

ELDORADO

Sea of Knowledge



From The Editors

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The last few decades have witnessed unprecedented changes in the business environment across the globe and these have catapulted the shape and need for management. Economic integration of the entire world through the removal of trade barriers, increase in capital mobility, breakthrough in information and communications technology has significantly contributed to the process of globalization. After some mid term hiccups, the Indian economy has picked up momentum again and we salute this.

Consumers are willing to try 'the new' and the sellers too are ready to experiment and adopt different strategies in various markets. Ready to eat, packaged Indian food is fast taking off the shelves; Indians are colouring their hair – red, blue and green; the middle class is cooking in microwave ovens. Movies are now sold in multiplexes; unmanned machines are vending chocolates, pro-biotic ice creams are attracting the health conscious. Sure, both the demand and supply side of the market has undergone an interesting transformation.

We are delighted to present before you this issue of Eldorado –an endeavour to gather and disseminate new ideas and views which are generated in the young minds of future managers, using Eldorado as a platform. And this issue in your hands bears testimony to that. Eldorado is the outcome of intense scrutiny and curious search for the best thoughts.

This magazine is a humble effort to sketch some of the important aspects of management. In this issue of 'ELDORADO' we have tried to provide information on plethora of topics in an organised manner in the areas of finance, marketing, human resource and technology. The magazine is presented into various sections each covering a special facet of management. The first section aptly named, Persona covers a range of issues related to human relation, personality, work life balance. Marketing section comprises of articles related to rural marketing, product life cycle, mergers related issue. Lot of knowledge can be gathered on participatory notes, sub-prime effect, investment strategy, etc in the Finance category. The Retail section covers the attractiveness of the sector and the lucrative career options. We have tried to enrich this edition of Eldorado by incorporating articles by our learned faculty members.

We would like to extend our sincere thanks to our faculty editor, Ms. Pratima Daipuria who shone light at every dark step we encountered and drove us clear with her selfless dedication.

We would also like to thank management of JIMS, esteemed faculty and staff members for their constant motivation and support.

The length and weight of this work was eased by the whole hearted support of our batch mates. We are grateful to them.

Response and feedback on the magazine will give us the courage to plan for the next issue. Hope the reading entertains and enlightens all.

Board of Editors

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9 Things You Simply Must Do

CRYTE JAN
PGDM FT 2007-2009

What is it about successful people, who, although completely different in background and style, are almost identical in their approach to work and life?

In his book, *9 Things You Simply Must Do to Succeed in Love and Life*, Dr. Henry Cloud passes along his observations of nine principles commonly practiced by the successful people. The book is full of leadership applications and some of Dr. Cloud's insights could be summarized in the form of following nine principles:

Principle 1: Dig It Up

Each person has a treasure trove of ability inside of them. Everyone has dreams and desires lodged within their soul. Why do some people dig deep and take hold of their dreams while others let them drift away?

According to Dr. Cloud, successful people give sustained attention to what stirs within them. They find outlets for their passions. Exercising their strengths is non-negotiable.

Principle 2: Pull the Tooth

Many people have an irrational fear of the dentist's office. The idea of someone

poking and prodding in their mouth fills them with dread. Amazingly, some people are afraid to the point where they would rather suffer discomfort day after day rather than undergo the temporary pain of a visit to the dentist.

As Dr. Cloud has observed, successful people go to the dentist. They face their fears and make the appointment. They pull the tooth that is causing the nagging ache and, by enduring the pain, they come out better on the other side. Successful people refuse to carry their baggage through life. They confront their hurt, disappointment, and anger early, and they seek emotional freedom from life's injuries. Likewise, successful people quickly recover when they fail. Rather than succumbing to a downward spiral of disappointment (or even depression) they come to terms with the failure, make course adjustments to their lives, and move on.

Principle 3: Play the Movie

Dr. Cloud recommends the exercise of playing a movie of your life in which you are the hero or heroine. What traits does your character have? What happens during the plot of the movie? Who do you want starring alongside you? How does your movie inspire the

people in the theater? Most people live their life and then look at it. Do the opposite. Look at your life and then live it. Envision and step toward the future you want to experience. Don't wake up one day to realize that your life is like a B-grade movie—you don't want to leave in the middle, but you would never want to watch it again!

Principle 4: Do Something

Successful people do something. They initiate, create, and generate. Successful leaders are proactive as opposed to reactive. They do not see themselves as victims of circumstances, but as active participants who take steps to influence outcomes. Their days and their lives are controlled by internal motivations rather than external currents.

Successful people take ownership for their destinations in life. They don't assign blame; they welcome responsibility. They refuse to cede their freedom to others and live independently. The successful person has done leadership's toughest task—mastered the art of self-leadership. The benefit of leading yourself well is that you don't have to rely on others to provide direction for your life. You get to plan the course.



“A person’s success will always be inhibited if he or she tries to please all of the people all of the time. Do not try to avoid upsetting all the people; just make sure that you are upsetting the right ones.”

Principle 5: Act like an Ant

“Go to the ant, you sluggard;
Consider its ways and be wise!
It has no commander,
No overseer or ruler,
Yet it stores its provisions in summer
And gathers its food at the harvest.”

Let’s look upon ants to develop another principle of success. Three lessons stand out from the metaphor of the ant. First, they appreciate the ethic of hard work. Their lives are a flurry of constant activity as they tirelessly search for food. Second, ants refuse to give up. They never abandon the hunt, crawling through cracks and crevices in their pursuit of a morsel. Third, ants understand the value of compounding. Grain by grain an ant builds the hill that becomes its home, and crumb by crumb they accumulate storehouses of food.

Principle 6: Hate Well

In his writing, Dr. Cloud talks about focusing feelings of anger constructively to solve problems or end injustice. As he develops his idea of “hating well,” he distinguishes between subjective hate and objective hate. Subjective hate is toxic. It is a pool of feelings and attitudes that resides in our soul, waiting for expression. It is not directed at anything specific or caused

on any given day by any specific object. Subjective hate poisons and corrupts the person who houses it.

On the contrary, objective hate can be described as anger with a purpose. Objective hate protects by standing in opposition to dishonesty, exploitation, or deceit. Objective hate may spark entrepreneurship. In fact, many successful businesses have begun as a result of the founder’s hatred of poor service or shoddy quality.

Principle 7: Don’t Play Fair

Fairness says “an eye for an eye,” or “a tooth for a tooth.” Fairness weighs all actions in a balance and continuously moves to equilibrium. The rule of fairness means good actions deserve kind responses, and bad behavior deserves punishment. Living in accordance with fairness will destroy every relationship in life. With everyone keeping score of favors bestowed and received, eventually someone will feel victimized when a good deed goes unreturned. As a leader, I’ve learned the high road is the only road to travel on. Don’t treat others according to what they deserve; treat them even better than you would prefer to be treated. By doing so, you’ll keep integrity and avoid sticky accusations or petty arguments.

Principle 8: Be Humble

“Pride is concerned with who is right. Humility is concerned with what is right.”
-Ezra Taft Benson

Successful people have a healthy dose of humility. Humility has an internal and external component. Internally, humility comes when we admit our errors, and open ourselves to instruction. Externally, humility is gained when we show patience for the faults of others, and when we are quick to shine the spotlight on the successes of others.

Principle 9: Upset the Right People

A person’s success will always be inhibited if he or she tries to please all of the people all of the time. Do not try to avoid upsetting people; just make sure that you are upsetting the right ones. If the kind, loving, responsible, and honest people are upset with you, then you had better look at the choices you are making. But if the controlling, hot and cold, irresponsible or manipulative people are upset with you, then take courage! Be likeable and be gracious, but don’t sacrifice your identity or values for the sake of harmony.



Test Your Emotional Intelligence

The purpose of this exercise is to help you understand how emotional intelligence (E.I.) comes into play in organizational settings and to give you a tool to assess your E.I. competence. The more truthfully you answer, the more accurate the picture you will get of your E.I.

These questions have been adapted for CIOs' work situations from two sources: an online survey by the Hay Group, and an article, "Developing Emotional Intelligence in the Workplace," by Wendy Alfus Rothman

1. You're in a meeting in which executives are discussing the company's ERP implementation when the VP of supply chain takes credit for work you did. What do you do?
 - A. Confront the VP right then and there. After all, you're no pushover, and it's not fair that he get the credit you deserve.
 - B. After the meeting, take the VP aside and tell him that you would appreciate it if in the future he would credit you when speaking about the work.
 - C. You don't do anything. You hate conflict, and you know nothing would be gained either by making a scene or by confronting the VP.
 - D. After the VP speaks, thank him for the work he did and give the group more specific details about what you were trying to accomplish and the challenges you overcame.
2. The VP of marketing has just called to complain about the CRM system your IT staff is delivering. He is angry and rude. What's your response?
 - A. Tell him to take a long walk. You don't have to put up with ill-informed nonsense.
 - B. Listen, repeat back to him what you hear he is feeling, and tell him you sympathize.
 - C. Explain how he's being unfair. Help him understand that the system your department is working so hard on eventually will help him and his department.
 - D. Tell him you understand how frustrated he is, and offer a specific measure you can take to please him.
3. Your company is working to encourage respect for racial and ethnic diversity. What do you do when you overhear someone making anti-racial comments about Praveen?
 - A. Ignore it. You can't stand him either.
 - B. Call the person into your office and explain that his behavior is inappropriate and is grounds for disciplinary action if repeated.
4. A colleague enters your office upset over an incendiary e-mail he received from a client. How do you go about calming him down?
 - A. Change the subject. Tell him a joke or a story, anything to get his mind off of it.
 - B. Suggest that he might be overreacting.
 - C. Take him out for a cup of coffee and tell him about the time something like this happened to you and how angry you felt, until you realized that the client's anger was in fact justified.
 - D. Tell him you understand. You know that the client is a real jerk.
5. A discussion with a colleague has escalated into a full-blown argument, and you both start trading personal insults that you



“ People in good moods are better at the inductive reasoning and creative problem solving” – from Emotion, Disclosure and Health 1995

certainly don't mean. What do you do?

- A. Suggest taking a 20 minute break before continuing.
 - B. Walk away.
 - C. Apologize, and ask that your colleague apologize too.
 - D. Pause, collect your thoughts, and then restate your case as unemotionally as you can.
- 6 You are asked to manage a team of developers that is building a new portal. The team has discovered a software bug but can't come up with a solution. What do you do?
- A. Draw up an agenda, and call a meeting during which you discuss the problem and possible solutions.
 - B. Organize an offsite to help the team get to know each other better.
 - C. Begin by asking each person for ideas about how to solve the problem.
 - D. Organize an informal brainstorming session over lunch. Encourage people to share whatever solution comes to mind, no matter how wild.
7. One of your sales executive has been promoted to a managerial position. You notice that she appears unable to make the

simplest decisions without seeking your advice. What do you do?

- A. Have an HR representative talk with her about where she sees her future in the organization. Maybe this position isn't right for her.
 - B. Accept the fact that she does not have what it takes and find others to assume her responsibilities until you can find a replacement.
 - C. Give her lots of difficult, complex decisions to make so that she will become more confident in her role.
 - D. Engineer an ongoing series of manageable experiences for her, and make yourself available to act as her mentor.
8. One of your direct reports approaches you with a personal problem: His elderly parent needs care and possibly placement in a nursing home. What do you do?
- A. Tell him that you're sorry and that he can come to you for advice or to commiserate anytime.
 - B. Acknowledge that family problems often take a toll, and ask him to be open with you if he's having trouble completing his work so that you can find a way to lighten

his load during this difficult time.

- C. Suggest that work affords an excellent opportunity for him to take a mental break from his problems.
- D. Tell him that the definition of a professional is someone who doesn't allow his personal problems to affect his work.

SCORING THE QUIZ

0-24: Emotional Dunce

Congratulations, you're about as emotionally intelligent as a milk carton and as approachable as a person next door. You confront people in the wrong way about the wrong things at the wrong times (for example, publicly accusing someone of taking credit for your ideas) and fail to confront them on the appropriate things (like racist jokes). Your haste to kiss off colleagues and their concerns alienates you from others and jeopardizes your professional relationships. Unless you get some coaching, it won't be long before your emotional density derails your career.

25-54: Lukewarm

You get points for recognizing your own difficulty in dealing with people's personal issues, but as a manager and



executive it's part of your job to confront life's little messes. You don't have to be agony aunt, but you should know how to tactfully handle conflicts with customers and colleagues. And while you may have the best intentions with the young manager who constantly seeks your advice, you're not rising to the challenge by passing the buck to HR.

55-75: The Perfect Boss

Your colleagues and direct reports surely find you approachable and

responsive. Just be careful you don't go overboard. Being emotionally intelligent doesn't mean you have to be Oprah, doling out advice and commiserating over every drama or crisis. It means recognizing how people's emotions affect them, understanding why they feel a certain way and harnessing those emotions for the benefit of the organization.

Answer Key

1 A. 0 points B. 5 points C. 0 points
D. 10 points

2 A. 0 points B. 5 points C. 0 points
D. 10 points

3 A. 0 points B. 5 points C. 5 points
D. 5 points

4 A. 5 points B. 0 points C. 10 points
D. 0 points

5 A. 10 points B. 0 points C. 0 points
D. 0 points

6 A. 1 point B. 10 points C. 5 points
D. 5 points

7 A. 5 points B. 0 points C. 0 points
D. 10 points

8 A. 1 point B. 10 points C. 0 points
D. 0 points

Excellence is inside

A gentleman was once visiting a temple under construction. In the temple premises, he saw a sculptor making an idol of God. Suddenly he saw, just a few meters away, another identical idol was lying. Surprised he asked the sculptor "Do you need two statues of the same idol?"

"No" said the sculptor. "We need only one, but the first one got damaged at the last stage".

The gentleman examined the sculptor. No apparent damage was visible. Where is the damage?" asked the gentleman.

"There is a scratch on the nose of the idol." replied the sculptor.

"Where are you going to keep the idol?" asked the gentleman.

The sculptor replied that it will be installed on a pillar 20 feet high.

The gentleman asked "When the idol will be 20 feet away from the eyes of the beholder, who is going to know that there is a scratch on the nose?"

The sculptor looked at the gentleman, smiled and said, "*The God knows it and I know it*".

The desire to excel should be exclusive of the fact whether someone appreciates it or not. *Excellence is a drive from Inside not Outside.*



Interview Tips

SEEMA
PGDM FT 2006-2008

1. Tell me about yourself.

The most often asked question in interviews. You need to have a short statement prepared in your mind. Be careful that it does not sound rehearsed. Limit it to work-related items unless instructed otherwise. Talk about things you have done and jobs you have held that relate to the position you are interviewing for. Start with the item farthest back and work up to the present.
2. What experience do you have in this field? Or How can you contribute in this field?

Speak about specifics that relate to the position you are applying for. If you do not have specific experience, get as close as you can. Talk of your knowledge in that particular area.
3. Do you consider yourself successful?

You should always answer yes and briefly explain why. A good explanation is that you have set goals, and you have met some and are on track to achieve the others.
4. What do co-workers/peers/colleagues say about you?

Be prepared with a quote or two from colleagues. Either a specific statement or a paraphrase will work. Jill Clark, a co-worker at Smith Company, always said I was the hardest worker she had ever known. It is as powerful as Jill having said it at the interview herself.
5. What do you know about this organization?

This question is one reason to do some research on the organization before the interview. Find out where they have been and where they are going. What are the current issues and who are the major players?
6. What have you done to improve your knowledge in the last year?

Try to include improvement activities that relate to the job. A wide variety of activities can be mentioned as positive self-improvement. Have some good ones handy to mention.
7. Are you applying for other jobs?

Be honest but do not spend a lot of time in this area. Keep the focus on this job and what you can do for this organization. Anything else is a distraction.
8. Why do you want to work for this organization?

This may take some thought and certainly, should be based on the research you have done on the organization. Sincerity is extremely important here and will easily be sensed. Relate it to your long-term career goals.
9. Do you know anyone who works for us?

Be aware of the policy on relatives working for the organization. This can affect your answer even though they asked about friends not relatives. Be careful to mention a friend only if they are well thought of.
10. Are you a team player?

You are, of course, a team player. Be sure to have examples ready. Specifics that show you often perform for the good of the team rather than for yourself are good evidence of your team attitude. Do not brag; just say it in a matter-of-fact tone? This is a key point.
11. How long would you expect to work for us if hired?

Specifics here are not good. Something like this should work: I'd like it to be a long time. Or As long as we both feel I'm doing a good job.
12. What is your philosophy towards work?

The interviewer is not looking for a long or flowery dissertation here. Do you have strong feelings that the job gets done? Yes. That's the type of answer that works best here, short and positive, showing a benefit to the organization.
13. Explain how you would be an asset to this organization

You should be anxious for this question. It gives you a chance to highlight your best points as they relate to the position being discussed. Give a little advance thought to this relationship.
14. Why should we hire you?

Point out how your assets meet what the organization needs. Do not mention any other candidates



“If you have anything really valuable to contribute to the world it will come through the expression of your own personality, that single spark that sets you off and makes you different from every other living creature.”
– Bruce Barton

to make a comparison. Give this question a serious pre-thought.

15. Tell me about a suggestion you have made OR any initiative taken by you.

Have a good one ready. Be sure and use a suggestion that was accepted and was then considered successful. One related to the type of work applied for is a real plus.

16. What irritates you about colleagues/peers?

This is a trap question. Think real hard but fail to come up with anything that irritates you. A short statement that you seem to get along with folks is great.

17. What is your greatest strength?

Numerous answers are good, just stay positive. A few good examples: Your ability to prioritize, Your problem-solving skills, Your ability to work under pressure, Your ability to focus on projects, Your professional expertise, Your leadership skills, Your positive attitude. But don't overload your answer with lot of them. Tell them the ones you are best at.

18. Tell me about your dream job OR what are you looking for in this job?

Stay away from a specific job. You cannot win. If you say the job you are contending for is it, you strain credibility. If you say another job is it, you plant the suspicion that you will be dissatisfied with this position if hired. The best is to stay generic and say something like: A

job where I love the work, like the people, can contribute and can't wait to get to work.

19. Why do you think you would do well at this job?

Give several reasons and include skills, knowledge, enthusiasm to learn something new, experience and interest.

20. What is more important to you: the money or the work?

Money is always important, but the work is the most important. There is no better answer.

21. What would your colleague/superior say your strongest point is?

There are numerous good possibilities: Loyalty, Energy, Positive attitude, Leadership, Team player, Expertise, Initiative, Patience, Hard work, Creativity, Problem solver. Take the best pick.

22. Tell me about a problem you had with a supervisor/colleague and how did you handled it.

It is the biggest trap of all. This is a test to see if you will speak ill of your boss or anyone.. If you fall for it and tell about a problem with a former boss, you may well below the interview right there. Stay positive and develop a poor memory about any trouble with a supervisor.

23. Tell me about your ability to work under pressure.

You may say that you thrive under certain types of pressure. Give an

example that relates to the type of position applied for.

24. Do your skills match this job or another job more closely?

Probably this one. Do not give fuel to the suspicion that you may want another job more than this one.

25. What motivates you to do your best on the job?

This is a personal trait that only you can say, but good examples are: Challenge, Achievement, and Recognition.

26. Are you willing to work overtime? Nights? Weekends?

This is up to you. Be totally honest.

27. How would you know you were successful on this job?

Several ways are good measures: You set high standards for yourself and meet them. Your outcomes are a success. Your boss tells you that you are successful.

28. Would you be willing to relocate if required?

You should be clear on this with your family prior to the interview. If you think there is a chance it may come up. Do not say yes just to get the job if the real answer is no. This can create a lot of problems later on in your career. Be honest at this point and save yourself future grief.

29. Are you willing to put the interests of the organization ahead of your own?

This is a straight loyalty and dedication question. Do not worry about the deep ethical and



“There are no failures - just experiences and your reactions to them.”

