Eldorado

exploring new horizons...

The Vision

To be an Institute of Academic Excellence known for total commitment to superiority in management and IT education and search with a holistic concern for quality of life, environment, society and ethics.

The Mission

Our mission is to groom professionals of tomorrow by
- *Imparting high quality education in Management and Information Technology*
- *Developing intellectual capabilities through a Challenging curriculum*
- *Providing training and development services*
- *Fostering research*
- *Extending consultancy services to the industry*
- *Disseminating information through the publication of books, journals and magazines*

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"The Victor"

If you think you are beaten, you are.

If you think you dare not, you don't.

If you like to win but think you can't,

It's almost a cinch you won't.

If you think you'll lose, you're lost.

For out in the world we find

Success begins with a fellow's will.

It's all in the state of mind.

If you think you are out classed, you are.

You've got to think high to rise.

You've got to be sure of your-self before

You can ever win the prize.

Life's battles don't always go

to the stronger or faster man

But sooner or later, the man who wins,

is the man who thinks he can!

C. W. Longenecker

Editorial

Strength of thoughts

Who wants to be a millionaire? Undoubtedly everyone. Anyone in denial, for sure will have second thoughts on the answer. But then how many of us end up getting what we want? Not really being troubled by the statistics, we know the proportion is small, really small. If the man in the mansion can earn bagfuls, why not the man living in the roadside shack? The difference is all in your thoughts, so reveals 'The Secret' by Rhonda Byrne. Well, the poor laborer also dreams of making it big! What causes a failure of realization is the strength or otherwise of the belief that 'dreams come true'. Swami Vivekananda remarked "All power is within you, you can do anything and everything…believe in that!"

The plurality of opinions guiding routes to success and happiness end in a confirmed unison - positive thoughts lead to positive outcomes! Entrepreneurs and managers succeeding despite odds contribute their success to determination more than the efforts.

This edition of Eldorado is, as always, a combined effort of our PGDM students. Their contributions range from the self styled opinions to compilations of management cases. The extremely unfortunate Naxal attacks and the upcoming Commonwealth games have caught the attention of the contributors in the first section on 'Economy Aspects.' The second section on 'Marketing Paraphernalia' discusses some concepts and the latest buzz in the field of marketing. The next section explores options that seem to be promising with respect to the success of business organizations.

'Managing Men' reveals some issues concerning the men at workplace. The next section 'Fact sheet' is a compilation of case studies on some international companies. The sixth section is a collection of 5 business plans that clearly speak about the creative spark in many of our students. 'Glimpses' gives reviews of 3 books that impress on diverse issues. The last section 'Assortment' is true to its name and contains articles on variety of subjects. Hope each article adds value to the readers' thoughts.

I would like to thank the management of JIMS for their wholehearted motivation. My special thanks to Dr. J K Goyal (Director, JIMS) for his constant encouragement and faith. A big 'Thank You' to the student support for offering invaluable help at the right times.

I am pleased to present this issue of Eldorado as a collage of views, news and reviews. Critical feedback is welcome to enhance the readability of the magazine.

Happy Reading!

Deepti Kakar, Editor

CONTENTS

Economy Aspects

A view of some issues and options

Motherland's Neglected Eastern Arm

Thokchom Heeraj Anand
PGDM (2009-11)

It's a well trodden day, well spent. The street lights spluttering and spitting rays down on the empty lanes, the cacophony of the creaking of a window, the occasional vehicle passing by and a hungry dog howling at a ghetto somewhere. Its just 8 in the night and its only ghosts of the night that walk the roads - people find it safe behind locked doors and beside fire hearths. A day is over. A day in the life of a North Eastener. It's just as macabre as it sounds but it is nearly as much as it implies.

While the Indian military presence and ensuing human rights abuses in Kashmir is well known, often promptly ignored, one of the most exact examples of India's regional hegemony is its military presence in most parts of North East India, a region not very well known (people say "Manipur.....Nepal ????" I say with a smirk "Korea, my beautiful wisecrack friend.").

Northeast India comprises of eight small states and is particularly well known for its raw greenery and multiple tribal cultures, often of democratic nature. The region is tiny, comprising barely 7.5% of India's landmass and 3.5% of India's population, but extremely diverse, and nurtures more than 70 major population groups speaking nearly 400 different languages and dialects. The social and cultural similarities with the East and Southeast Asia are apparent. The term "Northeast India" itself is a post-independence construct. And it would not be too exaggerating to say that the region has suffered under an oppressive preponderant influence and spatial discrimination in comparison to the rest of India. It is worth pondering the reasons as to why; inspite of the good education levels and human development indices, the economic development levels is barely comparable to other states, despite the very rich natural resources, including tea, oil, limestone, coal, bamboo and a huge potential for hydel energy.

The step motherly treatment meted out to the region has resulted in numerous armed nationalist and sub-nationalist insurgent movements, causing conflicts with the Indian state and mutual conflicts between themselves.

Getting the history straight, prior to the Indian independence and the 60 years under the Indian political part, the north eastern states consisted mainly of numerous princely kingdoms, fairly self-sufficient and generally of little interest to the British. Assam, (which was then a large kingdom included present day Nagaland, Mizoram and Meghalaya) was of much interest to the colonizers and found its place in the political map of India.(Assam is the largest tea producing region in the world.) Tripura and Manipur were princely states which had no political significance and were virtually free of the colonization. Arunachal Pradesh and Sikkim weren't touched too. What happened under the British rule is the integration of these initially free states to the mainland and severed the region from its traditional trading partners, including Burma and other parts of Southeast Asia.

