

## GST – Is it a Master Stroke OR a Self Out?



Last couple of months most people in the business world have been getting their heads around GST and its various nuances.

GST is supposed to be a simplified tax paid at single point. It uses Pan Based Registration. The GST system combines Central excise duty, additional excise duty, services tax, State VAT entertainment tax etc., under one banner. It was launched with intentions to reduce cascading effects of taxes, decrease in illegal transactions, and will help to build a transparent and corruption-free tax administration.

GST is levied on all transactions such as sale, transfer, purchase, barter, lease, or import of goods and/or services. Some industries and products were exempted from GST, such as dairy products, products of milling industries, fresh vegetables & fruits, meat products, and other groceries and necessities.

Consumption Based Tax, where taxes are paid to the state where the goods or services are consumed not the state in which they were produced.

The response to GST has been encouraging in first three months with total number of assesses crossing 1 crore.

The concept of GST was visualized for the first time in 1999. On 8 August 2016, the Constitutional Amendment Bill for roll out of GST was passed by the Parliament.

Nearly 19 Asian counties (Afghanistan, Bahrain, Bhutan, Iraq, Kuwait, Maldives, North Korea, Oman, Qatar, Saudi Arabia, Syria, Timor Leste, United Arab Emirates, Yemen ) have GST but creating the structure that benefits the Indian Economy and Society needed innovative approach in designing and implement it.

Intended Effects:



With GST, Indian Government has innovated but it needs alignment and support of people. Since too many changes happened recently like Aadhar and PAN Linking, Demonetization and then GST, people are resisting to accept the change.

Ideas when implemented may get appreciation or rejected not only on the basis of idea but also on basis of the emotional buy-in of the various stakeholders.

As Business Consultants Inc. Japan (BCon), the pioneer training and consulting company says – "Innovation is not just creativity, it is Creativity + Execution".

Creating new ideas is one part of the game. One also needs to invest energy in fine tuning the idea and presenting the idea in a way that produces maximum impact and at the same time generates maximum buy-in from all stakeholders.

As governments are becoming innovative and there is an environment of change across the world, it is necessary that the corporates and institutions also take on transforming their culture and being highly innovative i.e. high level of creativity and execution excellence.

The various steps in creating innovation culture in the organization include:

1. Training people in the basics of Innovative Thinking as a discipline and not as a trait.
2. Creating organizational alignment to structure thinking time instead of just reacting to situations and challenges.
3. Managers being trained in the basics of facilitating innovative thinking sessions for their teams.
4. Seniors playing the role of triggering and at the same time coaching and mentoring the use of thinking systems.
5. The focus has to be balanced between thinking lots of ideas, short listing the ideas, polishing the selected ideas and creating buy in for the same.

Sharing an interesting link here: <http://bconglobal.com/Resources/need-inspiration-for-new-idea>

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They offer training, consulting and relevant tools for corporate across the world. With their 50 years experience they built strong knowledge and wisdom as captured in their programs, and initiatives.

To get more info on how BCon can partner you in creating the innovation culture reach out to [www.bconglobe.com](http://www.bconglobe.com) or their local representatives.

Coming back to GST, I think it is going to be one of the real test for the government and for the citizens. Government – for their implementation and citizen’s for their maturity to pay taxes and be responsible to communicate and get the system changed appropriately instead of finding legal loop holes or doing jugaad to escape the tax system.