- Tom Krause

- philosophical implications. Just say yes.
30. Describe your management style. Try to avoid labels. Some of the more common labels, like progressive, salesman or consensus, can have several meanings or descriptions depending on which management expert you listen to. The situational style is safe, because it says you will manage according to the situation, instead of one size fits all. If required, give situational reference.
31. What have you learned from mistakes on the job? Here you have to come up with something or you strain credibility. Make it small, well-intentioned mistake with a positive lesson learned. An example would be working too far ahead of colleagues on a project and thus throwing coordination off.
32. Do you have any blind spots? Trick question. If you know about blind spots, they are no longer blind spots. Do not reveal any personal areas of concern here. Let them do their own discovery on your bad points. Do not hand it to them.
33. If you were hiring a person for this job, what would you look for? Be careful to mention traits that are needed and that you have.
34. Do you think you are overqualified for this position? Regardless of your qualifications, state that you are very well qualified for the position.
35. How do you propose to compensate for your lack of experience? First, if you have experience that the interviewer does not know about, bring that up: Then, point out (if true) that you are a hard working quick learner
36. Tell me about a time when you helped resolve a dispute between others. Pick a specific incident. Concentrate on your problem solving technique and not the dispute you settled.
37. What position do you prefer on a team working on a project? Be honest. If you are comfortable in different roles, point that out.
38. Describe your work ethic. Emphasize benefits to the organization. Things like, determination to get the job done and work hard but enjoy your work are good.
39. What kind of salary do you need? A loaded question. A nasty little game that you will probably lose if you answer first. So, do not answer it. Instead, say something like, that's a tough question. Can you tell me the range for this position? In most cases, the interviewer, taken off guard, will tell you. If not, say that it can depend on the details of the job. Then give a wide range.
40. Why did you leave your last job? Stay positive regardless of the circumstances. Never refer to a major problem with management and never speak ill of supervisors, co-workers or the organization. If you do, you will be the one looking bad. Keep smiling and talk about leaving for a positive reason such as an opportunity, a chance to do something special or other forward-looking reasons.
41. Have you ever had to fire anyone? How did you feel about that? This is serious. Do not make light of it or in any way seem like you like to fire people. At the same time, you will do it when it is the right thing to do. When it comes to the organization versus the individual who has created a harmful situation, you will protect the organization. Remember firing is not the same as layoff or reduction in force.
42. What qualities do you look for in a boss? Be generic and positive. Safe qualities are knowledgeable, a sense of humor, fair, loyal to subordinates and holder of high standards. All bosses think they have these traits.
43. Do you have any questions for me? Always have some questions prepared. Questions prepared where you will be an asset to the organization are good. How soon will I be able to be productive? And what type of projects will I be able to assist on? Are examples?



The Five Minds of a Manager

BHARAT CHABBRA
PGDM PT 2005-2008

The Idea in Brief

Sometimes your management job seems impossible? It may not be that's surprising. Your many roles are so often contradictory. Be global, and be local, you're told. Collaborate, and compete. Change perpetually, and maintain order. Make the numbers while nurturing your people. How can you possibly reconcile all this? No one can.

But you can triumph over managerial obstacles, despite conflicting expectations, if you focus less on what you should do and more on how you should think. Successful managers *think* their way through their jobs, using five different **mind-sets** that allow them to deal adeptly with the world around them:

- A **reflective mind-set** allows you to be thoughtful, to see familiar experiences in a new light, setting the stage for insights and innovative products and services.
- An **analytical mind-set** ensures that you make decisions based on in-depth data—both quantitative and qualitative.
- A **worldly mind-set** provides you with cultural and social insights essential to operating in diverse regions, serving varied customer segments.

- A **collaborative mind-set** enables you to orchestrate relationships among individuals and teams producing your products and services.
- An **action mind-set** energizes you to create and expedite the best plans for achieving your strategic goals.

The key to your managerial effectiveness

Regularly access all five mind-sets, not in any particular order, but by cycling through each as needed. And don't go it alone. When you collaborate with colleagues by interweaving your collective mind-sets, you—and your organization—will excel.

The Idea in Practice

Managing effectively encompasses five basic tasks, each with its own mind-set:

Managing Yourself Relies on a *Reflective Mind-Set*

Without reflection, management is mindless. Events make sense only when you stop and think about what they mean, how they connect, what patterns they reveal. Reflection puts events into new and clear perspective. As you look in, you can better see out, perceiving familiar things in unfamiliar ways—a

product as a service, a customer as a partner. As you look back—at what worked and what did not—you see ahead to what your organization should become.

Managing Your Organization Requires an *Analytical Mind-Set*

You analyze most effectively when you go beyond the superficial—just running the numbers. Instead, you drill into richer sources of data, including your and others' underlying values and biases. What data and assumptions are *they* using? Breaking up complex phenomena into component parts helps you see problems in new ways, moving your organization toward action and change.

Managing Your Context Depends on a *Worldly Mind-Set*

When you see the world through the eyes of other cultures, other industries, other companies, you better understand the diverse contexts in which your organization operates. That requires getting out of the office and spending time where products are produced, customers served, environments threatened. Shell Oil exemplifies a worldly mind-set. It extracts oil and brings its products to markets without



violating local rights or disrupting local environments.

Managing Relationships Requires a *Collaborative Mind-Set*

You manage most effectively when you manage not individuals but the relationships among them. You're creating the conditions—the structures and attitudes—that encourage teamwork. You're managing from *inside*, throughout your organization—not from the top. You're not running the show—unless absolutely necessary.

Managing Change Calls for an *Action Mind-Set*

Managers have a bias for action. Your challenge, then, is to mobilize your and others' energies around what needs to change—while sustaining what must stay the same. An action mind-set is not about “whipping the horses into frenzy.” Instead, survey the situation, determine your teams' capabilities and your organization's needs, and help everyone move in the right direction.

Source: Key ideas from the HBR article by Jonathan Gosling, Henry Mintzberg

Poem

The Journey -Desert and Me

When I look behind I see
Green pastures are left far away
When I look forward I find
Endless Desert the only way
O! I have to go I have to go
Shady oasis may come in my way
As I travel through the desert
night and day
Scorching sun is shining bright
Caravans vanishing like shadows in light
All I see is sand and thorns
Or sandy oceans and devils with horns.
Tired and thirsty when I sit
Searching food in old small kit
Memories haunt me good days of past
Childhood fantasies
And good friends to last
Sitting alone amidst the desert
Its terrible to think of the past hazard
I wish to live a happy life
With lovely children and a charming wife
But future seems
so dry and chancy
What next might strike
I often fancy
I wish to rest but
I cannot sit
Cross it cross it, before
the storms hit
Endless desert that I have to face
It's my destiny that I have to trace

Sudhir Kumar Ghosh



Tormentor to Mentor – the Changing Role

PIYUSH GULATI
PGDM FT 2006-2008

The basics of Tormenting

It is interesting to note that tormenting has been considered a very important activity for human beings. Since the beginning of the concept of religion, denial of food, etc were considered important aspects of religious rituals.

Perhaps it originated from the following two concepts:

- 1) Ultimately the most important part of management is self-management.
- 2) To have self-management, start by controlling the basic human instincts.

There is very little evidence that this control gives a wider control on human activities. However, the concept still prevails. Whenever Gandhiji started a nonviolence movement, it ended in becoming violent. He stopped the movement and got onto “self-purification” fast of 21 days. Perhaps the only thing the fast achieved was distraction of attention from the failure of the non-violent movement.

In Hinduism, meditation of God with minimal intake of food was considered “tapasya” which would win the favor of God.

Tormenting and Human Development

In many cultures, the development process was associated with torment. A Brahmin was called “Dwijā” (twice born) – because he was born the first time in the normal way and pampered in the family till the age of eight years. Thereafter, he was sent to the guru’s ashram for learning the scriptures. This process of learning involved a lot of hardship. After twelve years of this learning when the person returned to his family at the age of twenty, he was a different person from the eight-year-old boy and therefore this was considered his second birth.

Even with non-Brahmins, the learning process was apprenticeship with the father as most sons were supposed to take up the vocation of their respective fathers. So a carpenter’s son became a carpenter, a vaidya’s son became a vaidya, a dacoit’s son because a dacoit – the technology was learnt from the father and this was also through a tormenting process since everybody firmly believed in the dictum “spare the rod and spoil the child”.

And this is where the role of the tormentor is being replaced by the role of the mentor who is able to pass on the education smoothly by crating passion

for learning. Successful teacher is a mentor. He makes the student interested in the topic so that the student keeps on learning beyond what the teacher has taught. In that process, the teacher also learns from the student. In industrial and business situations, with changing times, the subordinates are coming with their own expertise. The boss subordinate relationship is transforming into an exchange of knowledge.

Mr. Iacocca, when he took over as the President of Ford, did not have the insight of automobile technology. He asked his two most competent subordinates to spend one hour with him every evening to bring him up in automobile technology.

In the new relationship, the traditional role of a strict boss who was the origin of everything the subordinate learnt was vanished. The new boss is able to function in a better way by mentoring.

Twentieth century started with an emphasis on performance as it was realized that the competition would decide the survival and growth. Productivity and quality were considered of prime importance and for this, strict systems and discipline were considered vital.

This brought into existence the role of the boss as a “tormentor”. *Tormentor*



“Mentoring is a very difficult role. It requires the insight of a mentee and the power of listening and observing”

was a person with a high performance standard with a motto “no excuses”.

The Father role

Most of the roles in our primary organizations start with the family and are adopted by industry. For attaining productivity and quality, a vital role was played by the father. When a Manager who achieves remarkable results is asked about the secret of his success, he invariably gives first credit to his father who insisted on high standards of performance. He had a very clear idea of the standard and would “push” the family members towards it. When the role succeeded, the children achieved remarkable results. When it did not, both the father and the children ended with frustration and hostility.

From tormentor to Mentor

The situation started changing dramatically at the end of the last century. Fathers, superiors, elders and bosses suddenly realized that best results are not obtained by tormenting. What is required is not tormenting but mentoring and that seems to be the key word in the 21st century.

The basics of mentoring is the assumption that everybody can understand what is a fruitful behaviour

but may need the realization in case of wrong behaviour. Everybody can judge how his face can be groomed but needs a mirror as nobody can see himself without a mirror.

A mentor plays the role of a mirror and makes an individual look at himself. Basically, a mentor does the following three things.

- Observe the behaviour of the mentee very critically so that he can give a feedback to the mentee with clear examples.
- Make reflective statements for the mentee to understand his own behaviour.
- Make the mentee think about alternate behaviours which could be more fruitful.

In the tormenting role, the boss and the subordinate invariably have an ego clash and many times the resistance of the subordinate is because of this ego clash. A mentor accepts the ego of the mentee and is able to sidestep it so that the acceptance of the deficient behaviour is not looked upon as an acceptance of wrong doing.

Mentoring is a very difficult role because it requires the insight of the job carried out by the mentee. It also requires the power of listening and observing and, most importantly,

requires the skill of communication without involving “I am OK – you are not OK” attitude.

An obvious example is the relationship between a mother and a child – particularly a modern mother. In bad old days, mothers used to work with a raised palm “Do this or you will get a slap”. *Today I find that mothers are accommodating and understanding and try to correct the behaviour without threatening to punish the wrong behaviour.*

The future seems to be moving steadfastly to the new role for the so called bosses who bully around to the role of the modern mother. It seems to be more successful not only in getting productivity, quality – but perhaps most importantly, the innovation which gives best results under a feeling of openness.

History of Mentoring

The original Mentor is a character in Homer’s epic poem **The Odyssey**. When Odysseus, King of Ithaca went to fight in the Trojan War, he entrusted the care of his kingdom to Mentor. Mentor served as the teacher and overseer of Odysseus’ son, Telemachus.



Work Life Balance

SWEETY CHANDWANI
PGDBM-FT (2006-08)

Work, work and work 24/7, 365 days a year is no more the funda for efficient and creative workers. Zapped??? Read on.....

All I meant by the statement was that it is important for the employees to maintain a healthy balance between work and their private lives so that both they and the company benefit in the long term. Every organization must respect and support its employee's interest in maintaining a balance between family, leisure time and career.

So, dear readers believe me, striking the right balance is the key to a successful satiating life. If you think that's my opinion, then that's your misconception because this has actually become the industry buzz.

Hence, it becomes the onus of the HR department to pay more and more attention to the aspirations of all the employees by creating parameters for social interactivity to enable them to explore their true potential.

Even after this you are not satisfied, then ask a simple question from yourself. Why does a person want fat salary cheques, big mansions, plethora of cars?

Two simple answers to these mindboggling questions are -

- a) Sense of achievement and
- b) The joy one gets as an ensue.

Remember, if a person works too much, sacrificing quality family time, he might reach the top of the corporate ladder quickly, but the achievement and material gain will not commensurate the price he's forced to pay in the long run. IT, BPO and other hi-tech corporates are constantly upgrading and reframing their work, life and balance policies because of high employee attrition rates. Happier employees are more productive and more loyal. More productivity adds to a healthier bottom line.

Recently, when I got an opportunity to attend a seminar on Work Life Balance at FMS, DU, Ms. Sanchita Singh, Head O&S GE Money told that her company has introduced "Compressed Work Week" for its employees so that the employees have the option to serve their ailing parents or growing children etc. Despite the temptation to stay connected with business and a growing number of high tech tools to do just that

at anytime from anywhere in the world – people are still able to make a clean break with their family for several weeks every year.

Alas!! Everyone is not that lucky enough, especially those who are the business owners. A growing number of entrepreneurs reluctantly though are never able to leave their workplace behind whether they are at home or on vacation. But there are employees who officially bar themselves from checking any work-related email or voicemail during a vacation. They also let their staff know there isn't anything that can't wait for their attention.

In a recent survey of 1,000 small-business owners by Discover, 59 % said a "day off" meant they were still available for calls and e-mails and included working a full day from a remote location. Nearly half said they worked through most official holidays. Now, it's upto the organizational culture whether they support the momentous idea of Work Life Balance for their biggest asset i.e. their employees or not.

Choice is yours.....Think about it hard...



Brand Obituary

When Should Companies Put Brands On The Backburner?

TANVI NARANG
PGDM-FT 2007-2009

All things good, bad and ugly have come to an end. If the brand fails, it makes sense to pull the plug. But if the brand has performed well in the past, letting it go becomes just that an inch harder. With intense competition, companies cannot afford the luxury of carrying aging and ailing brands on their production lines.

SO WHEN MUST A COMPANY LET GO?

Ideally, When a product completes its growth stage on the product life cycle, the company tries to re-engineer it, to add value to it.

“When the growth starts to slow down you have to revamp and reposition the

product”. When that does not lead to improved results, the companies KILL the product.

Another primary reason why brands lose their right to live is when they no longer offer PRODUCT DIFFERENTIATION. However it is not always the old and tottering brands that see a new after life. Sometimes brands are also replaced when company is launching a more powerful product or a contemporary design. For instance, in Automobile industry Honda City came out with a completely different vehicle to replace its older version, instead of just changing head lamps, tail lamps and so on.

“Brands have ‘NOSTALGIA’ value the taste, smell, packaging evokes pleasant

memories of the past- this is especially true of products that are consumed by multiple senses-food brands, toothpaste, soaps.” But it’s another thing if memory is not positive. For example, When Global Trust Bank was taken over by Oriental Bank Of Commerce; the brand was seemingly eclipsed by OBC.

Companies on brand launch spend huge amounts. Manufacturers tend to eliminate brands only if they are overtaken by newer products, or by creating newer sub-brands or variants. This is because they have become cost conscious. All this means that PULLING THE PLUG IS ONLY BECOMING A TOUGHER DECISION TO MAKE!

Friendship

Friendship is one of those parts of life that we at times take for granted. It rolls off of our tongues as if we expect it to be present in all areas of our lives. I hear our ‘friendship is forever’ or ‘friends always’ is a common thread that runs through our lives. But in truth how many true friendships do you have? Think for a moment and list those you feel are true friends and those with which you have a close relationship. Are they true friends? Is their friendship from the heart? How many people do you truly see as friends?

Friendship is a blessing, and a friend is the channel through whom great emotional, spiritual blessings flow. Friends can cheer us when we’re sorrowful or depressed. Friends can challenge us when we allow ourselves to get beyond our reasonable boundaries. Friends can motivate us when we’re ready to give in, and they can provide for us when life falls apart. They are there when all is well, and we want someone with who to share life’s pleasant and memorable moments. We often just want them around to have a good time, to laugh, to act silly; to enjoy some mutually liked activity. In how many ways have friends enriched our lives and made us feel loved, accepted, respected and cared for? Probably, too many to list, and the list grows daily.



Supply Chain Operation Reference (SCOR)

DEEPAK PATHAK
PGDBM-FT (2007-09)

In today's rapidly changing global economy some companies are able to change with the times to adapt and thrive in the increasing uncertain world of the 21st century. They can be recognized by their ability to anticipate and understand changes in the market, to recognize new opportunities, to deliver new customer service and to adapt their businesses rapidly to meet and exceed their customer requirements. All these companies have recognized the importance of one key element, agility or flexibility to change fast. Agile businesses view themselves as the center, or hub of networks of materials and information flows. These flows extend from the customer interface at marketing and sales through production and procurement to the building of relationship with the suppliers. These businesses achieve agility through a constant review and realignment of these closely linked networks.

Over the past decade, **Supply Chain Management (SCM)**, has been coined as a management approach to deliver this required agility to change, while maintaining cost efficiency, SCM is having profound impact on business results. It encompasses all activities associated with the flow and transformation of the goods from the raw material stage (extraction), through

the end user, as well as the associated information flow (Handfield & Nichols, 1999). Clearly, the idea of SCM is to view the chain as a total system to fine tune the decision about how to operate the various components (companies, functions, and activities) in ways, which will produce the most desirable overall system performance in the long run. Doing so is extremely difficult due to the number and the complexity of the decisions to be made, as well as the intra and inter organization issues that must be addressed.

Never has so much technology and brainpower been applied to improving supply chain performance including point of sale capture the customer's voice. Electronic data interchange let all stages of the supply chain hear that voice and react to it by using flexible manufacturing, automated warehousing and rapid logistics. Concepts such as quick and accurate response, efficient consumer response, mass customization, lean manufacturing of models for applying new technologies to improve performance. One can argue that proliferation of interpretation of what SCM has lead to some confusion among researcher and practitioners. There should be some characteristics unique to supply chain management that differentiates it from past research that

fell into the age is of integrated logistics. Houiligan(1985) made it clear that the differentiating factor is the strategic decision making aspect in managing the supply chain. SCM reaches out beyond boundaries of cost containments and links operating decision to strategic consideration within and beyond the company. To assist organizations in achieving better strategic decision making, a number of researcher and practitioners have devoted their efforts to developing models to describe the elements and activities of supply chain. Beamon (1998) provided a literature review on multi stages supply chain modeling, which consist of four categories, namely deterministic model (Voudouris, 1996), stochastic model(Tzafestas & Kapsiotis,1994), economic model (Christ & Grout,1994) and simulation model (Towill,1991).The author proposed a research agenda for supply chain design and analysis:

- (1) The evaluation and development of supply chain performance measure
- (2) The development of models and procedure to relate decision variables to the performance measures
- (3) Consideration of issues affecting supply chain modeling and



(4) The classification of supply chain system to allow for the development of rule of thumb or general techniques to aid in the design and analysis of manufacturing supply chains.