The integration, however, failed in the moral sense. There are instances of the then Government of India forcing Maharaja Bodhachandra Singh to sign the Merger Agreement on 21 September 1949 at the Governor's House at Shillong, Meghalaya, without the due approval of the King's cabinet.

After the independence, the geographical position of the region down at the Far East, led to increased spatial discrimination at the hands of the newly formed Indian state. This induced many cultural-nationalist groups from around the 60s. These soon went on to becoming full-blown armed insurgencies, the prominent ones being ULFA (United Liberation Front of Assam), PLA (Manipur Peoples Liberation Army), NSCN (National Socialist Council of Nagalim) and many other smaller outfits. This, in turn, resulted in the longstanding, extremely oppressive presence of the Indian military army, in the name of curtailing these outfits. Since then, the atrocities meted out in the region have never stopped.

The scapegoat here is the working class people. Stories of disappearances, custody killings, encounter killings mostly conducted by the security forces have become a routine thing. The security forces enjoy draconian laws like the Armed Forces Special Powers Act, which have been placed in Manipur, Nagaland, and many parts of Assam, thereby engulfing the region with an iron-grip of the unlimited powers of the army. These Acts provides the Security Forces a free hand in doing what they please as long as it is in the guise of fighting terror. Human rights of people is nowhere in the picture and this has been going on for decades. In Manipur, AFSPA had been enforced for over 25 years now.

A very grim and a sad case of the brutality of these acts was the killing of Thangjam Manorama Devi in Manipur. Witnesses say the woman was picked up on July 11, 2004 by soldiers of the paramilitary Assam Rifles from her home on charges of links with the outfits. The next day, her body was found four kilometers away from her home in the state capital Imphal, with multiple bullet wounds and signs of torture. The entire state came to a standstill under the backlash of huge protests following the brutality.

The killing of Nilikesh Gogoi, a coal trader and a simple man, for just overtaking a Central Industrial Security Force (CISF) jeep, when he and two of his business associates were returning from a trip to the hills in Upper Assam on January 23, 2007, screams of another gruesome tale. The fact that the CISF troops felt empowered enough to take these lives in this manner, and expected to get away with it, is testament to the hegemonic and oppressive circumstances that much of Northeast India's rural and working poor deal with on a daily basis.

Tragic as they are, cold-blooded atrocities like those faced by Manorama and Nilikesh still do not expose in totality the real harsh conditions imposed upon the people of Northeast India.

India, one of the biggest democracies in this world, boasts of its multi-cultural and the much touted "Unity in Diversity" slogan; which hardly has got any meaning from this perspective, with its Southern and the North-Eastern part falling apart due to this spatial discrimination. The recent hoopla created due to racial attacks to Indian students and residents, and the furore fueled by the over-hyped media; is a situation often faced by the North Eastern students in the mainland. North-Eastern girls raped and molested in the capital, and racial remarks passed on them wherever they go, is a tight slap in the face of those who tries to cross over and work things out. And the media hardly gives a concern, for whom lame soaps and reality shows are more important.

And all the talk about the Look East policy will not work without winning over the trust and the sympathy of these people, which is a herculean task now, after everything that has occurred. A final word - its not a desperate call for help....its not a lame attempt to garner attention and entice sympathy....its a ruffled yell from the heart of a non-conformist to get the history straight and the truth be told....Our country is great but it really needs some cleaning up to do in its own backyard.

The "Seven Sisters" of North East India are Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.

From times immemorial, India's North East has been the meeting point of many communities, faiths and cultures. A place renowned for its magical beauty and bewildering diversity, North East India is the home for more than 166 separate tribes speaking a wide range of languages. Some groups have migrated over the centuries from places as far as South East Asia; they retain their cultural traditions and values but are beginning to adapt to contemporary lifestyles. Its jungles are dense, its rivers powerful and rain, and thunderstorms sweep across the hills, valleys and plains during the annual monsoons. Each state is a traveler's paradise, with picturesque hills and green meadows which shelters thousand of species of flora and fauna. In addition, the states provide scope for angling, boating, rafting, trekking and hiking. Besides, there are a number of wild life sanctuaries and national parks where rare animals, birds and plants.

When India became independent from the United Kingdom in 1947, only three states covered the area. Manipur and Tripura were princely states, while a much larger Assam Province was under direct British rule. Its capital was Dispur. Four new states were carved out of the original territory of Assam in the decades following independence, in line with the policy of the Indian government of reorganizing the states along ethnic and linguistic lines. Accordingly, Nagaland became a separate state in 1963, followed by Meghalaya in 1972. Mizoram became a Union Territory in 1972, and achieved statehood - along with Arunachal Pradesh - in 1987.

The region is an ethnic minefield. Turbulence in the area, therefore, is largely caused by the recurring battles for territorial supremacy among the different ethnic groups themselves, in addition to the contribution of armed separatist groups representing different ethnic communities fighting the central or the state governments or their symbols to press for either total independence or autonomy.

Source: www.ignca.nic.in

New 'D'elhi and the Commonwealth Affair

Surojit Bose
PGDM (2009-11)

I have highlighted the word "D" not only because of Delhi, the capital of India where the games are going to be conducted but also due to some other reason and that is because of the 'dilemma' of success and the benefits that India is going to get out of this game. India is all set to host the 2010 edition of the Commonwealth Games. This is the first major "hallmark event" to be hosted by New Delhi since the 1982 Asian Games. New Delhi will play host to the third largest multi-sporting event in the World, with tens of thousands of visitors descending upon the city. To prepare itself for this, the city is planning a major overhaul of its urban infrastructure as well as its sporting facilities. These events happen in a city once in a decade or maybe even less, (the last large event held in Delhi was the 1982) and have the ability to transform it. India however still remains to make its mark on the world as a sporting nation. With the exception of cricket, and a handful of gifted individuals, Indians have performed quite miserably in the world stage. If one was to examine the last Olympics medal tally by population, that is, population divided by number of medals, India comes last by an enormous margin. Even after the 1982 Asian Games, which gave a dramatic boost to sports facilities in the country, our performance is yet to match international standards.

