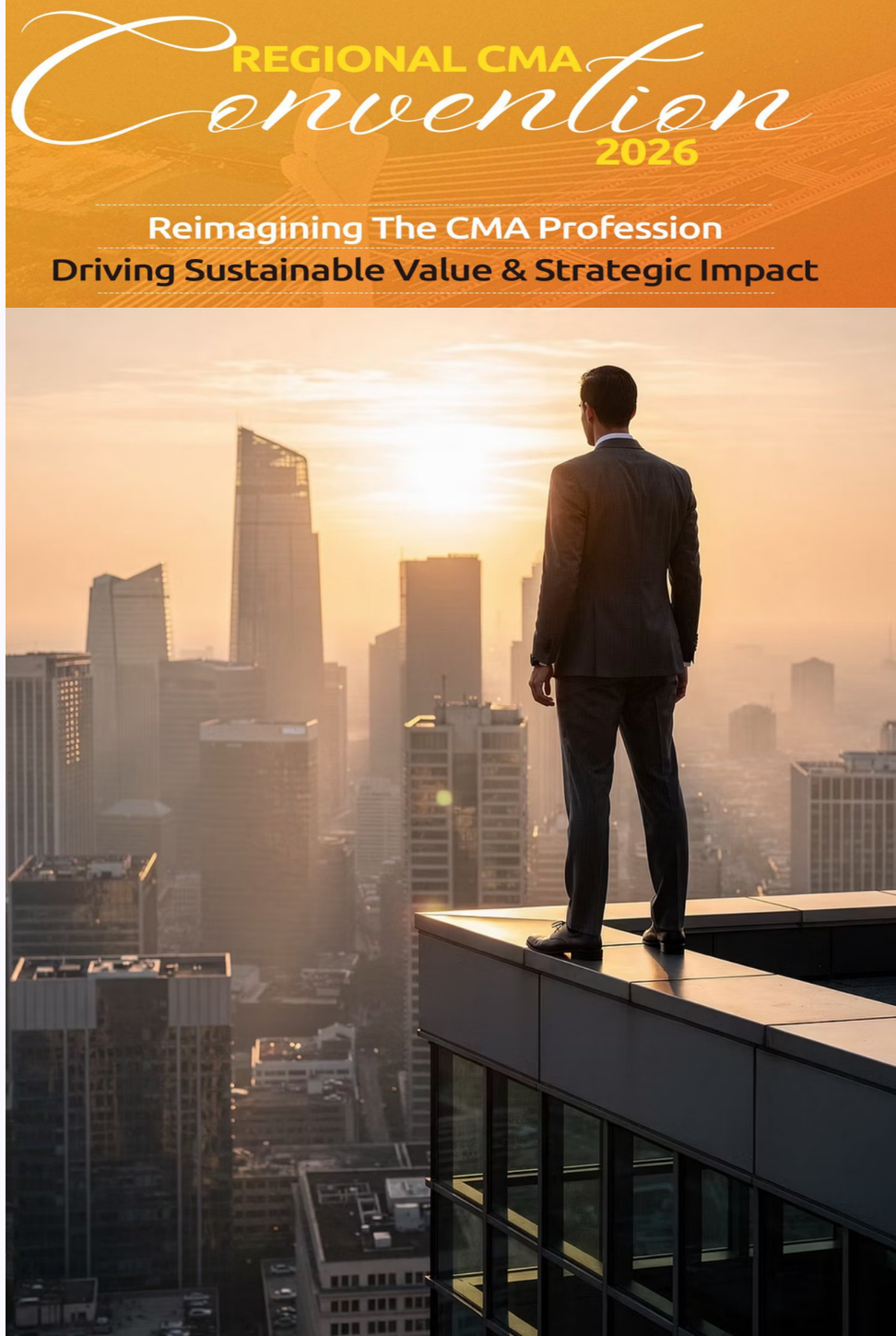
- Mental agility to thrive amid uncertainty and change
- Capacity to adapt, navigate, and transform challenges into opportunities

Why It Matters

- 60% less burnout among resilient individuals
- 26% higher team performance with resilient leaders
- Accelerates career growth and leadership recognition

Core Characteristics

- **Growth Mindset** - View failures as learning experiences
- **Adaptability** - Pivot quickly in dynamic environments
- **Emotional Regulation** - Stay calm under pressure
- **Purpose-Driven** - Stay anchored in your "why"
- **Proactive Problem-Solving** - Focus on controllables



ACTION PLAN

Building Your Resilient Mindset

The 7 Cs Framework

- **Competence** - Know your skills **| Confidence** - Trust your capabilities
- **Connection** - Build networks | **Character** - Live your values
- **Contribution** - Understand your purpose | **Coping** - Use healthy strategies
- **Control** - Focus on what you can change

01

Cultivate Self-Awareness

Know your triggers and strengths.

02

Build Support Networks

Seek mentorship and connections.

03

Focus on Controllables

Direct energy to what you can influence.

04

Continuous Learning

Stay adaptable and competitive.

05

Practice Mindfulness

Manage stress through wellness habits.

06

Reframe Failures

Transform setbacks into learning opportunities.

07

Celebrate Small Wins

Maintain momentum toward goals.

Start with one strategy. Practice for 30 days. Build your resilience muscle.

Governance, Ethics and Resilience Work Together — Or Not at All

Remove governance and ethics becomes inconsistent.
Remove ethics and governance becomes cosmetic.
Remove resilience and growth becomes fragile.

Remove one and the system weakens. Long-term value depends on alignment of all three

From Pressure to Stewardship:

The Governance Journey