Although various supply chain models have been proposed, most of them emphasize on inventory management and distribution logistic. As mentioned, strategic decision making is critical in supply chain management, which requires a framework model that can serve as an industry standard. The supply chain council (SSC), a not for profit organization established in 1996 that now has over 650 member worldwide, has taken the initiative in developing such a model -**the supply chain operation reference (SCOR) model**. The SCOR model is intended to be an industrial standard that enables next generation supply chain management. It contains standard description of management processes, a framework of relationship among the standard processes, standard metrics to measure process performance, a standard alignment to software features and functionality. It provides a common supply chain framework, standard terminology, common metrics with associated benchmarks, and best practices and can be used as a common

model for evaluating, positioning, and implementing supply chain application software. Its growing stage of lifecycle and enjoys a leverage to become a standard in supply chain management. Supply chain configuration is an integral part in SCOR project implementation. Currently, the configuration of 'as-is' or 'to-be' threaded diagram describing a supply chain is done manually. To automate this process, a computer assisted configuration tool developed. The configuration tool can so far only deal

with a single manufacturing facility of a company. It does take into account the interactions among multiple facilities. This problem will be dealt in future research and development effort. Furthermore, we will investigate how to optimize supply chain configuration base on certain performance measure. Specifically, based on set of criteria, how to automatically generate 'to-be' threaded diagram from 'as-is' threaded diagram to optimize supply chain performance.

About the Supply Chain Council

The Supply-Chain Council was formed in the US in 1996 by Pittiglio Rabin Todd & McGrath (PRTM) and AMR Research, and initially included 69 voluntary member companies. Currently, the Council has over 750 members worldwide and has established international chapters in Europe, Japan, Korea, Latin America, Australia/New Zealand and Southeast Asia, with additional requests for regional chapters pending. The majorities of the Supply-Chain Council's members are practitioners and represent a broad cross-section of industries, including manufacturers, distributors and retailers. Equally important to the Supply-Chain Council and the advancement of the SCOR-model are the technology suppliers and implementers, academicians and government organisations that participate in Supply-Chain Council activities and the development and maintenance of the model.



The Merger Story

SUGANDHA
PGDM-FT (2007-09)

When does a company undergo merger?

When competitors emerge, firms undergo pressure. A corporation may reduce the cost of its products by cutting the costs of raw materials and labor, increasing sales and finding new technological fixes—just as a state might try to increase economic growth, enhance productivity or develop new weapons systems. But if a company reaches the limits of its economic market, it may consider a merger with like-minded companies to cope with a competitor.

Why do companies undergo mergers?

Mergers give companies greater flexibility. They achieve greater scale without increasing production. If new products are involved in the merger, a combined firm can avoid anti-trust problems. Larger scale allows a company to maintain its position in the industry. Usually it can invest in new products, run higher advertising budgets and sometimes achieve lower prices. A large producer can get raw materials at reduced cost.

Examples:

1. Wal-Mart, the contemporary exemplar of corporate expansion, has not shrunk from plunging into

new markets and cutting prices—thereby forcing the merger between K-Mart and Sears.

2. Gillette is combining with Procter and Gamble to offset Wal-Mart's domination in the household sector.
3. Verizon's success in communications is provoking a connection between Nextel and Sprint, and Verizon is in turn seeking to acquire MCI.
4. Oracle and PeopleSoft are merging to counter SAP in enterprise software.
5. Hewlett-Packard merged with Compaq to match Dell Computer's gains and is open to new merger strategies.

Hence, Mergers give nations similar advantages in flexibility, and of course nations do not face antitrust problems

Why mergers and acquisitions fail?

It is known that 70% of the mergers and acquisitions fail. There are many reasons for the same.

Management desires the gains that consolidation and economies of scale should bring, but in fact the great majority of Mergers & Acquisitions-across all industries-do not live up to their promises. On paper, two plus two should equal five. In fact, two plus two

usually equals three. This has been conclusively shown by dozens of studies covering hundreds of companies across all industries.

The simple answer is that most executives manage the business integration but do not manage the human integration. Eager for the gains anticipated, they treat the acquisition like a series of financial reports, instead of proud and vibrant organizations comprised of human beings.

So, while the acquisition or merger looks good on paper, companies often fail to recognize the human actions necessary to make two separate organizations behave like one.

Reasons:

First, the people who focus on the acquisition are skilled in strategy, the industry and in finance. They have a very clear picture of the desired objectives of the acquisition, and understand how the new organization should return business efficiencies. But given the time demands of the pre-purchase activities, and their tendencies to focus on financial and business issues, the "people" issues often receive short shrift.

Second, the people most affected by the action-the employees of the purchased organization-do not know the business



objectives, see change as a threat, have no real influence over the events, and wonder immediately how they will be affected personally.

Not surprisingly, the focus and priorities of the two groups are likely to diverge starkly. This is the main reason why more than 70 percent of business combinations fail: they do not pay sufficient attention to the messy, detailed, nuts-and-bolts human issues.

How to do a right merger or acquisition?

In the minority of cases when mergers and acquisitions do work, it was because companies spent significant time and effort addressing the “people” issues, including:

- culture
- communications
- teamwork
- shared vision
- joint work on integration projects
- goal-setting
- recognition
- trust - building, and many other similar details.

Successful combinations are like successful marriages: they take a lot of work on many fronts, especially the people issues.

To do it right, you must compare the cultures of the organizations, carefully

plan their integration, communicate relentlessly, build trust, and be open to change yourself.

Get Insurance

Most mergers and acquisitions fail, at a high cost to the businesses and the people involved. The historical evidence is clear and convincing.

If you are embarking on a merger or acquisition (or if you have completed one), you owe it to the organization to put the odds in your favor. You should plan to spend at least as much time on the social and HR issues as on the financial, legal and business-systems issues.

If you are confident in your internal abilities to manage the merging of two cultures, with the same level of expertise that you are applying to the legal and financial issues, you could do this in-house. Some excellent companies that have active growth-by-acquisition strategies maintain an internal staff dedicated to integration services.

On the other hand, if you can use the experienced outside professionals give free professional advices, and some honest feedback on your current situation.

Tata Motor's acquisition of Jaguar and Land Rover

Tata Motors' acquisition of two iconic British brands - Jaguar and Land Rover - was finally completed in March 2008. The previous owners of these two brands were Americans but though the flavor of the two companies continues to be very British. Tata has acquired the two companies for about half the price (i.e., 2.3 billion) that Ford paid their original owners in 1989. Although it is not going to be all rosy for Tata Motors after the acquisition .Jaguar and Land Rover are both special, super premium brands that have a huge fan following. It is Jaguar that has lost a bit of its shine over the last two decades.

Tata Motors has said that there will be no change in the management of the two companies and that there will also be no interference in the independent operation of these two brands and companies.



Private Labels

NIDHI JAIN
PGDM-FT (2007-09)

Rajan Malhotra CEO, Big Bazaar, was among the first employees when Pantaloon started the retail chain in 2000. He has spent the last seven years not only orchestrating the brand's aggressive expansion, but also creating what he calls Big Bazaar's '**power brands**' - the chain's private labels, some of which will clock turnovers of Rs 200 crore by the end of this financial year. Today, these power brands cut across all categories - food and non-food, contributing a healthy sum to the format's bottom line, and giving traditional marketers sleepless nights. Why? Because, when Frito-Lay India and Big Bazaar had differences over commercial terms and trade margins, the latter simply yanked the former's products off the Big Bazaar's rack, replacing them with its own Tasty Treat, besides giving ITC Food's Bingo vital shelf space. In short, from the traditional marketer's perspective, these retailer-owned brands are competitions that enjoy a disproportionate advantage at the retail level.

Big Bazaar isn't alone in this display of bravado. Almost every retailer in India that has acquired a certain size and

scale has private label brands, which allow them to enter new categories faster than traditional marketers.

Purpose of Private labels

- ◆ For one, they provide exclusivity and differentiation to retailers - each label is unique to its retailer.
- ◆ Another reason is plugging a need gap - for instance, Big Bazaar's label DreamLine is aimed at providing shoppers the entire gamut of home improvement solutions under one brand.
- ◆ Then there is the aspect of supply chain efficiencies. "Unlike manufacturers who have long supply chain issues when it comes to launching brands, retailers can continuously launch variant after variant without worrying about this," says an official with Reliance Retail, arguing that Reliance Retail can launch three variants within tea and retail them all, while traditional manufacturers wouldn't have that kind of bandwidth. Reliance has launched its own label, Reliance Select, which retails products as diverse as grocery, milk, footwear

and even watches. Private labels also help in cutting down on intermediaries - and thereby dropping cost - which means better margins for retailers.

- ◆ And since private labels are sourced directly from manufacturers, retailers are at liberty to pass on discounts to consumers, and something that established brands can't afford doing, given the slender margins involved.
- ◆ These labels also offer more choice to customers, build loyalty and retention. "You are more in control of your own destiny with private labels. You get to decide its positioning, price architecture, packaging and the way it is sold," says Andrew Levermore, CEO, HyperCity.

Private labels have picked up worldwide as organized retailers have achieved economies of scale. According to a Euromonitor study, the global private label market is growing at 6% per annum. Private labels already form 19% of the total market share in India. Future Group's private labels include



Goods by Gucci, top the lists of luxury brand lovers. In an online survey 25,000 consumers in 48 countries were asked which luxury brand they would buy if money were no object. Besides Gucci, respondents chose Chanel, Calvin Klein, Louis Vuitton and Christian Dior. The survey was conducted by The Nielsen Company, a market research firm in the last quarter of 2007.

Fresh n Pure, Premium Harvest, Tasty Treat, Clean Mate and Care Mate - in fact, Future's private labels account for 20% of the food category, while overall; the share of private labels for the group is pegged at about 10%. Private labels form about 10% of the overall store mix for Spinach too, and are estimated to go up to 15% in the near future. Subhiksha, for its part, sells sugar, rice, wheat and pulses under the Subhiksha name, and these contribute roughly 35% of its topline.

The emergence of private labels is giving smaller brands a chance to compete with the bigger brands. Subhiksha has recently moved to third party brands, which include brands sold exclusively at Subhiksha. This covers groceries sold under the Subhiksha name as well as other products typically sold by national FMCG companies. "The idea is that we get exclusive supply of these products from the manufacturers who have the capability and the competence to deliver high quality products," says R Subramaniam, MD, Subhiksha.

There is hardly any special advertising created for own labels, except for the odd leaflet or two. Most retailers rely on shelf space and signage and techniques like sampling and active merchandising at the store, for promoting their brands. It is essential that the packaging and look and feel are as good as if not better than national brands so customers don't have reason to view the products with suspicion.

The real challenge, however, will be for retailers to take own labels outside their stores and make them national brands — something that Future Group has announced it will do. DreamLine and apparel brand Buffalo are the two labels it has mandated for national roll-out, and the responsibility of taking these labels across various other channels rests with Future Brands. Malhotra says the rollout will be a learning experience, given that the brands will move out of the protected environment of the stores and test the grounds whether the private labels can stand on their own.

Fantasy in solitude

Some times in solitude,
I dream of the day
When clouds of sorrows would vanish
away.
There will be sunshine of
Success bathing me
Clear blue sky and birds flying free
Joyfully dancing angels great
Singing and smiling upon my fate
Yes, on that day I will celebrate
Not with wine
But cheerful loughters and
happy state of mind
Sometimes in solitude I wish and Pray
Spirit of goodness and hope
Comes to stay
Getting strength from her
I'll win all battles
Often with intelligence
But sometimes with might
I will grow so strong
That nothing would impede
When tempest of desire in mind
Will cease
Yes, on that day I will celebrate
Not with wine
But cheerful loughters and
Happy state of mind

Sudhir Kumar Ghosh
PGDBM



Sketching a sustainable rural market manifesto

SHITIZA GUPTA
PGDM-FT (2007-09)

Even though, Indian corporates have by now recognized the fortune at the bottom of the pyramid, companies often revisit their rural marketing strategy because of the tough challenges and roadblocks that it faces as they penetrate deeper into the market. With fresh debate on the relevance of Professor CK Prahalad's concept of "fortune at the bottom of the pyramid", companies are now engaged in revisiting their rural marketing strategies. The key objective is developing a sustainable strategy in this area. This is also one of the key issues that needs urgent focus in corporate and government sectors.

New dynamics

There are a number of new interesting trends that has been observed recently. One, rural India is not all about poverty and poorly developed infrastructure. Nor do rural households look at agriculture as the sole means of subsistence. On the contrary, 35 percent of the rural house looks at agriculture activities, and industry and service sector accounts for 58 percent of the rural economy. Many consumers are shifting their consumption patterns from the food and cereals to stocking luxury items. Similarly the top 25 percent of rural India account for 50

percent of non-food consumption in India. In terms of ownership of assets and amenities like permanent houses, two wheelers, and consumer durables, rural India receives a favorable ranking and the best sales when it comes to ownership of these assets and amenities in the rural areas such as Punjab, Kerala, Himachal Pradesh, and Haryana. Finally, there is an increasing thrust towards education with estimated spending of Rs 600 crore happening in rural India.

This in part is indicating the new face of rural India which is prosperous, proactive, and has consumers who are urban-like in their aspirations and approach. So its time for marketers and business practitioners to script business model's that looks at tapping this emerging reality.

Key challenges

The fact is corporate India has been rural-focused in its endeavors for the past so many years. Whether it is ITC's much talked about e-choupal initiative which eliminates intermediaries while procuring farm output and subsequently improve the farm management practices of the farmers or for that matter HUL's project shakti that creates economic self reliance by including rural women for

the distribution of its product; all of them point in the same direction - Corporate India is exploring greener pastures by going rural.

Corporate need to focus on specific solutions by targeting the rural audience and offering products that meet rural demand. For this sufficient market research needs to be done focusing on rural consumers and their demographics. Rural marketing is not about reaching market but reaching customers. Corporate may be able to set up distribution outlets and be adept in managing the supply chain, but what is more crucial is to access and understand rural consumers. Similarly the medium to market the message is important but what is more important is to achieve interaction with the target segment. Achieving contact with consumer may be important but what is more important is to impact the behavior of the end consumer in terms of getting the consumer buy the products and services being offered by the firms. There are also clear substitutes in rural areas for every product which is available in the urban end. And therefore if a product has to takeoff at the rural end then it has to be lasting, beautiful, and price sensitive. And if one of these three elements is missing then the product won't take off.



Challenges in creating brand equity for products with short Product Life Cycle (PLC)

NEHA GABA, RASHMI GUPTA

Section-A PG DBM

Introduction

A product is anything that can be offered to a market to satisfy a want or need. But like markets, products have evolved through various stages.

PLC provides us with the various stages that a product undergoes & this information be used to formulate strategies on how to position and differentiate a product. Proper planning goes a long way in creating Brand Equity, which is the added value endowed to products & services. Products have evolved, but in some cases they have shorter life cycle compared to the earlier times, especially technological products like cell phones and have computers. Apparently, this has become a major concern for companies as the PLC of products are becoming shorter with each day. So they are faced with multiple challenges to sustain the product in the market and create brand equity.

The rationale behind companies launching products with short PLC can be attributed to the following reasons:

- Fast paced changes in technology and demands always keep a company on the move. A company, therefore, has to upgrade its product even with a slight change or a shift in consumer's demands and preferences.

- A consumer always wants to be in style irrespective of the stature he/she enjoys in the society. This leads to a stage where consumer's tastes and preferences change very often and are governed by fashion and style.

To cater to such segment of the market, companies have to come up with products with short PLC. For example- mobile phones, clothing and accessories.

The Challenges that the Companies Face

- Time Factor- The very fact that products now have short PLC is itself a challenge for companies. The products get short time to establish them in the market, or in short, create Brand Equity. The problem is that by the time a product is launched in the market; the competitors already have a similar variant ready, thereby, shortening the life of the original product. The challenge, therefore, is to sustain the product in the market.
- Changing Consumer Preferences- The consumer today, is

inundated with alternatives as compared to the earlier times. Take the example of automobile industry when only Fiat & Ambassador were available. There was little or no choice and the consumer had to be satisfied with whatever was on offer. But now the consumer can choose from a number of brands and the brand itself has a number of products.

Also the consumer possesses a superior level of knowledge and information about a particular product before decision is made. Thanks to the Internet which provides the consumer with every bit of information. In addition to this, blogging has become a culture today. The challenge for the companies is to keep up with the change and persuade the consumer by successful differentiation.

- Competition- the Company has to face competition from brands first and the product that represent the brand. It is not only important to know about the competitors as well. And the design strategies, target segments, define objectives and sense the



“Don’t sell products, Empower the customers”

reaction pattern; all of which should be in time with the short nature of the product life. Another important aspect would be to gauge the strengths & weaknesses of the competitors.

- Uncertainty- This can have 3 basic issues:

The first priority would be to find out if the customer is willing to pay the price for the product. Since the product would have a short life cycle, it is essential to have an effective pricing strategy in place.

Then, it is very difficult to predict whether the product will be successful or not. Whether the product would be able to add to the existing Brand Equity of the company or capitalize on it and build its unique brand equity. Another issue with products having short PLC is that the retailer and the wholesaler is always in dilemma of how much to stock. In case the products fail, then the remaining stock would be a waste, and if the stock is not sufficient enough, then there is a chance of creating unsatisfied customers, who in turn would damage the existing brand equity of the company.

Therefore, the challenge is to strive balance between sufficient & insufficient stock.

RECOMMENDATION:

Create Hype & Curiosity

Since the product has a short life cycle, a good strategy would be to create a lot of hype and curiosity in the mind of the consumer before the launch of the product. In a way, it extends the life of the product as the customer begins to think and react even before the product is launched. Take the example of movies. Movies have been particularly affected by this short PLC as most of them recover cost in the first week of release, make profit in the next few days and then fade away. The trailers that are shown on television before the release are nothing but creating hype & curiosity in the mind of the consumer.

If the companies are successfully able to do this then they should also allow pre-booking facilities. Before Tata Indica was launched, it had such a large number of pre-bookings that it virtually failed to meet the demand so a company must not only create demand, it should also be able to satisfy the demand.

Understanding Market Competition

The companies must have an insightful understanding of competition in the market. This understanding goes a long

way in creating brand equity. The first thing that a company must look at is to have its strategies in place. Analyzing strengths & weaknesses is a reactive approach in product development. But it helps in targeting the market. Brand Equity can also be created by merchandising.

Though it is more of a concept extension, but sometimes it works well for the product. Companies should take cue from Pantaloons which has perfected this art.

Meet the consumer’s expectations and empower the customer

It is very easy for brands to create expectations but most of them fail to meet the standard of expectation set by them. Therefore, it is important for the companies to set the right kind of expectation. The next alternative would be to involve the consumer in product development process. Not only involve but also inform, engage & energize them in the process of building the product. In this way, the product gains a fair share of consumer’s mind and heart.

All the initiatives will not only create brand equity but also value equity & relationship equity.



Participatory Notes

SIMMI
PGDM-FT (2007-09)

The word Participatory Notes (PNs) rings the alarm, because one can associate it the reason for the largest fall witnessed ever in Indian stock markets on October 17, 2007. It had gained attentions for all the wrong reasons. Securities & Exchange Board of India (SEBI) and Reserve Bank of India (RBI), regulators of Indian economy, keep issuing notices and guidelines to foreign institutional investors regarding use of participatory notes. They are apprehensive about the adverse effects that participatory notes might have on the market and the economy. Let us understand first what are participatory notes and why foreign institutional investors use PNs

These are instruments issued by registered foreign institutional investors or to overseas investors, who wish to invest in the Indian stock markets without registering themselves with the market regulator, the Securities and Exchange Board of India (SEBI). Indian-based brokerages buy India-based securities and then issue participatory notes to foreign investors. Thus the foreign institutional investor (FII) acts like an exchange since it executes the trade and uses its internal account to settle this. Any dividends or capital gains collected from the underlying securities go back to the investors.

investments in India. However, these FIIs need to get registered with the Securities and Exchange Board of India. Entities or funds that are eligible to get registered as FII include pension funds; mutual funds; insurance companies / reinsurance companies; investment trusts; banks; international or multilateral organization or an agency thereof or a foreign government agency or a foreign central bank; university funds; endowments (serving broader social objectives); foundations (serving broader social objectives); and charitable trusts/ charitable societies.