1982 saw the return of the Asian Games in its original home, New Delhi. The first edition of the Asian Games had been held in 1951 with eleven participating nations and six competitive sports. By 1982, the games had grown manifold with 33 nations and nearly 4600 athletes and officials participating in 21 sports and 147 events, the largest ever Asian Games. The games had grown to be the second largest sporting event in the world, second only to the Summer Olympics. The 1982 Games was the first time after independence that the country was playing host to an international event of this magnitude. The world's attention was about to be focused on the city and it was not going to disappoint. The games were an announcement to the world that India had arrived. The games seem to have a very deep felt impact on the country as a whole, interestingly in many arenas far removed from sport. My focus here will be its impact on urban development of Delhi, though I will touch on some of the other effects as well.

The 1982 Asiad didn't work out till the eleventh hour. Though India had won the bid to host the games in 1976 by 1980, no work had even started and the Games surely looked doomed. There had been a change of government in - between and a lot of political turmoil had plagued the country in those years. Any old timer in the city will tell you that it was in 1982 that Delhi finally began to "develop". The build up to the games saw an unprecedented construction spree in the city with stadiums, the games village, hotels, flyovers and roads; even Pragati Maidan being built, all with 1982 as the deadline. The skyline of the city literally changed overnight. Very few records remain on the public domain of the actual details of the construction that took place during that period, and few, if none, studies seem to have been conducted on the Games' impact. The construction at the Asiad time can be broadly categorized into three groups:

1. Stadiums - The Jawaharlal Nehru Stadium was the centerpiece of the games, being the venue for the opening and closing ceremonies and athletics. The other major stadiums built at the time were the Talkatora Stadium, the Indira Gandhi Indoor stadium and the Yamuna Velodrome. One notices that with the exception of the National Stadium, which was an earlier construction, most of the venues for the 1982 Games were new constructions.

2. Asiad Village - The Games village, where all the participating athletes and officials were to stay, was a large project developed in the Siri Fort area.

3. Hotels - A number of hotels came up at the time like the Kanishka, the Mughal Sheraton and The Taj Palace.

"See You in Delhi," was the message that the Indian contingent had for the world, during the closing ceremony of the 2006 Melbourne Commonwealth Games. In 2010, India is going to become the second developing nation ever, to host the Commonwealth Games (CWG), the third largest multi sport event in the world. The CWG is going to be the first mega-event hosted by the city since the 1982 Asian Games, a gap of nearly thirty years. Much has changed, and yet much has remained unchanged in this time. India is preparing to break out on the world scene as an economic

superpower, and the games are a step in propelling India on to the world stage. Yet India is still a poor country, ranked very low in the Human Development Index (HDI), and therefore one must question the rationale of spending more than a billion dollars on a sporting event. Is it going to be simply an exercise in nationalism and politician supported patriotism or is it going to have some notable positive effects on the community, and if so what precisely? But the urban landscape Delhi is set to change dramatically with many infrastructure projects being pushed through in time for 2010.

The works of the games can be broadly grouped into the following:

1. New Stadiums and renovation of existing stadiums

2. Games Village

3. Transport sector

4. Urban infrastructure like water and electricity

5. Efforts to make Delhi "world-class"

The positives, if one can determine so far because of Commonwealth Games 2010, can be:-

1. The 17 sports disciplines to feature in the XIX Commonwealth Games 2010 Delhi will be held at six venue clusters and five stand alone venues in Delhi. Ceremonies, Athletics, Lawn Bowls and Weightlifting will be held at Cluster I: Jawaharlal Nehru Sports Complex; Cycling, Gymnastics and Wrestling at Cluster II: Indira Gandhi Sports Complex; Archery (Qualification Rounds) and Table Tennis at Cluster III: Yamuna Sports Complex; Badminton and Squash at Cluster IV: Siri Fort Sports Complex; Hockey and Archery Finals (India Gate) at Cluster V: MDC National Stadium Complex; and Swimming and Boxing at Cluster VI: Talkatora Garden Complex. Twenty-six new training venues are being constructed for the Delhi 2010 for different sports disciplines. Work has been initiated on all the training venues and is progressing satisfactorily. Apart from this, 16 training venues are being upgraded and will be ready on schedule.

2. Delhi's airport is being modernised, upgraded and expanded to handle the passenger traffic envisaged during the XIX Commonwealth Games 2010 Delhi. Passenger and baggage handling facilities have been upgraded and a new 4.43 km runway, the longest operational runway in Asia, became operational in 2008. It is fitted with the highly-sophisticated Instruments Landing System (ILS) on both sides, and

is built to the highest Code F standards. Expansion plans include the construction of a new state-of-the-art terminal (T3) with a capacity to handle 35 million passengers per year. It will have 75 aero-bridges, of which, nine will be compatible to handle operations of mammoth A-380 aircraft. It will have 20 parking bays for passengers. The terminal, connected with all types of transport systems, will have an advanced five-level, in-line baggage-handling device with explosive-detection technology for high-class efficiency and security. There will be 160 check-in counters for fast clearance and more number of immigration counters. The departure complex will be situated on the upper deck of the two tier building and arrival on the lower deck. The roof of the building will have stylized incisions to allow daylight, but it will be angled to protect the interior from direct sun-rays. The airport's connectivity with the city will be enhanced through a six-lane highway (National Highway 8). The Metro Rail will also have a dedicated corridor from the airport to the Games Village for easy transfer of athletes and officials. Delhi will have a dedicated Metro line from the airport to the city centre Connaught Place by 2010. The Games Village, as well as the main competition venues such as the Jawaharlal Nehru Stadium and the Indira Gandhi Stadium will be connected through the Metro. The inter-city connectivity as well as passenger capacity will be enhanced. All Metro stations are planned to be Wi-Fi enabled by 2010.

A four-lane, 2.2 km underground stretch from Ring Road to Lodhi will link the Games Village to the Jawaharlal Nehru Stadium, reducing travelling time for athletes. Twelve new flyovers and several bridges and under-bridges have been planned to improve road connectivity with the Games Villages, the sports venues, and within the city. Road widening also is in progress. The new eight-lane expressway from Gurgaon to Delhi is functional. A total of 1,100 new low-floors, high-capacity air-conditioned buses will ply on Delhi roads by 2010 to ease commuting.

3. The XIX Commonwealth Games 2010 Delhi is scheduled from 3 October to 14 October, 2010. This is the best time to travel to Delhi, which has average daytime temperatures of 22C (71.5F) in October. You can visit many of Delhi's numerous heritage sites and monuments, sample world class cuisine and entertainment at the city's numerous hotels and restaurants, shop till you drop at the various malls and shopping outlets the city provides, and experience all that this vibrant, exciting city has to offer. Delhi is

located a few hours away from the world's greatest monument to love, the majestic Taj Mahal in Agra. Also close by is the colourful state of Rajasthan with its forts and palaces, tales of valor, and unbeatable exotic experiences. The sheer scale and diversity of India offers a range of destinations and experiences found nowhere else in the world: the mystical and breathtaking Himalayas in the north; vast beaches with an exciting range of water sports and other activities; peaceful lagoons and inland waterways; yoga and meditation to lift your spirits; wildlife parks to commune with nature; and ancient heritage sites to remind you of India's ancient past.

There are always two sides of a coin. So, the negatives and some worries that are going to threaten India are many...

The full Commonwealth Project is so under prepared and is brashly trying to put up a bold face claiming to be able to achieve in next 11 months what they could not in the last 8 years after the bidding. Even I too think the same as others, as most of the projects are incomplete and when asked they say they are on schedule and one need not worry on the infrastructure part for the games, as it will be ready on time, but what is the use of being ready on time as

there will be less time for rehearsals and other things... But I still think that they will be successful in hosting this properly, but surely will have problems and the standard I think will be a concern in the games. Till now there is nothing of a buzz lately around the games and there is time constraint for the officials, if this commonwealth games goes wrong for them then the Olympic bid will go for a toss surely.

However, it is also necessary to keep one thing in mind, and that is, Delhi is, otherwise, a rapidly growing city, a dynamic economy and an integral part of India's growth engine. Delhi is estimated to have a population of approx. 192 lakh people by 2010, compared to 140 lakh in 2001, a growth of nearly 40%. The present plan for the Commonwealth Games may be arecipe for an ecological and financial disaster, or they might finally put the city, and the country, on the world map. They may bring in a new era where electricity and water problems, perennial problems in the city, are no longer an issue or they might increase the burden on an already overloaded system. But as a true optimistic Indian, I hope the games are concluded with lots of success and placing a new and rejuvenated India in the world map.

The Commonwealth Games is a multinational, multi-sport event which features competitions involving thousands of elite athletes from members of the Commonwealth of Nations. Organized every four years, they are the third-largest multi-sport event in the world, after the Summer Olympic Games and the Asian Games. As well as many Olympic sports, the Games also include some sports that are played mainly in Commonwealth countries, such as lawn bowls, rugby sevens and netball.[1] The Games are overseen by the Commonwealth Games Federation (CGF), which also controls the sporting program and selects the host cities. The host city is selected from across the Commonwealth, with eighteen cities in seven countries having hosted it.

A sporting competition bringing together the members of the British Empire was first proposed by the Reverend Astley Cooper in 1891 when he wrote an article in The Times suggesting a "Pan-Britannic-Pan-Anglican Contest and Festival every four years as a means of increasing the goodwill and good understanding of the British Empire". In 1911, the Festival of the Empire was held in London to celebrate the coronation of King George V. As part of the festival an Inter-Empire Championships was held in which teams from Australia, Canada, South Africa and the United Kingdom competed in events such as boxing, wrestling, swimming and athletics.

In 1928, Melville Marks Robinson of Canada was asked to organize the first ever British Empire Games. These were held in Hamilton, Ontario two years later. The event was first held in 1930 under the title of the British Empire Games. The event was renamed as the British Empire and Commonwealth Games in 1954, the British Commonwealth Games in 1970, and gained its current title in 1978. Only six teams have attended every Commonwealth Games: Australia, Canada, England, New Zealand, Scotland and Wales. Australia has been the highest scoring team for ten games, England for seven and Canada for one. There are currently 53 members of the Commonwealth of Nations, and 71 teams participate in the Games. The most recent games were in 2006 in Melbourne, Australia. The next edition will be held in 2010 in Delhi, India.

Source: www.wikipedia.com

The Moral Value of Capitalism

Thockchom Heeraj Anand
PGDM (2009-11)

Ayn Rand, the harbinger of the moral value of capitalism, quoted in her book Capitalism The Unknown Ideal: *"Is man a sovereign individual who owns his own person, his life, his work and his products - or is he the property of the tribe that may dispose him in any way it pleases, that may dictate his convictions, and prescribe the course of his life, control his life?*

Does man has a right to live for his own sake - or is he born in bondage, as an indentured servant who must keep buying his life by serving the tribe?