Participatory Notes (P-Notes or PNs)

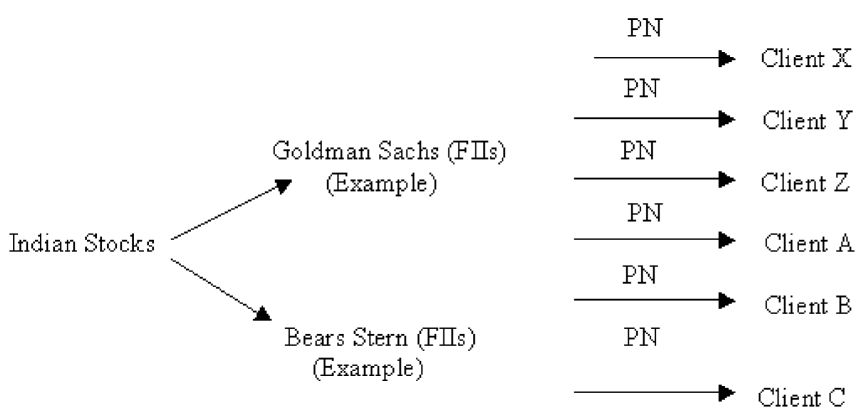
What is an FII?

An FII, or a foreign institutional investor, is an entity established to make

The following entities proposing to invest on behalf of broad based funds are also eligible to be registered as FIIs:

- Asset Management Companies
- Investment Manager/Advisor
- Institutional Portfolio Managers
- Trustees

Cycle of Participatory Notes



The functioning of participatory notes can be easily understood from the following flowchart.

FII's purchase stocks from Indian stock market. These stocks are rapped in the form of a certificate and are sold to clients (like X, Y, Z in our example). This certificate is nothing but a Participatory Note. Value of these PNs depends upon the performance of



“P- Notes are the instruments issued by the registered FIIs or to overseas investors who wish to invest in Indian stock market without registering themselves with SEBI.”

(underlying) stocks. So if shares prices of Reliance are soaring, an equal amount of reaction will be seen in PNs. Holders of PNs will get dividend etc the same way they get in as stocks.

Why do investors use PNs when they can directly invest in Indian stock market?

- One reason can be that in PNs the investor's name is anonymous. As the PN holders are offshore clients of FIIs registered with SEBI, the SEBI can not impose any restrictions for disclosure of information of the PN holders.
- Another reason can be cost effectiveness of PNs, as these save the transaction costs, record keeping overheads and regulatory compliance overseas.
- And the most significant reason is that even the investors that are not registered with SEBI (either because of unwillingness or ineligibility) can also invest in Indian stocks through the PN route.

Over the years, the use of PNs has increased from 17 Foreign Institutional investors issuing it in 2005 to over two

dozen funds now. As of August 2007, the notional value of PNs was Rs 3.53 lakh crore — about 51.4% of all assets under all FIIs present in India.

Management issues

Brokers or FIIs that purchase Indian stocks are registered with SEBI and hence SEBI has all information about them. But SEBI does not have any information about the PN purchasers. And that's why RBI had sought a ban on PNs, because it is difficult to establish the beneficial ownership or the identity of the ultimate investor. Moreover due to buying and selling of PNs among other players in the market, it becomes all the more difficult to trace the ultimate owner. So a PN holder can be a money launderer who is not allowed to trade as per law, or a company which wants to inflate its share price, or a terrorist organization. In order to restrict such organizations from investing in the Indian market, SEBI wants to ban PN and invite investors to come directly and register with SEBI. So everything is alright till FIIs or their broker follows KYC (Know Your Customer) norms, but beyond that everything is opaque as it is not obligatory for the FIIs to disclose their client details to the SEBI, unless asked specifically.

Participatory Notes Crisis of 2007

On the 16th of October, 2007, SEBI (Securities & Exchange Board of India) proposed curbs on participatory notes which accounted for roughly 50% of FII investment in 2007. SEBI was not happy with P-Notes because it is not possible to know who owns the underlying securities and hedge funds acting through PNs might therefore cause volatility in the Indian markets.

However the proposals of SEBI were not clear and this led to a knee-jerk crash when the markets opened on October 17, 2007. Within minutes of opening trade, the Sensex crashed by 1744 points or about 9% of its value - the biggest intra-day fall in Indian stock-markets in absolute terms. This led to automatic suspension of trade for 1 hour. Finance Minister P.Chidambaram issued clarifications, in the meantime, that the government was not against FIIs and was not immediately banning PNs. When the markets reopened at 10:55 am, they staged a remarkable comeback and ended the day at 18715.82, after tumbling to a day's low of 17307.90.

This was, however not the end of the volatility. Next day i.e on October 18, 2007, the Sensex tumbled by 717.43



points — 3.83 per cent — to 17998.39, its second biggest fall. The slide continued the next day when the Sensex fell 438.41 points to settle at 17559.98 at the end of the week, after touching the lowest level of that week at 17226.18 .

The SEBI chief, M.Damodaran held an hour long conference on the 22nd of October, 2007 to clear the air on the proposals to curb PNs where he announced that funds investing through PNs were most welcome to register as FIIs, whose registration process would be made faster and more streamlined. The markets welcomed the clarifications with an 879-point gain — its biggest single-day surge, on October 23, 2007 thus signalling the end of the PN crisis. SEBI issued the fresh rules regarding PNs on the 25th of October, 2007 which said that FIIs cannot issue fresh P-Notes and existing exposures were to be wound up within 18 months. The Sensex gave a thumbs up the next day i.e on 26th October, 2007 by re-crossing the 19,000 barrier with a 428 point surge. Then on Monday (October 29, 2007) history was created when the Sensex leaped 734.5 points to cross the hallowed 20,000 mark for the first time.

Encounter with life

Twenty seven years back, I was in senior secondary school. The girl was in Xth standard in a different school. I fell in love. I tried to express my love to her in so many times but fear gripped me back. A constant pain was roiling up inside me for not expressing it. Then one day I gathered courage, wrote a little letter and sent it to her through a common friend. This was an incredible step out from a timid boy like me. The result was *disastrous*. Instead of being impressed she became enraged. In no time the letter shattered to hundred pieces and found place in dustbin. Later that evening my mother called upon me and scolded me for such shameful action. I coiled into a shell. I was speechless, just a dumbstruck - not really understanding why she became so enraged.

That night while in bed, sleep was not coming easily, the incident was playing back in my head. Then suddenly something amazed happened in me, for the first time I began to feel exhilarated. A huge rush of mental satisfaction welled up in me and surged through my whole being. I discovered, yes I *had* expressed my heart and that felt fantastic. I had stretched beyond fear. Though it was very clumsy but I did it. I had put my heart without demanding a result. I did not give in my heart to get something back. My exhilaration then deepened into a warm bliss. The experience was *not* about creating relationship with the girl. **It was deepening my relationship with my own self.** I had a deep sleep that night.

Later I did not see that girl much but the experience changed my life for ever. From a mediocre, timid boy I changed into a bright, intelligent student. My career flourished with lots of laurels. Today, when I look back I see that simple action had helped me to develop a strong relationship between me and my inner self. The girl was just a character into it.

The dynamics of the relationship of the whole world is just keep putting love out there, don't expect a return. We are hurt not when we don't receive love but when we don't give love. We function most powerfully when we are giving love without expecting any return. It is not about what comes back, it is about what goes out. All pains, sufferings will disappear eventually but love will remain strong for ever.



Grey Area of Rising Rupee-Unemployment

MITALI GOSWAMI
PGDM-FT (2007-09)

The US dollar – rupee exchange rate is the current hot topic for discussions amongst economists. The 15 per cent (almost) appreciation of rupee over the last year has given way to many issues and arguments regarding its effect on the Indian economy and its different sectors and also its effect on the labor and job market. All the major currencies across the world have witnessed a rise in their value vis-à-vis the US dollar. The Canadian dollar appreciated by 23%, euro by 14.7% and the pound rose by 10.4%.

Appreciation of Indian rupee (which appreciated by almost 9% between January and June in the year 2007) is being cited as the result of the increasing capital inflows and the RBI's effort to intervene in the increasing inflation rates. But the contradiction is that the stronger rupee is having gloomy effect on various sectors especially the labor intensive industries like leather and handicrafts based in the tier-II cities of India. The appreciation of rupee has badly hit India's exports (mostly to the US), and as a result many organizations' export units have already shut down or reduced their staff considerably.

Textile and Apparel industry

Indian textile industry – which held a

competitive position in the apparel and textile export to US has been adversely affected by the appreciation in the value of rupee. The industry has witnessed a decline in the domestic textile and apparel export to US in the first half of year 2007. Although the total imports by the US witnessed an overall increase by 5.7% over the last year, exports by Indian textile and apparel saw a decline by 0.21 %. The industry which was already facing sluggish apparel sales in the US has been hit by the strengthening position of rupee against the US dollar. The worst affected is the labor force of the industry. Approximately 10 lakh workers are feared to loose their jobs due to the current scenario of the rising value of rupee. Also, as many as 80 lakh workers are expected to be indirectly affected by the prevalent situation. The fear of loosing their jobs is gripping the entire industry, right from the organization owners and the small scale workers. Many small scale units in tier – II cities have already faced the brunt and have increased the unemployment in the sector.

IT Industry

India has emerged as the most preferred and low cost destination for outsourcing the IT products and services. India has

the advantage of providing services at low-cost because of the availability of the engineers and the developers. The last year has seen the Indian rupee strengthening against the dollar, the average salary in the IT industry has risen considerably and, the East European and other Asian countries like Japan are also giving tough competition to the Indian IT industry. The short term impact of all these situations can already be seen in the industry with the diminishing profits of the industry. Also, the appreciation of rupee has led to decreasing number of projects and assignments. In recent years, the Indian IT industry has grown at a very fast rate. Even if the sector maintains the growth rate, the profit margins of Indian players will only get lesser because the appreciation of rupee is eating away the purchasing power of dollar. The lesser profits would also affect the investment in training and development of professionals, the infrastructure and the common practices of the industry requiring heavy investment. The worst effected will be the small players in the industry as rising costs and salaries and decreasing profits will be difficult for them to manage. All these factors can have adverse effect on the labor force of the IT industry.



Leather industry

The same is the case with the Indian leather and handicrafts industries. Kanpur and the adjoining areas is the hub of India's leather trade and US exports account for nearly half of the region's leather trade revenues. The rise in the value of rupee has eroded almost all the profit margins of the exporters made from US shipments. Most of the companies have stopped taking fresh orders and decreased the number of employees as well as the number of shifts of the remaining employees. Wilting under the financial debts, many units have already have shut their business and with no new assignments coming their way, the remaining functional units are also almost out of business. The Brassware export business in UP and the handicrafts industry are also loosing their business to countries like Sri Lanka, Pakistan, Bangladesh and even China, which are providing lower costs than India to the importers in US. The large agricultural and industrial base of India is being badly affected by the rupee appreciation. The extent and the long-term effects of the damage are yet to be seen. If the rise in the value of the rupee continuous, it will completely erode our competitiveness against countries like Bangladesh or China.

Management quotes

“Good management is the art of making problems so interesting and their solutions so constructive that everyone wants to get to work and deal with them.”

“Management is efficiency in climbing the ladder of success; leadership determines whether the ladder is leaning against the right wall.”

“The conventional definition of management is getting work done through people, but real management is developing people through work.”

“Knowledge has to be improved, challenged, and increased constantly, or it vanishes.”

“The most important thing in communication is to hear what isn't being said.”

“No institution can possibly survive if it needs geniuses or supermen to manage it. It must be organized in such a way as to be able to get along under a leadership composed of average human beings.”

“Unless commitment is made, there are only promises and hopes; but no plans.”

Successful people aren't born that way. They become successful by establishing the habit of doing things unsuccessful people don't like to do. The successful people don't always like these things themselves; they just get on and do them.”

Success means having the courage, the determination, and the will to become the person you believe you were meant to be”

Life's real failure is when you do not realize how close you were to success when you gave up.”

You know you're in love when you can't fall asleep because reality is finally better than your dreams.”



The World's Greatest Investor

NIDHI JAIN
PGDM-FT (2007-09)

Warren Buffett, “the Sage of Omaha” is not called the World’s Greatest Investor for nothing. He has consistently achieved above market index returns on his investments since 1977. He controls investment group Berkshire Hathaway, and is well-known for both his blunt assessments of financial markets and the high returns he delivers to shareholders. A single share of Berkshire Hathaway stock sells for upward of \$90,000. His investment methods are very different from the typical cell phone wielding, fast taking Wall Street pundit’s methodologies.

Buffett’s Philosophy

Warren Buffett descends from the Benjamin Graham School of value investing. Value investors look for securities with prices that are unjustifiably low based on their intrinsic worth. Like bargain hunters, value investors seek products that are beneficial and of high quality but underpriced. In other words, the value investor searches for stocks that he or she believes are undervalued by the market. Like the bargain hunter, the value investor tries to find those items that are valuable but not recognized as such by the majority of other buyers.

Buy a Business:

Warren Buffett takes this value

investing approach to another level. Many value investors aren’t supporters of the efficient market hypothesis, but they do trust that the market will eventually start to favor those quality stocks that were, for a time, undervalued. Buffett, however, doesn’t think in these terms. He isn’t concerned with the supply and demand intricacies of the stock market. In fact, he’s not really concerned with the activities of the stock market at all. This is the implication this paraphrase of his famous quote: **“In the short term the market is a popularity contest; in the long term it is a weighing machine”.**

He chooses stocks solely on the basis of their overall potential as a company, he looks at each as a whole. Holding these stocks as a long-term play, Buffett seeks not capital gain but ownership in quality companies extremely capable of generating earnings. When Buffett invests in a company, he isn’t concerned with whether the market will eventually recognize its worth; he is concerned with how well that company can make money as a business.

Thus the most important difference between his approach and the typical speculator is his emphasis on ownership of a business. You do not buy stocks/shares, you buy a company. This turns out to be a very important point. Any

individual who buys shares, and views it as the end, completely misses the context of the investment. On the other hand, an individual who views that investment in stock as an incremental process of buying the business, examines the full context of the investment and is keen to observe business fundamentals. It is this difference that determines the results one achieves in the money market.

The Basic Tenets

Buffet’s methodology can be summarized by highlighting the basic tenets of investment. These tenets fall into 4 groups:

Business Tenets: These are the basic characteristics of the business itself. The business tenets focus on how the business operates. They are:

1. Is the business simple and understandable?
2. Does the business have a consistent operating history?
3. Does the business have favorable long term prospects?

Management Tenets: These refer to the quality of management. They include:

1. **Is the management rational?** : *Rationality* here refers to the proclivity to make decisions in the



best interest of the shareholders and based on available information. This boils down to allocation of the company's capital which, over time, determines shareholder value. The two possible decisions to be made when allocating company earnings are:

- Reinvest in the business
- Return money to shareholders

The choice taken when allocating company earnings should be the one that ensures that an above average return on equity can be achieved. Management that does not behave in such a manner cannot be considered rational.

2. **Is management candid with shareholders?** : Does management admit its faults publicly or is it secretive about problems the failures of the company as a whole?
3. **Does management resist the institutional imperative?** : Once a large company in an industry begins to fail, it is often the case that a number of other companies in the same industry follow suit. This is not because they all conspire to fail but because of management's inability to resist the temptation to follow the herd of sheep as they rush to the slaughter house. Management must be

willing to be contrarian and iconoclastic. They must be able to think independently of fads or trends and trust their own judgment.

Financial Tenets: These refer to the mathematical and accounting aspects of the business. Warren Buffett instructs us to resist the usage of weekly or even monthly averages. The only useful averages for a value investor are for periods spanning four or five years. The points to consider are:

1. Focus on the return on equity, not earnings per share
2. Calculate owner earnings to get a true reflection of value
3. Look for companies with high profit margins. The key to this is maintaining low costs.
4. The company must generate \$1 of value for every dollar of retained earnings. If retained earnings are invested in the company and produce above-average return, the proof will be a proportionally greater rise in the company's market value.

Value Tenets: Warren Buffett makes the following distinction:

Price is what you pay. Value is what you get.

This is the essence of the value tenets. Contrary to popular opinion, the stock market is not efficient. The result of this inefficiency is that the market price of a company does not instantaneously reflect the value of a company given all available information. The stock market establishes price. The investor determines value after weighing all the known information about the company's business, management and financial traits. Price and value are not necessarily equal.

Value Investing: Value investing therefore involves rational decision making based on:

1. Determine the value of the business.
2. Difference between price and value. Buy low (at a discount) or don't buy at all.

Buffett's tenets constitute a foundation in value investing, which may be open to adaptation and re-interpretation going forward. It is an open question as to the extent to which these tenets require modification in light of a future where consistent operating histories are harder to find, intangibles play a greater role in franchise value and the blurring of industries' boundaries makes deep business analysis more difficult.



The Sub-Prime Effect

SONAL AHUJA
PGDM-FT (2007-09)

The American sub-prime mortgage crisis is not new. It has been on the boil since mid 2006. Presently what we are seeing is that the whole issue is unraveling at its pace though it feels like we were caught unawares. Analysts did sound the warning bells but in our exuberance we decided to ignore it and thought that it's going to be alright in the end.

The sub-prime floating rate mortgage, given to people who have a chequered credit history, is far more expensive than the prime mortgage. Presently we are seeing a lot of defaults in the sub-prime mortgages. People are unable to service their debts; they are now unable to make good their monthly commitments and facing foreclosures.

The present picture of the US economy is not as expected sometime back. There is economic slowdown due to which many people have been laid off or pay cuts have been initiated. Home owners facing this prospect are stuck with expensive loans with little re-financing capability to pay off the debts. To add to the woes of home owners, the value of their properties has depreciated. Property prices have depreciated because as of now the supply of homes is robust but the demand for them is shrinking. This is partly due to the money supply drying up and also

because people with plans to buy a home are waiting and watching the sub-prime crisis and not rushing their plans to buy a new home.

The housing industry which shares an important place in benchmarking economic progress is showing signs that people can afford homes. Buying a home is a long term financial commitment and when more people do it, it's a sign that the people have jobs and can afford it and are feeling secure about their future. Presently, due to the sub-prime issue what we see is a slowdown in building newer homes and also lenders are not as enthusiastic to disburse loans without proper checks on creditworthiness.

The inability to service the debt by homeowners is leading to the homes being taken over by the housing finance providers. Properties repossessed are now on the market and their prices are lower than before and existing home owners are unable to sell their homes at previously purchased prices and move to cheaper places. Consequently homeowners with enough funds are not able to prepay their mortgage due to prepayment penalties attached to the home loan. They have been confused by the terms of their loan or misled by irresponsible lenders.

What now needs to be seen is that how many of the repossessed homes are attracting new buyers. If there is a market for them, slowly we will see the demand for new homes rising but if the response to repossessed homes is going to be muted then we will see a further drop in property prices and finance companies will have huge write-offs which will surely affect their profits and may even force a company to file for bankruptcy.

The sub-prime crisis and a marginal slowdown in the US economy are not so large in the macro economic picture. Its effects though are reflected on consumer sentiment in an exponential fashion. People are wary and spend less on all things across the board and tend to hold on to their cash. This contributes to further slowdown in the economy. The slowdown affects the profitability of the companies individually which is then reflected in their stock prices and the enthusiasm in the stock market goes down. These housing loans have been made into bond tranches by the lenders and sold to institutions. Most of these bonds were high risk high return in nature. The bond buyers saw the returns but assessment of the risk was not done in depth. The borrower defaulted in repaying the monthly loan payments and that in turn affected the quality of



the bond paper floated as the bonds would not generate regular interest and the paper itself becomes worthless in such an instance.

The question however is, how is something that is happening in the property market in the US affecting the rest of the world?