The basic question to ask is - Is man free? In mankind's history capitalism is the only system that answers this - Yes."

The moral justification of capitalism does not lie in the altruists' claim that it represents the best way to achieve "the universal good" but lies in the fact that it is the only system that attunes with man's rational nature, where the only ruling thing is - justice. The "good-for-all" system takes as something apart and superior to the individual good, which means good of some men taken in precedence to the good of others, with those others consigned to the status of sacrificial animals. In fact, the good-of-all or the good of the majority is a pretense, since it annuls all the rights of the individual and delivers credibility to the power of any gang that it proclaims to be the "voice of the society" and proceeds to rule by means of force.

The soul of capitalism can be better illustrated with the free market. A free market represents a social application of the values behind capitalism. These values comes from the man's mind, discovered by the man's mind and for that men must be free to discover them - to think, to study, to translate their knowledge into physical form, to offer his product to trade, and to choose freely. Every man must be free to judge for himself, in the context of his own knowledge, goals and interests and to create a society (which is hard), which advocates the free flow of ideas and to let the best product win, the best man win in every field of human endeavor. The repercussions of the judgments go only to him - the rewards are his if it is right, if wrong - he is his own victim.

Capitalism in the free market - the laissez faire - gives its one and only parameter; the rational mind of a man, the value of his product or work and its tradability in the market. Capitalism has faced time and again a lot of flak from the so called "self-proclaimed altruists", the front runners of fake social fixers who has vilified and denounced the real values of capitalism to such an extent that people, even if they try to, would be hard to change what they perceive. Such is an extent to which these blasphemers have clouded their minds.

Rational people who epitomized these values of capitalism have been denounced through the ages. They have been called selfish, money hoggers - yet these values are the only one that have united people and nations across boundaries amidst the racial and religious slur, raised the standard of living of the people who have brick batted them, to an extent that no other system has ever had. They have been called nationalistic - but it is these values that gave them the impetus to work together, across ethnicity, and to bridge that antagonistic gap. And most of all, it is these people that taught the priceless values of - pride, dignity, self-esteem, the virtue of rational selfishness. So, why this unwarranted abhorrence towards capitalism, why this cloud of negative air preceding capitalism? Neither its moral nature nor even its political principles had ever been fully understood or defined. Its alleged defenders regarded it as compatible with government controls (i.e., government interference into the economy), ignoring the meaning and implications of the concept of laissez-faire.

Accepted that the government plays an important role in keeping the "greedy capitalists" on a leash; preventing it to go out of bounds, but it is also true that controls necessitate and breed further controls. And these controls sometimes render the forces and law of demand and supply, obsolete. And the invisible, but the very apparent, hand of some rogue political parties and "social" organizations misuses these controls for their own ends (and its rational people that are called selfish), proclaiming the fake altruists' ideal of the "good-of-all". And it is also worth pondering the even more invisible hand of some rogue organizations that controls the

government and the social bodies that made a super puppet out of themselves. The Great Depression of 1929 is a standing example.

Experts opines that the Depression was mainly caused by monetary contractions (one among the many); the consequence of poor policy-making and ignorance by the American Federal Reserve System and continued crisis in the then banking system. The Federal Reserve by not acting allowed the money supply to shrink by one-third from 1929 to 1933, thereby transforming a "would-have-been" normal recession into a full-scale blown out The Great Depression. One reason why the Federal Reserve did not act to limit the decline of the money supply was regulation - controls. At that time the amount of credit the Federal Reserve could issue was limited by laws which required partial gold backing of that credit.

The rational mind came to the rescue then. John Maynard Keynes, capitalism's savior, stepped in and altered and inspired fundamental changes in the US's economic structure. Keynes, with his invention of macro-economic theories, breathed life into reviving the meaning of capitalism and perhaps saving a civilization during the Great Depression. Despite millions of unemployed workers in the industrialized nations, economic orthodoxy demanded that the government do nothing or, worse yet, tighten the purse strings. Little wonder the totalitarian (altruists) solutions of communism exerted a lot of pull. The then U.S. Treasury Secretary Andrew W. Mellon expressed a widespread sentiment among elites when he said in 1930 that the Depression would "purge the rottenness out of the system."

High costs of living and high living will come down (fake philanthropist lechers). People will work harder; live a more moral life, with breads earned by the strengths of one's back and one's sweat. Values will be adjusted, and enterprising people will pick up the wrecks from less competent people. And it is the rational capitalistic mind that they condemn.

Something much more macabre is happening in our backyards. The Tata Singur case is one full frontal attack launched against the rational kind. The Rs. 1000 crore Tata Nano project that could have been a boon providing employment to 2000 people and indirectly provide livelihood for 8000 more was scrapped and hopelessly bundled out of the forsaken place for no good reason but the whims of the second-handers, the ruffians backed rogue political parties and the free floating and freelancing NGOs that can be bent and pushed with no hard effort. Bannerji's high wire theatrics did well and she made her point clear. This is not the only instance there. The politics of bandhs and dharnas and unionization has closed most jute mills and factories of Bengal.

The Forward Bloc, the biggest supporter of the CPM government in Bengal, had recently tried to prevent issuing an agricultural license to the German company Metro Cash and Carry. The company in question is another store that will stock agricultural products which they'll buy from the farmers. Forward Bloc say they always protested issuing license to such departmental stores as it will be detrimental to the corner grocer store and the road side illegal vendor. This has, however, been negated. The mob-rule ensues. The scapegoat, yet again, are the rational minded people who are just trying to make things work. There is no dearth of examples to cite the negativities of government intervention.

Naxalism

Dipinder Singh
PGDM (2009-11)

Our honourable Prime Minister described it as the "Biggest threat to Internal Security". The Home minister described it as "A bunch of bandits". You got it right. Yes, I am talking about the menace of naxalism, which started in 1967 as the movement against the exploitation by landlords. The insurrection started on May 25, 1967 in Naxalbari village when a farmer was attacked by local goons, over a land dispute. Maoists, in the guise of local farmers retaliated by attacking the local landlords and escalated the violence.

Charu Majumdar was the founder of this movement. Majumdar greatly admired Mao Zedong of China and advocated that Indian peasants and lower classes must follow his footsteps and overthrow the government and upper classes, whom he held responsible for their plight. He engendered and gave a new breath of life to the Naxalite movement through his writings - the most famous being the 'Historic Eight Documents' which formed the basis of Naxalite ideology.

During 1970s, the movement was fragmented into several disputing factions. By 1980 it was estimated that around 30 Naxalite groups were active, with a combined membership of 30,000. A 2004 home ministry estimate puts numbers at that time as "9,300 hardcore underground cadre holding around 6,500 regular weapons beside a large number of unlicensed country-made arms".

More recent figures put the strength of the movement at 15,000, and claim the guerrillas control an estimated one fifth of India's forests, as well as being active in 160 of the country's 604 administrative districts. India's Research and Analysis wing found out that in 2006; 20,000 Naxals are currently involved in the growing insurgency.

Lalgarh in West Bengal is an infamous place. It emerged as a region close to coming completely under control of the Naxalites after the group threw out the local police and staged random attacks against the ruling communist government, around late May 2009. The state government initiated a huge operation with central paramilitary forces and state armed police to retake Lalgarh in early June 2009. Maoist leader Kishenji claimed in an interview that the mass Naxalite movement in Lalgarh in 2009 aimed at creating a 'liberated zone'.

Now let us understand what the root cause of this movement is. As we all know that the area of Chattisgarh, Jharkhand and Bihar are the least developed parts of our country. People there have no access to basic civic amenities. There is no water, no power and no police. There is rampant corruption in the system. Starting from village sarpanch to the MLA all has misappropriated the funds provided for these areas.

Can this root cause theory justify Naxalism? Can this justify the brutal killing of innocent people? The answer is NO. The peoples' movement has deviated from its purpose. Naxalism is pure and simple terrorism, which disguises itself with terms like "class struggle" and "social justice". Today Naxals stand for political power through the barrel of a gun. They say they want development in the area but they never allow it to happen. Government tried to open schools, but in the last 1 year Naxals have blown apart as many as 90 schools. They have killed people whom they say they represent.

How do we deal with this menace? Well, this won't be easy. Government need to create awareness among people, and need to form an opinion against the naxals. This can only be done if we can get our grass root administration in place. We need to ensure that the villagers/tribals uninhabited due to mining projects in the area be given proper compensation. These displaced villagers / tribals are a ready recruit for naxals. The state should recognise the reality and should implement pro poor laws which the state has failed to implement. The time has come to act.

Marketing Paraphernalia

Some shades of the marketing mix

Brands Sans Frontiers

Shruti Gupta
PGDM (2009-2011)

While reams have been written about Indian brands entering overseas markets little is known about how exactly they go about the marketing task. Tracking down the marketers from across the categories to get a sense of how they went about building brands in overseas markets, it is clear that establishing brand presence, no matter how big the brand is in India, is a tale of endurance, grit and long term commitment to remain invested in these markets.

Global Local

Africa is the place to see people bathing with soda instead of water, because they believe it lightens their complexion. Fair skin is clearly not a *desi* obsession. In West Africa, there is strong French influence and complexions are dark, but in North Africa people with light skin are a majority. So there is huge potential for Emami in the Dark Continent, particularly in skin care. However, for all the talk of its potential, marketers say the going is tough or one has to be careful. Often particular attention to local nuances translates into customization not only of the product formulations but also brand names. Take Good Knight mosquito coil for example. The coil which is sold in Bangladesh is not the traditional circular coil Indian customers use to engulf themselves in smoke, rather it's octagonal. The rationale was that the shape allows the active chemicals in the coil to disperse better in a room. However, compare that to the Indian market which is more evolved, the design has not been replicated here. What sell in India is the coils that emit less smoke. Hidden gaps can emerge if one does pay attention to nuances like language, culture and even topography of the region. For instance, while marketing Boroplus, Emami realized that the word 'boro' is a profanity, in Swahili. So just for that particular market, the brand name has been changed to Beeuplus.

Creative Inputs

When it comes to advertising for these markets, it's a mix of Indian ads translated into local languages and local ads featuring local stars. In certain markets in Africa, Indian brads ride on the popularity of Bollywood. So, Emami has adapted Indian commercials for local taste. It helps get visibility considering Indian movie stars like Amitabh Bachchan and Shahrukh Khan are famous among locals. So attributes which work in India are therefore highlighted in communication here is sometimes completely overhauled to project a different image in overseas market. In another instance according to Bajaj Auto some of the partners in South Africa have de-emphasized attributes like fuel efficiency and promoted styling and performance aggressively. Even choice of medium is important rallies, stunt events and biking communities have been extremely leveraged by them in some Latin American markets where such media are popular and aligned to local lifestyles.

All in all it's a humbling experience for many of the brands, for legacy they have in India does not take them far. They have to approach every market with an open mind and be prepared to do business differently from the way they are used to in India

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A brand is a name or symbol that is commonly known to identify a company or its products and separate them from the competition. A well-known brand is generally regarded as one that people will recognize, often even if they do not know about the company or its products/services. These are usually the businesses name or the name of a product, although it can also include the name of a feature or style of a product.