The US is the biggest trading partner of a lot of countries especially the high growth emerging economies and being the biggest consumer, contributes a significant amount in terms of revenue to these countries. A marginal economic slowdown in the US means a downward spiral in the outlook for the financial future of rest of the world. The slowdown causes a crunch of money supply and makes the Americans cautious about their buying and spending habits. As they are buying less it then affects the supplying countries because the US is a large scale buyer of goods and services from these economies.

As the US buys less and saves more the capacities of the countries having large business relations with the US are not utilized to the optimum and that in turn affects profitability of companies and their stock prices and the stock markets of the respective countries they are primarily listed in. The other economies

may try to compensate lost business from the US by trying to sell more among themselves and in their own local markets but the demand goes up slowly and in the mean time they have to guard against a possible slowdown in their own economic growth rates. The slowdown in US affects stock exchanges, profits and financial futures of all from USA and Europe to India, China, Singapore, Taiwan, South Korea and Japan.

This slowdown in the US is causing more pains for the emerging economies as they are growing faster than the developed economies and this is affecting the foreign currency exchange rates. The weaker currencies of the emerging economies are appreciating against the US Dollar and also a basket of other currencies. This causes export oriented units (EOU) to generate lesser inflow of foreign currency for the same amount of exports.

Globalization has ensured that if there are problems in one part of the world, its effects are felt everywhere. We have become more integrated and if people lose jobs in US; then in other countries too, that produce goods and services for US, we see jobs being lost. We are seeing a new world where events are no longer isolated.

Shantayanan Devarajan, World Bank Chief Economist for South Asia believes that the current subprime mortgage crisis in the United States will not seriously impact South Asian countries. He feels that *the* impact will be mild because of the structure of the region's trade and financial flows, and partly because of compensating effects.

Devarajan attributes three factors that work well for the South Asian countries viz. lack of exposure to U.S. mortgage securities; availability of liquidity in domestic markets; and the possibility that lower capital inflows could help countries such as India with macroeconomic management.

On the other hand, Devarajan expects that a slowdown of the United States' economic growth will moderate the increase in prices of oil and other commodity prices, which will have a favorable impact on South Asia. Since all South Asian countries are net importers of these commodities, such a slowdown will provide some relief in their balance-of-payments.

Source: www.worldbank.org



Indian Retail industry

ABHAY GUPTA
PGDBM-FT(2007-09)

The India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them. The India Retail Industry is gradually inching its way to be the next boom industry.

The total concept and idea of shopping has undergone an attention drawing change in terms of format and consumer buying behavior, ushering in a revolution in shopping in India. Modern retailing has entered into the Retail market in India as is observed in the form of bustling shopping centers, multi-storied malls and the huge complexes that offer shopping, entertainment and food, all under one roof.

A large young working population with median age of 24 years, nuclear families in urban areas, along with increasing working women population and emerging opportunities in the services sector are going to be the key factors in

the growth of the organized retail sector in India. The growth pattern in organized retailing and in the consumption made by the Indian population will follow a rising graph helping the newer businessmen to enter the Indian Retail industry.

In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the India Retail Industry to grow faster. Modern retail in India could be worth US\$ 175-200 billion by 2016. The food retail industry in India dominates the shopping basket. The mobile phone retail industry in India is already a US\$ 16.7 billion business, growing at over 20 per cent per year. The future of the sector looks promising with the growing of the market, with the government policies becoming more favorable and the emerging technologies facilitating operations.

RETAILING FORMAT IN INDIA

Malls:

It is the largest form of organized retailing today. Malls are located mainly in metro cities, in proximity to urban

outskirts. Mall area ranges from 60,000 sq ft to 7, 00,000 sq ft and above. They lend an ideal shopping experience with an amalgamation of product, service and entertainment, all under a common roof. Examples include Shoppers Stop, Pyramid and Pantaloons, etc

Discount Stores:

As the name suggests, discount stores or factory outlets, offer discounts on the maximum retail price (MRP), through selling in bulk reaching economies of scale or excess stock left over at the season. The product category can range from a variety of perishable/ non-perishable goods.

Departmental Stores:

Large stores ranging from 20000-50000 sq. ft, catering to a variety of consumer needs. These can be further classified into localized departments such as clothing, toys, home, groceries, etc Departmental Stores are expected to take over the apparel business from exclusive brand showrooms. Among these, the biggest success is K Raheja's Shoppers Stop, which started in Mumbai and now has more than seven large stores (over 30,000 sq. ft) across India and even has its own in store brand for clothes called Stop.



Hypermarkets/Supermarkets:

Large self-service outlets, catering to varied shopper needs are termed as Supermarkets. These are located in or near residential high streets. These stores today contribute to 30% of all food & grocery organized retail sales. Super Markets can further be classified into mini supermarkets typically 1,000 sq ft to 2,000 sq ft and large supermarkets ranging from 3,500 sq ft to 5,000 sq ft. having a strong focus on food & grocery and personal sales.

Convenience Stores:

These are relatively small stores 400-2,000 sq. feet located near residential areas. They stock a limited range of high-turnover convenience products and are usually open for extended periods during the day, seven days a week. Prices are slightly higher due to the convenience premium.

MBO's:

Multi Brand outlets, also known as Category Killers, offer several brands across a single product category. These usually do well in busy market places and Metros.

CHALLENGES & OPPORTUNITIES

Retailing has seen such a transformation over the past decade that its very definition has undergone a sea change. No longer can a manufacturer rely on sales to take place by ensuring mere availability of his product. Today, retailing is about so much more than mere merchandising.

For manufacturers and service providers the emerging opportunities in urban markets seem to lie in capturing and delivering better value to the customers through retail. In Chennai CavinKare's LimeLite, Marico's Kaya Skin Clinic and Apollo Hospital's Apollo Pharmacies are examples, to name a few, where manufacturers/service providers combine their own manufactured products and services with those of others to generate value hitherto unknown. The last mile connect seems to be increasingly lively and experiential. Also, manufacturers and service providers face an exploding rural market yet only marginally tapped due to difficulties in rural retailing. Only innovative concepts and models may survive the test of time and investments.

However, manufacturers and service providers will also increasingly face a

host of specialist retailers, who are characterized by use of modern management techniques, backed with seemingly unlimited financial resources. Organized retail appears inevitable.

Challenges to the manufacturers and service providers would abound when market power shifts to organized retail.

CONCLUSION

The retail sector has played a phenomenal role throughout the world in increasing productivity of consumer goods and services. It is also the second largest industry in US in terms of numbers of employees and establishments. There is no denying the fact that most of the developed economies are very much relying on their retail sector as a locomotive of growth. The India Retail Industry is the largest among all the industries, accounting for over 10 per cent of the country's GDP and around 8 per cent of the employment. The Retail Industry in India has come forth as one of the most dynamic and fast paced industries with several players entering the market. But all of them have not yet tasted success because of the heavy initial investments that are required to break even with other companies and compete with them.



Retail Your Career

ANJURANI BARAL
PGDBM-FT(2007-09)

“Retail sector in our country is set for a big boom, especially after the announcement of huge investments by top Indian and International companies. There are already about 70 big malls in the country and in the next couple of years, at least 200 malls are likely to be in operation across the country.”

In a very short span of time, the BPO sector emerged as the biggest employers in India. Youngsters opted to work in call centers in search of fast bucks and even a faster life, but the scenario is changing. Uncertainties in job security, lack of growth opportunity in career, coupled with stringent working conditions- all these make BPO jobs less sought after than what it used to be not so long ago. Young generation is now making career moves and retail would be one of the biggest employers in the years to come.

Various studies had revealed that the organized retail sector has grown from 2% to 3.5% today. At present, the size of India's retail market is estimated to be Rs.9300 billion of which, organized retail is Rs.300 billion. Organised retail sector in India is expected to grow at the rate of 30% over the next 5 years.

With the boom in the retail industry, experts however feel that this sector is currently experiencing shortage of workforce to an extent of 25-30%. Currently employing 20-25% educated Indians, the industry has the potential to employ over 2 billion people in the next 5 years. With the big corporate houses taking active part in this boom, a career in the retail sector holds high potential and promises high growth.

Career Options in Retail

Malls and big stores have revolutionized the whole retail sector as it is more

organized and efficient. The revolution is not confined to metros. It has shifted to small towns and one can find stores like Big Bazaar and Shopper's Stop in these small towns. In this scenario, the demand for retail professionals is going to be phenomenal and a career is going to be lucrative one. There are lots of career options in retail industry which are diverse from most other industries. They are:

Supply chain and logistics distributor and warehouse manager: This is amongst the most vital areas of organized retailing and normally is the differentiator between modern chains especially in top perishable goods retailing.

Store Manager: He is solely responsible for managing an individual store. Most of the store managers take on the duty of running the day to day operations of the day.

Retail buyers and merchandiser: Their role is very significant since it is responsible for selecting the merchandise for a store and physically buying the goods.

Retail Manager: Apart from understanding the mindset, habits and lifestyle of the customers, the retail manager places orders for new stock, manages the supply chain and analyses records for all financial transactions of his store.

Customer Relationship Manager:

Today's job demands a good relation with your customer, so customer relationship manager highly deserves option in the retail segment.

Who can opt

There are no defined standards for the entry in the retail sector. Graduates from any field can enter the retail sector but preference is given to one who has done a specialized course in the field. MBA or equivalent degree holders or people pursuing post graduation in retail management can make a career for themselves in this sector. In short, retail as a career promises a complete, enriching, working experience with profitable inputs.

Skills required:

Retailing is not just selling or filling shelves but is fast moving and constantly changing. Being a people oriented business, it is imperative that those interested should have the following skills:

- (1) Commercial skills
- (2) Self Confidence
- (3) Flexibility
- (4) Communication skills
- (5) Teamwork and leadership qualities
- (6) Analytical and problem solving skill
- (7) Contingency based decision making capabilities
- (8) Creativity



Strategies for the launching of Innovative Products

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Introduction

In a globalized and liberalized environment, the marketplace has undergone a major change. The rules of the competitive game have been altered. It is therefore essential that in order to maintain their competitive edge companies need to innovate. These innovations can be simple ones just the modification of the already existing products or categories or they could be the breakthrough innovations which are new to the world.

Bringing these new innovative products to the market require different type of capabilities and strategies.

Theoretical framework

Changing customer needs and tastes, increased competition from domestic and foreign companies & emergence of new technologies have changed the competitive scenario. Most of the companies focus on incremental innovation but there are some disruptive innovations, which change the rules of the competition. But the conventional wisdom says that it is harder to sell innovative products. The major reasons for it being the increase in the uncertainty, risk and difficulty in decision making for the customer. To

sustain in the present environment companies need to innovate.

It is difficult to market innovations due to the fact that the market economy craves for equilibrium. Equilibrium according to John Nash is a situation where every player in the market believes that he is making the best possible choice and every other player is also doing the same. It lends stability to the player expectations, validates their choices and re-enforces their behavior. When an innovation enters the market, it upsets the players' expectations and introduces uncertainty in decisions. Hostility to innovations is stronger from the market side when the players are inter connected. In a network market, each participant will switch to a new product only if he believes that others will do the same. In recent times, markets have become networks because of improved communications, spread of internet and businesses relying on global market for products and resources. Network markets allow for rapid diffusion of ideas but also erect barriers to the adoption of innovations – mainly because of inter dependency between players. Once enough players in a network market decide to switch to a new product, other player's motivation

to do so becomes stronger. Beyond that threshold, network becomes a friend to innovations rather than a foe. (Chakarvorti, 2004)

Marketing of innovative products:

The first challenge for marketers is trying to get people evaluate, choose, try, buy and use the product. In order to get the product-adopted in marketplace, the marketer has to influence their decision process. The key infact lies in reducing the time it takes for the customer to decide on your product or making your product the easier one to decide upon. In case of innovative products, the investment in time and effort required to take decision is higher and hence the task becomes all the more difficult. So while marketing innovative products, every element of marketing program works cohesively in a synchronized manner with customer decision process. A carefully planned and designed Marketing strategy is important to expedite the consumer decision process or influencing people to make favorable decisions.

Innovative products/services-case studies - the case studies given below would highlight the importance of marketing strategy in promoting innovative products.



“ITC’s success lied in re-engineeing the process of supply chain and increased the profit margins for farmers as well as the company, thus reducing the role of intermediaries.”

CASE-1

E-commerce initiative in rural areas: ITC e-chaupal

ITC e-chaupal is one of the pioneers who tried to empower the farmers with knowledge and strategic options via internets as to procure agriculture products from farmers for export purposes in efficient manner. It enabled farmers to sell their produce much conveniently and at much better prices by creating a win-win situation for both the parties.

ITC one of India’s leading corporate houses found that in 2002, agriculture business became a major star performer in its portfolio with international business division turning to the 2nd largest exporter in business. Company was not contended with the profits and believed the could be raised by solving the problems like: Lack of sufficient control over supply chain of various products, lack of infrastructure for storage handling and transportation & middlemen involved who conceal the information from farmer and chalk out higher margins for themselves causing delay and deterioration in product’s quality. ITC being at the end of distribution network ended up paying each intermediary at the mandi and that

too for poor quality product. Hence the company identified the losers in the chain i.e. ITC itself and farmers and hence conceived the idea to re-engineer the supply chain.

The strategy adopted by firm in setting up of e-chaupal- the basic idea was to equip the chaupal with PC’s and provide Internet connectivity. The project was launched in MP in June 2000 for Soya farmers with website www.soyachaupal.com. Processing and collection centers were opened as hubs around which e-chaupals were built. Sanchalak was appointed to supervise, coordinate and were trained to help check farmers with the prevailing prices of crops. E-chaupal gathered all the information for farmer’s daily mandi prices, global prices, weather reports etc. middle men who lost due to this model were appointed as samayojaks and were responsible for identifying sanchalak, documenting the relevant information from mandis and sourcing the products from remote villages. By removing the intermediaries the quality and quantity of procured products increased while the cost to company came down and resulted in profits to the company. (Srinivas,2004, Padmanabhan,2004, Dutta,2004)

CASE-2

BT cotton in India- an effort by Monsanto-Mahyco biotech ltd.

Mahyco- a home grown company with the partnership of Monsanto takes the onus of igniting the spark and the responsibility of changing the face of agribiotech industry. Cotton is an important cash crop in India and plays a significant role in the national economy. As an industrial crop, it supports millions of people through cultivation, processing and trade and contributes Rs.360 billion (US\$8 billion) to the export income.cotton crop in India faces losses due to the a number of varities of pests. The gene sourced from a bacteria which produces a protein toxic to bollworm provides resistance to cotton plants and reduces the need for chemical insecticides. This cotton variety is called genetically modified /BT cotton.

Monsanto is operating in India since 1949 & is a market leader in agricultural chemicals. As per regulatory procedure, Mahyco an Indian company operating since 1964 in the area of plant genetic research and production of quality hybrid seeds sent its application to Dept of Biotechnology (DBT), Govt of India, in March 1995 seeking permission for



introducing this technology. On obtaining approval, Mahyco received 100gms of Bt-cotton seeds containing the Bollgard Bt gene, from Monsanto, USA, in 1996. These seeds were first tested in India under greenhouses for germination, and their efficacy against the Indian cotton bollworms. Some of the conventional hybrids of cotton were converted to BT by inserting the gene.

In 1998, Mahyco- Monsanto tied up. In 1998, the first field trials were permitted by Indian dept. of biotechnology's review committee on genetic manipulation. Then there were news that trials are being carried out by Monsanto on Bt-cotton without permission of regional governments and without consent of local communities.

Last month of the year, farmers from southern states of Karnataka burnt down the field where Bt cotton was tested by Monsanto-mahyco. The operation cremate Monsanto was launched on the grounds of deception by the farmer of experimental who claimed that the fact was dubiously hidden that the seeds were genetically modified. According to critics, this was a procedural irregularity. MMB took permission from Review Committee, for field trials but the company was supposed to take permission from

genetic engineering approval committee. Thus due to the ambiguity in the roles and duties of the government, Mahyco was in trouble. The illegality of the field trials was challenged in supreme court.

Again in may, 2000, Mahyco asked genetic engineering approval committee for the release of large scale commercial field trials and hybrid seed production of indigenously developed BT cotton hybrids and was granted permission for the same. And Department of biotechnology made a committee to independently monitor and evaluate large scale field trials. GEAC extended the field trials by another year. Mahyco have complained about delays in clearance of their Bt-cotton varieties, even though they adhered to all the standards required and repeated field trials. Meanwhile, the illegal sale of Bt-cotton last year by another Indian company, Navbharat Seeds (Ahmedabad), without any clearance went unnoticed there started another round of difficulties for this technology in agriculture as well as Mahyco when in oct, 2001, Mahyco discovered commercial BT farming in Gujrat. Again various NGO's started spreading a bad sentiment about technology . This controversy settled

when Indian council of agriculture research submitted a positive report to ministry of environment on field trials march 25, 2002, GEAC approve the BT cotton. Thus due to the vigorous efforts of Mahyco, technology was given chance to prove itself for the first time. MMB gave free pesticides to farmers in its first year of commercialization. It also promoted BT through advertisements showing farmers claiming to have got good results from growing Bt cotton. There were many below the line communications undertaken like supplying data to publish a scientific paper (by Qaim and Zilberman), which reported an 87% increase in yield with Monsanto's Bt Cotton. & In response to the mixed reaction for the first year's launch of Bt cotton crop, MMB commissioned AC Nielsen to study the benefits of BT cotton (2003). A nationwide survey carried out in 2003 indicated that the Bt-cotton growers in India were able to obtain , on an average, a yield increase by about 29% due to effective control of bollworms, a reduction in chemical sprays by 60% and an increase in net profit by 78% as compared to their non-Bt counterparts. In 2005, transgenic cotton was commercially cultivated in the North for the first time. In 2006 (Mahyco), in its effort to promote



“Innovators should focus not only on the early adopters but also emphasize on the permanent change in the behavior.”

private-public sector partnership in biotech research in the country. Mahyco, involved in the development of Bt Brinjal, a vegetable delicacy common India, Mahyco has sub-licensed the technology to Tamil Nadu Agricultural University, The University of Agricultural Sciences, Dharwad and The Indian Institute of Vegetable Research, Varanasi Now the area under BT cotton has expanded tremendously indicating its adoption in Indian farms.

The role of marketing strategy in above mentioned cases can be summed as persuading the government to change the rules in favor of free market system, direct marketing and healthy competition, determining the network hubs like middlemen, carefully constructing the new equilibrium by familiarizing the farmers in villages of rural areas with newer concepts, customizing the model/product according to socio-economic criteria & giving proper incentives to stakeholders to switch.

Thus major strategies for the launch of innovations are-

Understanding the markets- Every market generates economies to scale. The players have to understand where lies the status quo or equilibrium. In

above quoted cases both the players knew the pulse of the market. The specifics, the problems and the players.

Target the end game- Innovator should guess the new equilibrium participants will create in response to innovators’ strategy. Moreover an innovator needs to be clear about the objectives he wants to achieve/ or the position he aspires to hold. Monsanto could visualize the position of a gene licensor to other breeders. And ITC could foresee a huge market based on reverse trading model.

Determining the network hubs/create new hubs- as the network becomes bigger, interconnection between the players tend to cluster around the few called as network hubs. If innovator can ally with the hubs, he can gain access to large number of participants and change their behavior. But in case if the magnitude of the innovation is large enough, a marketer or innovator has to create new hubs. These hubs denote networks, processes, people or infrastructure. Like problem of connectivity due to lack of telephone lines, ITC upgraded the same by using RNS kits. On the same lines the Agricultural Produce Committee Act prohibited a company from purchasing certain commodities like coffee, wheat, soyabean from any other source than

govt. designated mandis. ITC persuaded the govt to change the rules in favor of free market system, direct marketing and healthy competition. Even Monsanto did lobbying with government departments eg. Jan 5, 2001 a 10 member delegation comprising of U.S judges and scientists meet Supreme Court chief justice A.S. anand in New Delhi. to impress upon the judicial fraternity the benefits of biotechnology.