A brand builds recognition and loyalty for the products and creates an image of quality, experience and loyalty towards the company.

SPAS: The in-Thing

Jatinder Mohan Mahajan
PGDM (2009-11)

According to Wikipedia, Spas are business establishments which people visit for professionally administered personal care treatments such as massages and facials. These are becoming an interesting service offering for the rich and nouveau riche. The marketers need to focus on a spa environment that competes with other experience options such as sports and theatre and offer a unique solution to problems.

The term spa is associated with water treatment which is also known as balneotherapy, spa towns or spa resorts offering such treatment, or the medication or equipment for such treatment. No one knows exactly where the word spa comes from, but there are two main theories. One is that spa is an acronym for the Latin phrase, "salus per aquae," or "health through water." Others believe the origin of the word "spa" comes from the Belgian town of Spa, known since Roman times for its baths. They speculate that the town was so prominent that the very word spa became synonymous in the English language with a place to be restored and pampered. Spas began when people started soaking themselves in hot springs thousands of years ago. The practice of bathing in hot springs and mineral waters dates at least to the Babylonians and Greeks, and knowing people, probably much sooner.

New Age Spas

Spa is a way to beauty and health via professional body care; it includes the procedures that are performed on the basis of up-to-date technologies, sophisticated equipment, and new effective products including only natural ingredients. And of course, the most important thing is participation of the experienced and qualified cosmetologists and professionals that are involved in this industry .Spa is the future of the beauty industry in the 21st century.

Hot Stones Massage

The Stone Massage Therapy is a powerful thermodynamic massage using a blend of essential oils, together with ancient selected Basalt Stones. The Stones are Volcanic Stones which are thousands of years old. The Basalt Stones have a very high level of iron and magnesium giving a re-energizing response to the body. The treatment is a mind, body and spirit experience where the client will reach the point of ultimate relaxation. The Hot Stone Massage increases circulation.

Hot stone massage is a variation on classic massage therapy. Heated smooth, flat stones are placed on key points on the body. The massage therapist may also hold the stones and use them to massage certain areas of the body.

The use of hot stones for healing dates back to ancient times, but it wasn't until Arizona massage therapist Mary Nelson introduced her hot stone massage technique, called LaStone Therapy, which the use of hot stones for massage caught on. Nelson conducts workshops to train other massage therapists in LaStone. While LaStone continues to be popular, massage therapists and spas have also developed their own versions of the hot stone massage using heated, smooth rocks

Working of Hot Stone Massage

The hot stones are usually made of basalt, a type of rock that is rich in iron, so they retain heat. River rocks are normally used because they are so smooth - they have been smoothed over time by the river's current. The stones are immersed in water and heated in an electric heating device until they are within a certain temperature range. The stones may be placed at specific points on the back, in the palms of the hand, or between the toes. The heat warms and relaxes the muscles, which allows the therapist to apply deeper pressure, if desired. The warmth of the hot stones improves circulation and calms the nervous system. Some massage therapists place stones on points that are thought to be energy centers of the body to rebalance the body and mind.

Hot stone massage is suited to people who tend to feel chilly or who have cold feet. It's also suited for people who have muscle tension but prefer a lighter massage. The heat relaxes muscles, allowing the therapist to work the muscles without using deep pressure. People also get hot stone massage for a variety of health conditions like back pain and aches, poor circulation, osteoarthritis and arthritis pain, stress, anxiety and tension, insomnia, depression.

The hot stones are never rough. They are always flat and smooth. The hot stones used on the back are about the size of a large egg, only flat. The stones are heated in an electrical heating unit that either provides a

temperature reading or has an adjustable thermostat control. The massage therapist always holds the stones first before touching them to your body, which ensures that the temperature will not be too hot. Everyone, however, has their own comfort range. Be sure to speak up if the stones are too hot for you. Cool marble stones are occasionally used during a treatment, particularly if there is inflammation.

The massage therapist often begins by applying oil to the body, which allows the hot stones to glide smoothly along the muscles. After the hot stones have relaxed the muscles, the massage therapist may put down the stones and use his or her hands to directly massage the skin. The hot stones may then be placed back on to the body and left for a short period of time. You are then asked to turn over onto your back. The massage therapist may place small hot stones between your toes or in the palm of your hand and repeats the sequence.

Massage is not recommended for certain people: People with infectious skin disease, rash, or open wounds, immediately after surgery, Immediately after chemotherapy or radiation, unless recommended by your doctor; people prone to blood clots, there is a risk of blood clots being dislodged. If you have heart disease, check with your doctor before having a massage; pregnant women should check with their doctor first if they are considering getting a massage. Massage in case of pregnant women should be done by massage therapists who are certified in pregnancy massage.

Aroma Therapy

Aromatherapy is the practice of using volatile plant oils (essential oils) for psychological and physical well-being. Essential oils are not the same as perfume or fragrance oils. Essential oils are derived from the actual plants after which they are named. They usually smell very strongly and can offer significant, proven, therapeutic benefit. On the other hand, perfume oils are artificially created fragrances and so they do not offer the therapeutic benefits that essential oils offer. They do, however, smell very nice which can result in significant psychological benefit.

Aromatherapy uses essential oils that have been derived from plants. These essential oils not only help you cure and relieve common ailments and illnesses, but it has also been found to help promote physical and mental well-being. Different aromatherapy benefits include - Apart from helping you relax, improvement of skin tone, relieving menstrual cramps, strengthening the immune system, aid digestion and blood circulation

Methods used in aromatherapy

Inhalation - This is the most common method. The oil is placed on a burner and heated with the use of a candle to release its fragrance to help you relax and rejuvenate your body and mind.