◆ **Offer the switching Incentive-** Innovator has to convince the players that there choices ought to be different because the choices of other participants have changed but the innovator should focus not only the early adaptors but also emphasize on the permanent change in the behavior of other parties otherwise the market will snap back to the self re-enforcing old status quo. Innovator should focus on three groups: The players that add to his benefit, The players that acts as channels to adopters, and The adopters.

Familiarizing the farmers in rural areas with computers: farmers were hesitant but not resistant to the use of computers and ITC could train the first group of sanchalaks in only



“ A carefully designed marketing strategy would not only speed up the process of diffusion of innovations but also help in forming a strong market.”

two hours. Use of videos of farmers using computers were shown and sanchalaks provided a great help in retrieving info for those who couldn't read. Even Monsanto made a lot of efforts such as AC Nielson survey, formal advertisements by roping in ministers and film actors as well as PR activities to convince farmers as well as NGOs in favor of BT cotton.

- ◆ **Preserve Flexibility-** Innovator designs his strategy on the basis of his future expectations and hence the decisions are uncertain. He needs to be flexible to his plans. Sometimes companies make decisions that involve high investments but they make pre-emptive bets. At other times it might be wiser to delay the decisions until specific information is available. (Mazursky, Horowitz & Levav, 2003, Chakravorti, 2004) like ITC Customizing the model according to product and socio-economic criteria; having succeeded in soyabean which was a small part of its agri-business portfolio, it expanded its e-chaupal network to different crops. The company

realized that value chains differ from one crop to another depending upon type of commodity and the socio economic strata it belong to. Thus in dec 2000, company launched up a website, “plantersnet” for coffee planters in Karnataka. Here ITC has to rely on tpls like abn amro to supply updates on regular basis as the value chain for strong, efficient and info involved was more sophisticated. For shrimp farmers ITC launched Aqua chaupal in AP in Feb. 2001. Monsanto also went for more crops as brinjal

The point to target for marketing strategy is to design the mix and promote the product in such a manner so as to gain the advertising and distribution support. Powerful marketing research tools back this step. The technology might be very strong but unless it is made sellable it can't achieve the desired success. A carefully designed marketing strategy would not only speed up the process of diffusion of innovations but also help in forming a strong market by- Selecting target markets and customers, developing and implementing a marketing strategy, conveying a product's value proposition to customers, positioning and

differentiating one's products and services from the competition, devising a marketing response to shifting customer needs, understanding the nature of technological discontinuities and their impact on markets, strategy for crossing the chasm into the mainstream market, how to target a very specific, strategic niche market where you can dominate from the outset, how to force competitors out of the market niche, using the niche as the base for future operations, winning over pragmatist buyers in advance of broad market acceptance, focusing an overabundance of support into a confined market niche, developing a solid base of references & creating word of mouth.

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Calling 'Eco-preneurs'!

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We have reasons to be boastful – a near 9% rate of growth, a booming SENSEX, a steady rise in foreign reserves, a near launching of the world's cheapest car, telecom services reaching the country inroads at affordable rates – above all, the world is taking interest in us. But along side we have landed ourselves bang in the middle of an ecological crisis. The forest cover is receding, the air and waters are getting poisonous, soil is getting eroded, many plant and animal species are becoming endangered and climate is shifting to our discomfort. India is facing an unimpressive reality, the destruction of its environment! How this has happened is a story retold many a times. But the bright side to the story is that a good number of individuals and institutions are taking concrete steps to reshape the reality. Globally, the frontrunners include the United Nations Environment Programme (UNEP), Intergovernmental Oceanographic Commission, World Commission on Environment and Development, Intergovernmental panel on Environmental Change, Commission on Sustainable Development, WTO, and WWF.

Many Indian companies are going green i.e. making use of environmentally sustainable practices not only at their end but over the entire supply chain.(ESCM) The auto companies have taken the lead on this focus. E.g.

Maruti Suzuki, Ashok Leyland, Tata Motors. From IIFCO, the fertilizer giant to the Eicher Group, many have taken the leap to their own good and that of the entire mankind. Birla White was for years struggling with dust emission, which affected both the surrounding neighborhood and the machines of their Khangar unit (Rajasthan). It came up with an innovative in-house solution: it re-engineered the cleaning system, and found it could actually use much of the dust it was emitting as waste. The result: less pollution, increased production and a value addition of Rs. 6.2 million per annum. How's that for green? The 'ecomagination' initiative by GE in 2007 involved signing of an MoU with Air India that would help the airline achieve its goal of becoming an environmentally sustainable airline, with sound environmental programs and practices. Suzlon Energy Ltd. is India's contribution to clean technology, worldwide. Federation of Hotel and Restaurant Associations of India (FHRAI) has proposed to set up an accreditation committee which will grant certification to hotels that adopt eco-friendly practices. Municipal solid waste is being used for power generation in parts of Tamil Nadu. The proposed Smart City at Kochi is expected to be a 'green' venture. Many small scale industries are using eco friendly methods and producing recycled products.

Various platforms that are scoring in the direction of preventing further ecological harm include CII-ITC Centre of Excellence for sustainable development, Green Chemistry Chapter of India, Advisory Services in Environmental Management, Network of Indian Environment Professionals.

High-profile conferences (e.g. in Bali) and institutional efforts apart, what could smaller bodies and ordinary individuals do? We can contribute by small actions like minimizing the use of plastics, using water judiciously, using the kitchen waste as garden manure. The known and celebrated individual efforts are far and few. (E.g. Dr. Namrata Patel, the green dentist in US) Many local bodies are encouraging tree plantations attuned to personal milestones (e.g. celebrating your birthday/achievements by planting a sapling). Schools in the private sector are trying to discourage the usage of non biodegradable materials. Recognizing and adopting these can generate a voluntary mass awakening.

The myopic socio political perspectives must be shackled, rather than vying for immediate gains we need to ensure long term survival for one and all. The managers of tomorrow must groom themselves into responsible citizens of each day. India is calling a new class of eco-preneurs.... let's think and act green!



Bhagavad Gita and Management

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In present scenario and fast changing environment we can find some inspiration for value based management from various religious scriptures. Bhagavad-Gita needs an intelligent and wide reinterpretation in the changed context of modern time. The eternal wisdom in the holy book, if imbibed properly, can go a long way in making effective managers in different walks of life.

Management Guidelines from the *Bhagavad-Gita*

Management is a process in search of excellence to align people and get them committed to work for a common goal to the maximum social benefit.

The critical question in every manager's mind: is how to be effective in his job. The answer to this fundamental question is found in the *Bhagavad-Gita* which repeatedly proclaims that: 'you try to manage yourself'. The reason is that unless the manager reaches a level of excellence and effectiveness that sets him apart from the others whom he is managing, he will be merely a face in the crowd and not an achiever.

The *Bhagavad-Gita* expounded thousands of years ago by the Super Management Guru *Lord Krishna* enlightens us on all managerial techniques leading to a harmonious and blissful state of affairs as against conflicts, tensions, lowest efficiency and least productivity, absence of motivation and lack of work culture etc

common to most of the Indian enterprises today.

The modern management concepts like vision, leadership, motivation, excellence in work, achieving goals, meaning of work, attitude towards work, nature of individual, decision making, planning etc., are all discussed in the *Bhagavad-Gita* with a sharp insight and finest analysis to drive through our confused grey matter making it highly eligible to become a part of the modern management syllabus.

The ideas contained in the *Bhagavad-Gita* tackle the issues from the grass roots level of human thinking because once the basic thinking of man is improved it will automatically enhance the quality of his actions and their results.

Achieving managerial effectiveness through teachings of *Bhagavad-Gita*

Some of the modern management concepts in the light of the *Bhagavad-Gita* which is a primer of management by values are:

Utilization of Available Resources

The first lesson in the management science is to choose wisely and utilize optimally the scarce resources if one has to succeed in his venture. During the curtain raiser before the *Mahabharata War Duryodhana* chose *Lord Krishna's*

large army for his help while *Arjuna* selected *Krishna's* wisdom for his support. This episode gives us a clue as to who is an effective manager.

Attitude towards Work

Three stone-cutters were engaged in erecting a temple. On being asked as to what they were doing, the response of the three workers to this innocent-looking question is illuminating.

'I am a poor man. I have to maintain my family. I am making a living here,' said the first stone-cutter with a dejected face. 'Well, I work because I want to show that I am the best stone-cutter in the country,' said the second one with a sense of pride. 'Oh, I want to build the most beautiful temple in the country,' said the third one with a visionary gleam.

Their jobs were identical but their perspectives were different. What *Gita* tells us is to develop the visionary perspective in the work we do. It tells us to develop a sense of larger vision in one's work for the common good.

Work Commitment

Dedicated work means to 'work for the sake of work'. If we are always calculating the date of promotion for putting in our efforts, then such work cannot be commitment-oriented causing excellence in the results but it will be promotion-oriented resulting in inevitable disappointments. By tilting the performance towards the anticipated



“Work ethic propounds that if karma yoga is blended with bhaktiyoga, then the work itself becomes worship (sewayoga)”.

benefits, the quality of performance of the present duty suffers on account of the mental agitations caused by the anxieties of the future. So, the *Gita* tells us not to mortgage the present commitment to an uncertain future. If we are not able to measure up to this height, then surely the fault lies with us and not with the teaching.

Work culture defined in Bhagavad-Gita:

In Chapter 16 of the *Gita*, Lord Krishna elaborates on two types of Work Ethic viz. *Daivi sampat* or divine work culture and *Asuri sampat* or demonic work culture.

Daivi work culture - means fearlessness, purity, self-control, self-denial, sacrifice, straightforwardness, calmness, absence of fault-finding, absence of greed, gentleness, modesty, absence of envy and pride.

Asuri work culture - means egoism, delusion, desire-centric, improper performance, work which is not oriented towards service.

There is also another dimension in the work ethic. If the karmayoga is blended with Bhaktiyoga then the work itself becomes worship, seva yoga.

Manager's Mental Health

Sound mental health is the goal of any human activity more so management. Some of the impediments to sound mental health are:

- Greed -for power, position, prestige and money.
- Envy -regarding others' achievements, success, rewards.
- Egotism -about one's own accomplishments.
- Suspicion, anger and frustration.
- Anguish through comparisons.

Gita tells us how to get out of this universal phenomenon by prescribing the following capsules.

- Cultivate sound philosophy of life.
- Identify with inner core of self-sufficiency
- Get out of the habitual mindset towards the pairs of opposites.
- Strive for excellence through work is worship.
- Build up an internal integrated reference point to face contrary impulses, and emotions
- Pursue ethico-moral rectitude.

Cultivating this understanding by a manager would cause emancipation from falsifying ego-conscious state of confusion and distortion, to a state of pure and free mind i.e. universal, supreme consciousness wherefrom he can prove his effectiveness in discharging whatever duties that have fallen to his domain.

And finally the Gita's consoling message for all is : He/She who follows My ideal in all walks of life without

losing faith in the ideal or never deviating from it, I provide him with all that he needs and protect what he has already got.

Bad Day or Burnout?

Anyone has periods when work piles up, the boss is ticked and stress is high. But there's

a difference between a bad day and week at the office and burnout. There are three components of burnout:

1. Your general well-being: Do you feel depleted of energy, like a car running on empty?
2. Your relationship with work: Do you feel apathetic, unable to concentrate; like you're "going through the motions?"
3. Your self-evaluation: Do you doubt that you're doing important work and that you're good at it?

Having any one of these feelings doesn't constitute burnout. It's the accumulation and frequency of symptoms that should be a warning sign.



Assertive Behavior: Learning to say NO when you don't want to say YES

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Human behaviour is very complex. No two people react in the same manner in the same situation. However, it is broadly stated that there are three types of behavioural attributes: passive, aggressive and assertive. Let's take a situation where you are waiting for your turn in line at the billing counter in a mall. The clerk is just about to finish with the customer in front of you when a man comes by and edges in. The clerk asks, 'Who's next?' and the man says 'I am'

There are three possible behavioural outcomes of this situation:

1. You say nothing, wait for your turn and sulk all the day long.
2. You shout at both the pushy man and the clerk.
3. You simply say, 'Sorry I was next' and get your work done by the clerk.

The **first outcome** shows an **non-assertive/ passive** behaviour.

The **second outcome** shows an **aggressive** behaviour.

The **third outcome** shows an **assertive** behaviour.

The reasons behind non-assertive behaviour are many; many a times we confuse the goal of being liked with the goal of being respected and in this need for being liked, we sacrifice our own self-respect. This non-assertive behaviour begins at childhood when our parents hinder our assertion of self by censoring us when we speak for our

rights. Religion fosters the idea of humility and sacrifice rather than standing up for self. Even as employees, we learn at the start of our career that if we speak, we are not likely to receive a raise or promotion.

Being assertive and speaking straight doesn't mean being rude or aggressive. Aggressiveness is a behavior that includes hostile words and actions. On the other side, is passiveness, which is self-denying and restrained inhibited actions. These two behavior types are at extreme ends and we must strike the right balance by practicing "assertiveness."

Assertiveness is a behavior to speak and act, where people are able to express their opinions in their own best interest and stand up for themselves honestly without undue anxiety and feelings of guilt. Assertive persons will ask others for what they want or need and never demand. They consider the needs of others and respect the others' rights.

Assertiveness involves the following:

- Calmly communicating without using harsh words or verbally attacking the other person
- Being clear about what you feel, what you need and how it can be achieved.
- Saying 'yes' or 'no' rather than agreeing to do something just to please someone else.
- Accepting a 'no' from someone else without taking this as an 'end of the world' reply.

- Being an optimistic, confident person who can take both positive and negative feedback with patience.
- Respecting the other person's viewpoint.

Suppose at the time when you have lots of work to do, your friend/ colleague requests you to help him complete his project. In such a situation, you can politely decline by saying a firm 'I wish I could but I am yet to complete my own work'. This will save you from sulking, fretting and getting stressed out. You don't have to apologise unnecessarily for things you are not responsible for, like in the case just mentioned. However, If it is your responsibility, there's nothing wrong with apologising when something goes wrong. Negative remarks such as 'I lack the experience so I make stupid mistakes' should be replaced with "I've made a mistake, I won't make that one again, because I've learned from that mistake."

Assertive behaviour fosters creation of goodwill and enhances self-esteem. As they say that behaviours do not exist in isolation, but interact with each other, forming patterns which we call the psychological organisation. To achieve the state of the complete individual, we must realise that if we change one behaviour, we change a whole series of related behaviours. Being assertive by nature will help you acquire new skills and change your actions, and by changing your feelings you are changing the entire pattern of your psychological organisation.



Short Attention Span

REKHA DAHIYA

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O God! Its tooooooooo long.....

Why your hands look for the remote during ad breaks on TV, why pop stars don't last beyond an album, why BPOs have an attrition rate of more than 65 per cent, why it's difficult to sit through a three-hour long Hindi movie? We are witnessing an interesting phenomenon. That can be termed as **SAS (Short attention span)**. The Short Attention Span syndrome or SAS is nothing but the inability of our minds to stay focused for long periods of time on any subject, activity or thought process. It is not caused by lack of concentration but largely due to pressure on our time. Every minute has a value attached and time is always at a premium. Moreover diversified and confused choices are there along with the pressure of fast decision making. Welcome to the era of short mind spans.

Look around and you will see plenty of signals that SAS has invaded our lives. The electronic and print media is certainly feeling the heat of SAS. News Channels now have speed news in 60 seconds flat for those who can't hold their attention for the 30-minute news capsules. Leading newspapers now sell compacted and precise news in tabloid sizes and even launch them with slogans like 'Let's cut the crap'. Even leading dailies have to package their product with attention grabbing headlines, short

news snippets, summaries and highlights to ensure that readers don't lose attention.

The mass hysteria that surrounded India's win in the recently concluded Twenty20 World Championship is further proof of a SAS infected population. The era of 60-over and 50-over one day matches is gone. Nobody has the time or patience for eight hours of cricket; leave alone five full days of test cricket. ICC has understood the pulse of this generation and acted very fast to host a T20 world event even before half the nations are playing that format in domestic cricket. No wonder that it has gained instant acceptance. The bells and whistles of dancers, music with DJs and free flowing beer can't take away from the fact that this generation has no time for long drawn out sport, be it chess or cricket.

There is more evidence of the Short Attention Span syndrome if you are a keen observer of life. Bollywood movies now release a few hundred prints in the first week of release (800-900 prints is fast becoming a norm) and even then can't be sure if the movie will get past the first week. Instant TV stars created by reality television get forgotten after the end of the 13th episode. Kids' interest in sport or a hobby is also short lived. Today it is football, tomorrow it is cricket.

Teenagers lose interest in their love dates even before the next morning dawns and happily get agree to marry someone else. It does not stop here also. In some cases marriages also don't last more than a day. (Britney Spears' case). Politicians have no option but to give short speeches (thank god) and medical representatives have to complete their new molecule's story in two minutes. A job experience of 1.5 years is now considered long and switching three jobs in five years is considered solid cross-category experience!

Advertising, too, is feeling the SAS effect. The word 'copywriter' is now a misnomer. Now it is appropriate to be called an 'ideas person' since English and grammar are not necessary qualifications. The average duration of ad films on TV is already 18 seconds. Eight words on a billboard are too many and 60-second TV films are only on the show reels of directors and creative heads. As per a study conducted by the Cable Television Advertising Bureau in the US, consumers are only willing to accept ads of about nine seconds on a cell phone screen. The larger the screen, the more likely they are to sit through a longer commercial – 13 seconds for an iPod and 18 seconds for a computer screen. Is the advertising industry evolving fast enough?



“Every minute has a value attached and time is always at a premium. Diversified and confused choices press us hard along with fast decision making.”

Even if advertising agency makes an ad that is very appealing but it is more than 20 seconds, viewers tend to change the channel because they are no more interested in your so called long product story. They will utilize their time somewhere else. So demand is to make the short and crisp advertisement.

The challenges of overcoming SAS are many. The ability to tell a story in 20 seconds will become the key to holding a viewer's attention. Typically, people with short attention spans want to be entertained, not educated. Seamlessly integrating the brand into advertainment (advertisement + entertainment) may also be a way forward to deal with SAS. The BMW groundbreaking series of eight short films ('The Hire') made for the Internet did that brilliantly. Each film was only eight minutes in duration and showcased various BMW car models without any overt branding. For the viewer, it was pure entertainment, but for the advertiser it was a promotion technique.

Kiosks will ensure that you pre-check whether the item you are looking for is on the shelf so that you don't have to run through the shelves looking for a shirt size or the color/design of a top. Book stores like Crossword and Oxford are already doing so, but other retail formats will surely follow suit. Audio enabled information will help make

choices for people at retail points. Advertising content could come with an expiry date so that viewers yearn to watch it before it goes off media. For instance, an ad that is run only for two weeks. The possibilities are endless but need to be explored in depth.

Marketers and service providers have an even tougher task. There are bound to be even shorter product life cycles for brands. Waiting time for service has to be dramatically cut. And call centres can't keep callers waiting. (remember customer care services numbers of any service provider) We should appreciate the fact that Maruti Suzuki has offered an interest of 24% on the booking amount to those willing to wait for the SX4 and Swift. Locating brands on shelves is critical. If consumers don't find you fast, they will move on to another. Durables will behave like fad brands. We should also appreciate the planned strategy of Nokia that how Nokia creates obsolescence every week by launching new and improved version of cell phones.

If you reached the end of this article without skipping parts in the middle, then I have been successful in fighting off the Short Attention Span syndrome this one time! I don't know whether marketers and advertisers will be as lucky with their current efforts!

Refusing to Accept Failure - Brian Ca vanaugh

Sir Edmund Hillary was the first man to climb Mount Everest. On May 29, 1953 he scaled the highest mountain then known to man-29,000 feet straight up. He was knighted for his efforts. He even made American Express card commercials because of it! However, until we read his book, High Adventure, we don't understand that Hillary had to grow into this success. You see, in 1952 he attempted to climb Mount Everest, but failed. A few weeks later a group in England asked him to address its members. Hillary walked on stage to a thunderous applause. The audience was recognizing an attempt at greatness, but Edmund Hillary saw himself as a failure. He moved away from the microphone and walked to the edge of the platform. He made a fist and pointed at a picture of the mountain. He said in a loud voice, "Mount Everest, you beat me the first time, but I'll beat you the next time because you've grown all you are going to grow... but I'm still growing!"



Medical Tourism

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Medical tourism can be broadly defined as provision of “cost effective” private medical care in collaboration with the tourism industry for patients needing surgical and other forms of specialized treatment. This process is been facilitated by the corporate sector involved in medical care as well as the tourism industry both private and public. Medical tourism refers to traveling to other countries to obtain medical, dental and surgical treatment. At the same time they could also taour and fully experience the attractions for the country they visit. Exorbitant cost of health care in industrialized nations, ease and affordability of international travel, favorable currency exchange in the global economy, rapidly improving technology and standards of care in many countries of the world, and most importantly proven safety of health care in select foreign nations have all lead to the rise to medical tourism. Medical or health tourism has become a common form of vacationing, and covers a broad spectrum of medical services. It mixes leisure, fun and relaxation together with wellness and health care.

“Medical tourism has discovered the developing countries”. These countries regard medical tourism as niche market in the keenly contested field of international tourism. Concept of medical tourism came into existence

back in the nineteenth century in Egypt. The British and the French sought to cure various diseases by taking advantage of the subtropical climate on the banks of the Nile. Recently citizens of the developing countries with a relatively expensive and inadequate health care system have been attending clinics in other nearby developing countries which offer better services than those in their home countries and people from industrialized nations are traveling to these same countries with the intention of combining a holiday with cheaper medical treatment. The most recent trend in privatization of health services is medical tourism, which is gaining prominence in developing countries. Globalization has promoted a consumerist culture; this has had its effect in the health sector too, with the emergence of a private sector that thrives by servicing a small percentage of the population that has ability to “buy” medical care at the rates at which the “high end” of the private medical sector provides such care. This has changed the character of the medical care sector, with the entry of the corporate sector. Corporate in this sector are looking for opportunities that go beyond the limited domestic “market” for high cost medical care. This is the genesis of the “medical tourism” industry.

In many developing countries it is being

actively promoted by the government’s official policy. India’s National Health Policy 2002, for example, says: “To capitalize on the comparative cost advantage enjoyed by domestic health facilities in the secondary and tertiary sector, the policy will encourage the supply of services to patients of foreign origin on payment. The rendering of services on payment in foreign exchange will be treated as ‘deemed exports’ and will be made eligible for all fiscal incentive extended to export earnings”. The formulation draws from recommendations that the corporate sector has been making in India and specifically from the “Policy Framework for Reforms in Health Care”, drafted by the Prime Minister’s Advisory Council on Trade and Industry, headed by Mukesh Ambani and Kumarmangalam Birla.

Need for Medical Tourism

The idea of the health holiday is to offer customers an opportunity to get away from your daily routine and come into a different relaxing surrounding. Here they can enjoy being close to the beach and the mountains. At the same time they are able to receive an orientation that will help them improve their life in terms of their health and general well being. It is like rejuvenation and cleaning up process on all levels – physical, mental and emotional.



“India is considered.....western countries.”(pls lift the last highlighted section of 2nd column first para and delete from there)

Many people from the developed world come to India for the rejuvenation promised by Yoga and Ayurvedic massage, but few consider it a destination for hip replacement or brain surgery. However, a nice blend of top class medical expertise at attractive prices is helping growing number of Indian corporate hospital lure foreign patients, including from developed nations such as the UK and the US. As more and more patients from Europe, the US and other affluent nations with high Medicare costs look for effective options; India is pitted against Thailand, Singapore and some other Asian countries, which have good hospitals, salubrious climate and tourist destinations. While Thailand and Singapore with their advanced medical facilities and built-in medical tourism options have been drawing foreign patients of the order of a couple of lakhs per annum, the rapidly expanding Indian corporate hospital sector has been able to get a few thousands for treatment only.

History of Medical Tourism

Medical tourism is actually thousand of years old. In ancient Greece, pilgrims and patients came from all over the Mediterranean to the sanctuary of the healing god, Asklepios, at Epidaurus. In Roman Britain, patient took the water at a shrine at Bath, a practice that

continued for 2,000 years. From the 18th century wealthy Europeans traveled to spas from Germany to the Nile. In the 21st century, relatively low-cost jet travel has taken the industry beyond the wealthy and desperate. Countries that actively promote medical tourism include Cuba, Costa Rica, Hungary, India, Israel, Jordan, Lithuania, Malaysia and Thailand. Belgium, Poland and Singapore are now entering the field. South Africa specializes in medical safaris-visit the country for a safari, with a stopover for plastic surgery, a nose job and a chance to see lions and elephants. ***India is considered the leading country promoting medical tourism and now it is moving into a new area of “medical outsourcing”, where subcontractors provide services to the overburden medical care systems in western countries.***

The privatization of the Medicare sector has brought with it five star facilities and world class treatments. The country can now boast of a number of corporate hospitals. India is a source market for professionals in the medical field for many renowned hospitals around the world. Hitech medical facilities have become a necessity following consumer demand among the world fastest growing middle class. India offers a range of leading edge quality hospitals and treatment at a fraction of world costs, with comparable success rates

and service levels directly in proportion to the high – value system and natural caring that comes with its heritage. Indian hospitals are becoming known internationally for standards of health care delivery comparable to the best in the world. India has the technology and the skilled super-specialists coupled with sound infrastructure and professional management, nurses and paramedical staff to take on international competition. Many of the American citizens not covered by insurance or those in countries such as the United Kingdom where there are long waiting lists for many National Health services – prefer to receive treatment in a country like India where top-tier institutions can provide high quality health care at a fraction of the cost.

Growth of Medical Tourism

According to a study by Mckinsey and the Confederation of Indian Industry, medical tourism in India could become a \$1 billion business by 2012. the report predicts that: “By 2012, if medical tourism were to reach 25 per cent of revenues of private up market player, up to Rs10,000 crore will be added to the revenues of these players”. The Indian government predicts that India’s \$17 billion – a – year health care industry could grow 13 per cent in each of the next six years, boosted by medical



“India is unique as it offers holistic medicinal services with yoga, meditation, ayurveda, and other systems of medicines. Medical tourism in India is growing by 30% a year, according to CII.”

tourism, which industry watches say is growing at 30 per cent annually. According to CII, India has the potential to attract 1 million tourists per annum, which could contribute upto US \$5 billion worth foreign exchange earning to the economy. CII is of the opinion that India must leverage its competitive edge, especially its cost advantage. Medical treatment cost is only 1/5th of cost in the West, says CII. A heart surgery in US costs US \$30,000 while it costs US \$6,000. Bone marrow transplant in the US costs US \$2,50,000 while it is US \$26,000 in India, CII points out. According to CII, India is unique as it offers holistic medicinal services. With Yoga, meditation, ayurveda, allopathy, and other systems of medicines, India offers a unique basket of services to an individual that is difficult match by other countries, says CII. Also, clinical outcomes in India are at par with the world’s best centers, besides having internationally qualified and experienced specialists. A case study done by CII has revealed that Thailand with a population of 60 million has been successful in attracting 1million health tourists last year because of the development of world-class infrastructure. According to CII, the success story behind Thailand’s tapping the health tourism market is due to aggressive international marketing in conjunction with tourism authority. It has also integrated with traditional

medicine and service integration with tourism. The medical tourism market in India has been pegged to grow at around Rs 11,000 Crores by next couple of years. CII believes that India should also replicate the Thai model and capitalize its inherent strengths to become a world player in medical tourism. CII says that it is also essential to establish the Indian healthcare brand synonymous with **safety, trust and excellence.**

Medical tourism in India is growing by 30% a year and the Indian education system in churning out an estimated 20,000 to 30,000 doctors and nurses each year. Medical or Health treatment package tourism has become a recurrent form of vacationing, and covers a broad range of medical services. It mingles free time, amusing and recreation together with wellness and healthcare packages. The thought of the health holiday is to offer you a chance to get away from your daily habitual lifestyle and come into a dissimilar calming neighboring. Here you can take pleasure in being close to the beach and the mountains. At the same time you are able to accept a compass reading that will assist you advance your life in terms of health and general well being. It is like reconstruction and cleans up process on all levels – physical, psychological and expressive.

Ten years ago, medical tourism was

large enough to be noticed. Today, more than 2, 50,000 patients visit Singapore alone – nearly half of them from the Middle East. This year, approximately half of a million foreign patients will travel to India for medical care, whereas in 2002, the number was only 1,50,000. in monetary terms, expert estimate that medical tourism could bring India as \$2.2 billion per year by 2012 ayurvedic treatment is preferred because it is “Effective and without side effect”. In Kerela, (rated as one of the ten must see destination by national geography), tourism revolved around ayurvedic cures and the states tourist growth rate has been estimated at 25% - 30% annually. Later however, even modern medical tourism has recorded spurt and expert are optimistic that India, whose world class medical college’s turn out about 30,000 doctors annually, soon become one of the top health tourism destinations in the world.

Medical treatment in UK is free under the NHS, but because of the long waiting times some patients opt for expensive private care. In the UK, patients have to wait endlessly to get admission into hospitals under the **state-sponsored health care scheme** which is very frustrating. The death rate of coronary bypass patients at US is relatively high as compared to that in India. If we take example of Escorts group of hospitals the death rate for



“Clinical outcomes in India are at par with the world’s best centers, besides India also boasts of internationally qualified and experienced specialists.”

coronary bypass patients is 0.8 per cent and the infection rate is 0.3 per cent. This is well below the first-world averages of 1.2 per cent for the death rate and 1 per cent for infections.

Price advantage is, of course, a major selling point. The slogan, thus is, “First World treatment’ at Third World prices”. The cost differential across the board is huge: only a tenth and sometimes even a sixteenth of the cost in the West. Open-heart surgery could cost up to \$150,000 in the US; in India’s best hospitals it could cost between \$3,000 to \$10,000. Knee surgery (on both knees) costs Rs350,000 (\$7,700) in India; in Britain this cost 10,000pounds (\$16,950), more than twice as much. Dental, eye and cosmetic surgeries in Western countries cost three to four times as much as in India. We need to create a system to conduct proper market research and feasibility studies in order to quantify the “How many”, “From where”, “To where”, and most importantly the “How” of medical tourism.

Tourism and healthcare, being as integral part of many economies services industry are both important sources of foreign exchange. Globalization has promoted a consumerist culture leading to the mushrooming of corporate healthcare setting seized with the necessity to maximize profits and expand their

coverage. Long waiting lists, decline in public spending and rise in life expectancy and non-communicable diseases that require specialist services are some of the factors directing a wave of medical tourists to more affordable healthcare destinations. Most countries are tapping the health tourism market due to aggressive international marketing in conjunction with their tourism industry. In this rat race, Thailand, Malaysia, Jordan, Singapore, Hong Kong, Lithuania and South Africa have emerged as big healthcare destinations.

India is unique as it offers holistic healthcare addressing the mind, body and spirit. With yoga, meditation, ayurveda, allopathy and other Indian systems of medicine, India offers a vast era of services combined with cultural warmth that is difficult to match by other countries. Also, clinical outcome in India are on par with world’s best centres, besides having internationally qualified and experience specialist. CII believes that India should capitalize on its inherent strengths to become a world player in medical tourism. According to CII – Mckinsey study a medical tourism in India could become a USD 1 billion business by 2012. instead of adopting a segmental approach by targeting a few states such as Maharashtra, Kerela, Under Pradesh, Chennai, efforts are now been made to

project **Destination India** as a complete brand ideal for medical tourism.

India is one of the most touted destinations in the world for medical tourist. It is known in particular for heart surgery and hip resurfacing, area of advance medicines in which India is global leader. Probably no country has been in the news for medical tourism than India in 2005-06, and the government and private hospital groups both seem committed to a goal of making the subcontinent a world leader in the industry. Indian medical industry main appeal is low cost treatment. Most estimates claim treatment in India at around a 10th of the price of comparable treatment in America or Britain. Moreover, an Indian hospital also provides more personalized care than available in the west.

“It is **NOT CHEAP**; rather it is absolute **VALUE FOR MONEY**”. Due to the current favorable Rupee/Dollar/Pound/Euro exchange rate foreign clients can take advantage of the weak Rupee and except savings of 65% over the same treatment in their own countries’ with no compromise on quality. India offers world class medical facilities’ comparable with any of the western countries. India has state of art hospitals and the best qualified Doctors. India now offers the best infrastructure’ the best possible medical facilities at comparative prices.



“Marketing India as a global medical tourism destination, it could capitalize on low-cost, high quality medical care and world best hospitality.”

Government expenditure on public health infrastructure is shrinking. At present, India spent about a percent of its gross domestic product (GDP) on health care, lower than the average of 2.8% GDP spent by some less developed countries. India can expect to earn around 1 billion dollar us in foreign exchange once the recently implemented programme to promote medical tourism takes effect in 2012. Only seven years from now, the most optimistic industry forecast suggest that medical tourist hosted by India can pump Rupees 10000 crore into our economy. An estimated 1,50,000 such visitors a year already spent about rupees 1500 crores in India for treatment. Despite these numbers, regional competition for medical tourist is fierce. Thailand currently the Asian leader both in number of foreign patients and revenue. Malaysia and Singapore too have set in motion aggressive plans, with ambitious targets, for the years 2010-12, which is also seen as a defining period by CII and the Indian Health Care Federation (IHCF), an association of about 60 hospitals. Today, 7% of doctors in America are Indians and 11% of the specialists are Indians.

India is giving Thailand stiff competition in health care services for overseas patient with cost of surgery lower by over 30% and infact the

cheapest in the entire South East Asia. Medical tourism is fast emerging as a big opportunity for India with its low cost advantage, high quality health care providers and an English speaking populace. According to CII –McKinsey study, medical tourism can contribute Rupees 5000-10000 crores additional revenue for up market territory hospitals by 2012.

Promoting Medical tourism in India

Suppliers in the developing countries place their emphasis more on recuperation than on the medical aspects. In Thailand it was put this way: “The main thing that attracted me to it is that you get a holiday out of it”. Medical tourism focuses on treatment of acute illness, elective surgeries such as cardiology and cancer, among others. From October this year, the Government plans to start overseas marketing of India as a medical tourism destination. Senior government officials say that the formalities for marketing medical facilities to a global audience have already started and they hope to complete the process of price banding of hospitals in various cities by the third quarter of this year. The government of India is of the opinion that by marketing India as a global medical tourism destination, it could capitalise on the low-cost, high-quality medical care

available in the country. Statistics show that the medical tourism industry in India is worth \$333 million (Rs 1,450 crore) while a study by CII-McKinsey estimates that the country could earn Rs.5, 000-10-000 crore by 2012. Probably realising the potential, major corporates such as the Tatas, Fortis, Max, Wockhardt, Piramal, and the Escorts group have made significant investments in setting up modern hospitals in major cities. Many have also designed special package for patients, including airport pickups, visa assistance and board and lodging, health care industry officials said.

As the medical tourism industry is growing exponentially, government and the private players need to join hands in order to act as a catalyst to build infrastructure for hospitals, create specialty tourist packages to include medical treatment, promote accreditation and standardization, enable access and tie-ups with insurance companies, provide state of art facilities and improve quality of in-patient care and service to meet the requirements of foreign patients and to attain sustainable competitive advantage.

If 2003 and 2004 saw a trickle of refugees from the healthcare systems of western countries seeking medical treatment in India, in 2005 it became a stream, much of it fuelled by a blast of free publicity from programmes like



60minutes. Western TV crews accompanied often elderly people to India, filmed them hobbling out of Third World airports, with bhangra on the soundtrack, and driving into First World territory hospitals with the best technology money could buy, these kind of strategies can be adopted for the upliftment of medical tourism in India.

Problems with medical tourism:

Experts have identified a number of problems with medical tourism:

- Government and basic medical insurance, and sometimes extended medical insurance, often does not pay for the medical procedure, meaning the patient has to pay cash.
- There is little follow-up care. The patient usually is in hospital for only a few days, and then goes on the vacation portion of the trip or returns home. Complications, side-effects and postoperative care are then the responsibility of the medical care system in the patient's home country.
- Most of the countries that offer medical tourism have weak malpractice laws, so the patient has little recourse to local courts or medical boards if something goes wrong.

- There are growing accusations that profitable; private sector medical tourism is drawing medical resources and personnel away from the local population, although some medical organizations that market to outside tourists are taking steps to improve local services.

Conclusion

The key “selling points” of the medical tourism industry are its “cost effectiveness” and its combination with the attractions of tourism. The later also uses the ploy of selling the “exotica” of the countries involved as well as the packaging of health care with traditional therapies and treatment methods. Some important trends guarantee that the market for medical tourism will continue to expand in the years ahead. By 2015, the health of the vast Baby Boom generation will have begun its slow, final decline, and with more than 220 million. Boomers in the United States, Canada, Europe, Australia and New Zealand, this represents a significant market for inexpensive, high-quality medical care. Medical tourism will be particularly attractive in the United States, where an estimated 43 million people are without health insurance and 120 million without dental coverage numbers that are both

likely to grow. Patients in Britain, Canada and other countries with long waiting lists for major surgery will be just as eager to take advantage of foreign health care options.

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The Mammoth “Airbus A380”

SUJOY BHATTACHARJEE
PGDM-FT (2007-09)



The Airbus A380 was known during its development phase as the Airbus A3xx. It is the largest airliner in the world. Initially it will be sold in two versions, A380 and A800. They will be able to carry 555 passengers in a double-decker arrangement or up to 800 passengers in a single economy mode.

The journey of this Airbus A380 started in the early 1990 to break down the monopoly of Boeing. The Airbus is a subsidiary of The European Aeronautic Defence and Space Company. EADS is a large European aerospace corporation, formed by the merger of DaimlerChrysler Aerospace AG (DASA) of Germany, Aerospatiale-Matra of France, and Construcciones Aeronáuticas SA (CASA) of Spain on

July 10, 2000. It is one of the world's leading aircraft manufacturers. The company employs 57,000 people having head quarter located in Toulouse, France. The company operates in 16 manufacturing cities in Europe which produces the parts of A380.

A380 made its first commercial flight on April 27, 2005 from Singapore to Sydney with Singapore Airlines. The passengers travel in great comfort. They are offered 100 movie selections, 180 TV shows, interactive games, CD album, personal monitors and USB ports. That goes for economy class also. The airlines also provide some other facilities like relaxation space, bars, duty free shops.

The Design:

The company is using Rolls Royce Trent 900 engine on the wing of an Airbus A380. The Airbus used similar cockpit layout so that it will be easier for handling.

The Airbus used carbon fibre reinforced plastic, glass-fibre reinforced plastic and quartz fibre reinforced plastic extensively in the wings. The major section of the A380 are built in Germany, France, Spain and UK.

Emirate airlines has placed maximum number of order so far. India's fastest growing airline Kingfisher is the first and the only airline from the country to sign up for the Airbus A380. Kingfisher has maximum order of ten aircrafts.

Environmental Issues:

Airbus is the first jetliner manufacturer to be certified to international environmental standards ISO 14001, for full lifecycle coverage, including all products and manufacturing plants. The Airbus' approach is based on an innovative Environment Management System, used to map, assess, track and minimize an aircraft's environmental impact throughout its life. This approach optimises environmental performance at any phase of the product life cycle.

The A380 has been a catalyst for innovative new technologies and a new



way of “working together” across the industry. Airbus negotiates environmental requirements in contractual agreements with suppliers and actively spreads environmental best practices within the supply chain. Airbus is also working hard to mitigate the impact of manufacturing on the environment with cleaner technologies and processes. Environmental management has been a major criterion for the A380 production facilities, optimising energy and water consumption, as well as waste and emissions.

Airbus’ design philosophy is based on the whole life cycle of an aircraft, from the initial concept to its end of life. The A380 static test airframe will be used as part of a project to test procedures for decommissioning aircraft in the most environmentally responsible way. This will be the first time that an aircraft’s pre-service testing has been taken through to the very end of its life.

Opportunities:

The A380 is expected to impact the industry in two ways. On the one hand, the immense capacity of the aircraft

opens up opportunities to increase passenger flow through airports without increasing the number of aircrafts. This is likely to enhance efficiency of airports as well as minimise unit costs, an important advantage considering the limited number of slots at airports. Secondly, this will further motivate airports to restructure their facilities and invest heavily in infrastructure to enable future operations of the A380. However, many airports are more than prepared for the projected expenditure since they expect to gain multiple advantages from the future operations of the jet.

Thomas Edison in the face of adversity

Renowned as one of America’s most famous inventors, Thomas Edison also demonstrated powers of leadership which would rival any general.

“In 1914 Thomas Edison’s factory in West Orange, New Jersey, was virtually destroyed by fire. Although the damage exceeded \$2 million, the buildings were insured for only \$238,000 because they were made of concrete and were thought to be fireproof. Much of Edison’s life work went up in smoke and flames that December night. At the height of the fire, Edison’s 24-year-old son, Charles, searched frantically for his father. He finally found him, calmly watching the fire, his face glowing in the reflection, his white hair blowing in the wind.

“My heart ached for him,” said Charles. “He was 67 — no longer a young man — and everything was going up in flames. When he saw me, he shouted, “Charles, where’s your mother?” When I told him I didn’t know, he said, ‘Find her. Bring her here. She will never see anything like this as long as she lives.’”

The next morning, Edison looked at the ruins and said, “There is great value in disaster. All our mistakes are burned up. Thank God we can start anew.”

Three weeks after the fire, Edison managed to deliver the first phonograph.”

Even in the face of the cruelest adversity, Edison not only looked for the positives, but attempted to instill that attitude in his followers. This was a sign of true leadership.



India 2008-the Tasks Ahead

PRAVEEN K RAI
PGDM-FT (2007-09)

*Where the mind is without fear and
the head is held high.
Where knowledge is free.
Where the world has not been broken
up into fragments
By narrow domestic walls.
Where words come out from the depth
of truth.
Where tireless striving stretches its
arms towards perfection.
Where the clear stream of reason has
not lost its way
Into the dreary desert sand of dead
habit.
Where the mind is led forward by
Thee
Into ever-widening thought and
action.
Into that heaven of freedom, my
Father, let my country awake.*

Rabindranath Tagore

These threads from Rabindranath Tagore's poem are vital strands from which a fulfilling vision of India has been woven. A vision for a resurgent and vibrant India where there is peace and security, food and nutritional security, jobs for all, knowledge, health, technology and infrastructure, globalisation, good governance, and values. The INDIA 2020 VISION DOCUMENT for the first time tried to capture this imagination of the citizens of this great nation, and tried to give it

shape in the form of a vision document for the nation. But having a vision alone does not lead to its fulfilment; it is planned action on the conceived vision that leads to visible results. A mere vision or wishful thinking, though important, does not result in anything if action is avoided.

It is therefore imperative for us to chart out the actions that are required by us as a nation to be taken, to achieve our vision for India 2020. This article compiles a list of tasks that India needs to address, to achieve the vision that it has set for itself. The tasks mentioned below are not exhaustive but it is hoped that a national consensus on these issues followed by appropriate actions will go a long way in ensuring that India achieves its vision.

1. JUDICIAL REFORMS

The judicial system in India faces two diverse problems:

- a) Slow disposal of cases leading to delays and accumulation of backlogs
- b) Very low rate of prosecution in criminal cases

The two problems combined have led to a serious erosion of faith in the judicial system on the part of public as well as on the part of administration and legislatures.

The challenge of judicial reforms is to ensure that quick justice does not become a quicksand for barbaric practices, while at the same time expediting the judicial process as well as ensuring that the percentage of guilty escaping punishment is reduced considerably.

2. POLITICAL REFORMS

Potential political instability caused by the inevitable collusion governments in the foreseeable future may be endemic within a multi-party parliamentary form with a Westminster Model electoral system of winner-take-all. Within such an emerging scenario the temptation to pander to the populist demands for a stronger executive equipped with greater discretionary powers to control 'hung' legislatures is fraught with grave risks to the country's democratic structure. A more desirable option would be to reform the electoral system that would make such political instability infrequent, if at all.

Also, Parliament was conceived as the legislature or the law-making body, but of late law-making has ceased to be the most important of its functions either qualitatively or



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quantitatively. From about 48 per cent, it has come down to occupy less than 13 per cent of its time. The character of Parliament has also changed as a result of changes in membership composition.

3. RESPONSIVE GOVERNANCE

The failure of national-level political parties and the mushrooming of regional and sub-regional groupings have led to splintered electoral outcomes. The consequent emergence of coalition governments, in the states as well as at the Centre, generated political instability which had an adverse impact on governance. The new commitment to seize and hold political power at any cost saw the emergence of a frightening nexus between corrupt politicians and public servants and unlawful elements in society.

From around the 1990s there were a series of exposures of scandals relating to large-scale defalcations, embezzlements and cases of corruption among which were the fodder scam, the hawala case, the Bofors and submarine deals. These scams involved serious allegations against chief ministers and their ministers, ministers at the Centre

and even prime ministers, besides serving and retired senior functionaries.

In the recent years, a growing number of IPS and IAS officers, including several director-generals of police (DGPs) and chief secretaries (CSs), have also been prosecuted in cases involving gross abuse of authority, corruption and criminal offences. Even the Armed Forces have been infected, as witnessed by the Tehelka scandal.

4. FOOD & AGRICULTURAL REFORMS

A commercially viable business enterprise must grow and expand in size and scale. Though the Indian agriculture sector has a vast potential for growth, yet it seems to be suffering from irrational exploitation of natural resources, technology fatigue and policy indifference that is creating several kinds of bottlenecks and anomalies that are hindering its growth and development with equity. As a consequence, the farm sector is showing signs of declining total factor productivity and plateau of production that is adversely affecting farm incomes and livelihood security of the rural

population. The problem is vast as well as serious and needs to be tackled with vision and determination.

5. STRATEGIC VISION

Contrary to popular opinion, the collapse of the Soviet Union and the end of the Cold War with the signing of the Paris Agreement on November 19, 1990, did not transform the world from a bipolar to a unipolar system. As was argued by Dr Henry Kissinger in his book *Diplomacy* that unprecedented event led to the emergence of a polycentric world with the US, a Germany-dominated European Union, China, Japan and Russia as players in a balance of power system. He speculated at that stage whether India could become a probable sixth centre of power.

Today there is no doubt that India is one of the six members in the global balance of power. This came about with the nuclear and missile tests in 1998, rising foreign exchange reserves, increasing foreign trade and economic growth and the global perception of the political stability of the world's largest democracy.

We have lived through a period of



“In 2020, if present density of population is maintained, urban areas would be two and a half times more expensive than they are now.”

history when unprecedented changes have taken place. Since continuity is more easily understood, and favoured, by our elite than change, they have failed to grasp the enormity of the change we are now undergoing. Therefore, there is a lot of scepticism about unfamiliar developments and the benefits flowing from these for the country.

6. URBAN RENEWAL

During the last 50 years, India has, on an average, been adding about five or six million people to its towns and cities. The Economic and Social Commission for Asia and the Pacific estimates that between 1990 and 2020, India would add 418 million people to its urban population. If the present densities are maintained, urban areas would be two and a half times more extensive than they are now.

A special feature of the Indian scene has been that the dramatic increase in the size of our metropolitan cities has not reduced the pressure of population or poverty in the rural areas. India is facing problems not only of teeming cities but also of a teeming countryside. The per capita availability of arable land in

villages has been declining and the city-dwellers continue to groan under spatial tyranny, particularly in the metropolitan towns. The nation, including the enlightened section of it, is showing little concern over the growing complexity of our urban problems and the crumbling edifice of our cities.

7. ECONOMIC VISION

A report prepared in April 2004 by US financial services Goldman Sachs observed: “India is often characterised as a country of contradictions. This idea is exemplified by the popular phrase that India accounts for close to a third of the world’s software engineers and a quarter of the world’s undernourished”.

Coexisting in the country is a range of political and economic systems, including different forms of feudalism, capitalism and socialism. India’s first Prime Minister Jawaharlal Nehru wanted a “mixed” economy for the country, one that would include the best elements of both capitalism and socialism. Nearly six decades later, the verdict is almost unanimous: we took the worst of both worlds.

Private enterprise (the hallmark of capitalism) was stifled by excessive bureaucratic controls. At the same time, the state could hardly provide healthcare and elementary education (that socialist societies sought to provide) to the majority of its people.

Even if certain sections of the population have made considerable progress in recent years, economic development has, by and large, been uneven. The overall nationwide picture of growth indicators conceals sharp and increasing inequalities in income and social development.

Apart from these key tasks there are also a number of other tasks that need attention to truly achieve the conceived vision of transforming India into a developed nation by 2020. Some of these tasks are ensuring democracy, facilitating provision of better health facilities, fighting corruption, empowering women, water and waste management, facilitating scientific and technological progress, impartment of education, ensuring energy security and lastly containing terrorism and insurgency.



World is Sitting on Volcano of Global Warming

RASHMI GUPTA
PGDM-FT (2007-09)

Business world today is a buzz with terms such as Carbon credits, Kyoto protocol, CER's (Certified Emission Reductions), CDM (Clean Development Mechanism) etc. To begin with, all these terms are related to an inevitable evil known as Global Warming caused by emission of greenhouse gases (GHG) and the various framework has been put in place to counter the impact of GHG.

The UN recognized this danger and called for an international effort to fight global warming. This effort is picking up steam now, with the impact of global warming being seriously experienced in various part of the world.

The IPCC (International Panel on Climate Change) was found in 1988 followed by UN Framework convention on climate change (UNFCCC) in 1992. In pursuance of IPCC, the KYOTO PROTOCOL was signed to bind developed countries to reduce GHG emission level by 5.2% by 2012 from the 1991 levels. These countries have been classified as Annex countries and were major polluters in the past. Interestingly, USA and Australia, although the largest polluters, have not signed the Kyoto protocol. India is signatory to Kyoto protocol as Annex 2 country, without any obligation to

reduce emission. Worrying words for India who is in real danger from climate change in spite of good or remarkable economic growth.

A rise in global temperature by 3 degree Celsius will melt most of the Himalayan ice & snow that feeds the rivers in North India, could lead to major dislocation in monsoon and make peninsular India vulnerable to rising sea level.

But while India can't avoid the risks that come from global warming, economist and environmentalist argues that the rich countries should bear the bulk of cost of cutting emission of GHG and that India should insist on global policy negotiations. Rich nations GHG emissions rose near to all time high in 2007, did by US and Russian gains despite curbs meant to slow global warming.

The June summit of the G8 group of rich countries in Germany (Indian representation by PM Manmohan Singh) has set a target of, hacking the carbon- dioxide emission of 400-450 gigo tones per capita by the year 2050. If emissions are halved from their current levels, then per capita levels will be between 2-3 tonnes.

Economist says most rich countries are way above that level. The US per capita

CO₂ emission of around 20 tonnes, the EU (European Union) has around 10 ton & China has 3.5 tonnes. In contrast, India has per capita emission of only one ton, far below the 2050 target. It is likely to step below the 3 tones level despite a growing economy & rising energy consumption.

While government will have to agree on emission limits, it is said that other two long-term solutions are **Carbon Markets** and New technologies such as **Carbon Capture**. And two are linked Carbon market are part of the cap-and trade approach to countering climate change. Government imposes pollution limits or caps. Those who pollute more than permitted will have to buy the right to indulge in excess pollution from others who have not used up their pollution permits. These permits are traded in global markets for carbon.

But the question arises, whether poor countries like India can sacrifice economic growth now to protect the environment in the future. I think, this is not about stopping growth but moving to low carbon growth. Also, new 11th Five years plan focus on energy efficiency. And our policymakers are sensitive to these needs.



Flight of Indian Women

SAVAN KUMAR JHA
PGDM FT (2007-09)

When Gandhiji assumed India's leadership, only 2 percent of the women had any kind of education and women did not have an identity of their own. Gandhiji wanted women to outgrow the traditional responsibilities and participate in national level affairs such as education, media, art and culture, science and technology.

Woman today are emerging as a powerful force because of their ability to do so much so well. They are breaking the shackles of traditional societal traps and conservatism. She wants to be as assertive and strong as Indira Gandhi. Woman today talk about responsibility not sacrifice. They believe in their own potential. The last 20 years have witnessed an explosion of growth opportunities for woman in industry, especially at the decision-making level. Today more and more women have the chance to walk the competitive edge and prove that their abilities are at par and many times better than those of their male counterpart.

Here is the new generation of women, a generation striving for success. Look around you, you'll find women in every possible role. Today women are moving into a new mind zone. They are the new liberalists, in relationship as well as in corporate corridor. Besides the

traditional areas of education, health and hospitality, women professionals are now increasingly contributing to the thriving new sectors of finance, IT, media, management and research. There is new-found confidence and exciting awareness of the possibilities before women and it seems that women want to make up for the lost opportunities. They are being the icon of people. They are writing the new script of success in each and every walk of life, be it the arena of social work, Politics, Industry, Aviation, BPO's, Sports or the glamour world. In every sphere of life her mighty presence is felt.

Many of corporate India's women business leaders such as Chanda Kochhar (Deputy MD of ICICI Bank), Nainalal Kidbai (CEO of HSBC India), Vidya Chhawariya (Jumbo Group) and Kiran Mazumdar Shah (Founder & Chairman of India's largest biotechnology firm Biocon) have figured in fortune list of world 50 most powerful women. India-born Pepsi Co. global CEO Indira Nooyi was named the most powerful business women in US by the same magazine. Kiran Desai who won the "Man Booker Prize" in 2006 and is, arguably the most talented author of her generation. How we can forget the Boola Choudhari who

crossed 'Seven Sea' and brought laurels to home. Apart from all these proud ladies we have Sangita Reddy (Executive Director, Apollo Hospitals), Anu Aga (Director, Thermax) Sania Mirza (Sports, Tennis), Anju Bobby George (Long Jumper), Aishwarya Rai (Film), Kiran Bedi (retired IPS officer and social reformer), Sheila Dikshit (politician), Medha Patkar (social activist).....and many more who are doing excellent job in their respective fields and had added to the glory of this nation.

In the Working Zone we are witnessing the rise of boardroom geisha. Now women are demanding top positions and getting them because they deserve it. The fairer sex has got the expertise in handling multiple things simultaneously – family, relationship and work. Now what we are seeing is a face of new confident woman who is all set to shoulder her responsibility with her male counterpart with full vigor. I consider Indian women were always powerful. Now they are getting bolder and are becoming more aggressive when it comes to take on any opportunity. Government and the Private Player should keep the momentum going on by providing equal opportunities for women in all spheres of life because a country can never rise



“India has the world’s largest number of professionally qualified women.”

without the contribution of 50% of its population.

The status of **women in India** has been subject to great many changes over the past few millennia. From a largely unknown status in ancient times through the low points of the medieval period, to the promotion of equal rights by many reformers, the history of women in India has been eventful. The steady change in their position can be highlighted by looking at what has been achieved by women in the country:

- 1905: Suzanne RD Tata becomes the first Indian woman to drive a car.
- 1916: The first women’s university, SNDT Women’s University, was founded on June 2, 1916 by the social reformer Dhondo Keshav Karve with just five students.
- 1927: The All India Women’s Conference (AIWC) was founded.
- 1994: Harita Kaur Deol becomes the first Indian woman to perform a solo flight.
- 1951: Prem Mathur becomes the first Indian women commercial pilot of the Deccan Airways

- 1959: Anna Chandy becomes the first Indian woman Judge of High Court
- 1966: Captain Durga Banerjee becomes the first Indian woman pilot of the state airline, Indian Airlines.
- 1966: Kamaladevi Chattopadhyay wins Ramon Magsaysay award for community leadership.
- 1966: Indira Gandhi becomes the first woman Prime Minister of India
- 1970: Kamaljit Sandhu becomes the first Indian woman to win a Gold in the Asian Games
- 1972: Kiran Bedi becomes the first female recruit to join the Indian Police Service.
- 1989: Justice M. Fathima Beevi becomes the first woman judge of the Supreme Court of India.
- November 1997: Kalpana Chawla becomes the first Indian woman to go into Space.
- September 21, 1992: Priya Jhingan becomes the first lady cadet to join the Indian Army

(later commissioned on March 6, 1993)

- 2004: Punita Arora becomes the first woman in the Indian Army to don the highest rank of Lt General.
- 2005: Manndhir Rajput, a 34-year-old woman from Ludhiana, Punjab becomes the first Indian woman to become an engine driver of trains with the New South Wales Rail Corporation, Australia.
- 2007: Pratibha Patil becomes the first woman President of India
- India has the world’s largest number of professionally qualified women.
- India has more female doctors, surgeons, scientists and professors than the United States.
- India has more working women than any other country in the world. This includes female workers at all levels of skill – from the surgeon and the airline pilot to bus conductors and menial labourers.



Total Quality Management

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In 1984, the United States Department of the Navy Personnel Research and Development Center began researching the use of Statistical process control (SPC) and quality management methods for potential benefit in making performance improvements. This work included a detailed examination of the quality management approaches advocated by Philip B. Crosby, Edwards Deming, and Joseph Juran.

The result was an approach that combined SPC principles with the philosophy of W. Edwards Deming. This approach was first tested at the North Island Naval Aviation Depot.

The name “Total Quality Management” (TQM) was first used by the Department of the Navy in 1985 when they were starting to introduce the methods that had been successful in the North Island test to other Naval installations.

TQM is considered a management strategy to embed awareness of quality in all organizational processes. TQM is not limited in its application and has been widely used in manufacturing, education, government, services industries, as well as in NASA space and science programs.

Quality assurance through statistical methods is a key component in a manufacturing organization where TQM generally starts by sampling a random selection of the product. The sample can then be tested for things that matter most to the end users. The causes of any failures are isolated, secondary measures of the production process are designed, and then the causes of the failure are corrected. The statistical distributions of important measurements are tracked. When parts’ measures drift into the error band, the process is fixed. The error band is usually tighter than the failure band. The production process is thereby fixed before failing parts can be produced.

It’s important to record not just the measurement ranges, but what failures caused them to be chosen. In that way cheaper fixes can be substituted later (Say, when the product is redesigned) with no loss of quality. After TQM has been in use, it’s very common for parts to be redesigned so that critical measurements either cease to exist, or become much wider.

It took people a while to develop tests to find emergent problems. One popular test is a “life test” in which the sample product is operated until a part fails. Another popular test is called “shake

and bake”. The product is mounted on a vibrator in an environmental oven, and operated at progressively more extreme vibration and temperatures until something fails. The failure is then isolated and engineers design an improvement.

A commonly-discovered failure is for the product to come apart. If fasteners fail, the improvements might be to use measured-tension nutdrivers to ensure that screws don’t come off, or improved adhesives to ensure parts remain glued.

If a gearbox wears out first, a typical engineering design improvement might be to substitute a brushless stepper motor for a DC motor with a gearbox. The improvement is that a stepper motor has no brushes or gears to wear out, so it lasts ten times longer. The stepper motor is more expensive than a gearbox. The electronics is radically different, but equally expensive. One disadvantage might be that a stepper motor can hum or whine, and usually needs noise-isolating mounts.

Often, a TQM product is cheaper to produce because of efficiency/performance improvements and because there’s no need to repair dead-on-arrival products, which represents an immensely more desirable product.