Massage - To ease tense muscles and improve circulation, aromatherapy oils are used in many massage therapies. The oils are worked into the skin to reach the areas where it is most needed.

Beauty and Health Products - Aromatherapy oils have now become the key ingredient in many beauty products and health supplements from shampoos and soaps to antioxidant pills.

Spa at Home

The quality of life is getting deteriorated day by day. Life has become so fast and everybody is running after money. There is so much pollution outside, no greenery and thus we even crave for fresh air for breathing. People have got so engrossed in leading their individual lives, that no person has time to maintain social circles. People are leading busy hectic lives, in which, by the end of the day, they get so much stressed, thinking about day to day tensions, that it goes to the extent of affecting their fitness levels. In such a scenario, an average man feels like running away from their daily routine life, for some time, so as to derive some peace of mind. But going on a vacation for some change, is at times not feasible, owing to different reasons like lack of time, lack of finance etc. It is here, where spa treatment at home serves as an excellent choice to give your self a lavish treatment for a day. Trying out home spa ideas can help a great deal in rejuvenating you and that too without spending loads of money. For a home spa massage, you don't really require any special equipment like massage table. All you need is to use your creative imagination, to set the mood for relaxation.

Dim lights or candle lights can set the tone for relaxation. Put on some light soothing music to further enhance your relaxation. Meditate for some time, so as to experience a complete relaxation of mind, body and soul. Close your eyes and perform breathing exercise. First inhale the air, hold your breath for a few seconds and then exhale the air out. Concentrate while breathing and open the gateway for worries to go out. You could ask your partner or sibling to gently massage your back with ordinary or aroma oils. Tub baths with aroma oils can also instill the required energy. Try this cost effective way of relaxation.

Strategies and Prospects for Eco Friendly Consumer Products

Pooja Jain
Assistant Professor, JIMS

The promotion of environmentally safe or beneficial products, led to emergence of green marketing in Europe in early 1980s as specific products were identified as harmful to earths atmosphere. As a result, new green products were introduced that were less damaging to the environment. Later on the concept caught on in the United States and gained ground in 1990s and now it is spreading to the whole world. Corporate of today are said to have three responsibilities, economic, social responsibility and the new one ecological responsibility. Green marketing should take care of all these responsibilities.

Today, consumers are becoming more conscious of the natural environment thanks to coverage by the media, increased education and government efforts. In order to address the concerns of consumers, business are beginning to modify their own thoughts and behavior by implementing Green Marketing.

Green marketing may be defined as the specific development, pricing, promotion and distribution of products that do not harm natural environment. In 1975, at a workshop organized by AMA where green or environmental or ecological marketing was defined for the first time as: Green or environmental marketing consists of all activities designed to generate and facilitate any exchanges intended to satisfy human needs or wants, such that the satisfaction of these needs and wants occurs with minimal detrimental impact on the natural environment. One business area where environmental issues have received a great deal of attention is marketing. Terms like nontoxic, environment friendly, phosphate free, recyclable are all green marketing claims, but in general green marketing is a much bigger concept. It can be applied to consumer goods, industrial goods and even services. For example, around the world there are resorts which have started promoting themselves as having 'ecotourism" facilities where one can experience nature and they operate in a manner that minimizes adverse environmental impact. Uppal orchids a Hotel near Gurgaon is one such resort.

Green marketing involves a broad range of activities like:

- Bringing out product modifications
- Changes in production processes
- Packaging changes
- Modifying advertising.

That is all those activities that look at minimizing

environmental harm, which may not necessarily eliminate it.

Green marketing goals

The green marketing goals may be summed up as under:

- Eliminate the concepts of waste
- Reinvent the concept of a product
- Make prices reflect actual and environmental costs
- Make environmentalism profitable

This is important in today's world because mankind has limited resources on the earth and if we want long term sustainability of human life on this earths surface, hen we have to learn to conserve these scarce natural resources and create products that have less environmental damage, otherwise the very existence of human kind will be under question mark. (Charter 1992)

Are there any takers for Green Products? Market surveys abroad have revealed that initially green product brands were costly, so there were few takers for them initially. The consumer behavior followed the innovation adoption model for green product introductions.

Sales

INNOVAT	EARLYAD	EARLYMA	LATEMAJ	LAGGARD
2.5%	13.5	34%	34	16%

Time
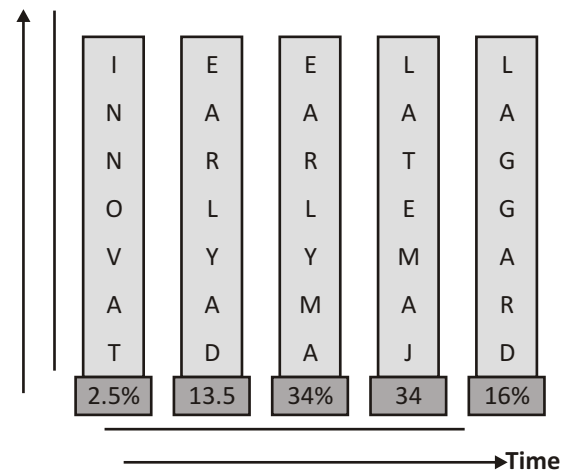
The above innovation-diffusion model very clearly shows that innovators consist of only 2.5% of the market share. In case of green marketing also the research shows that acceptability of green products initially was around 3%. This 3% was enough of a market to make things move. CFL is an example, in which a small portion of the market had made CFL affordable enough for the next 30% that cared just enough to buy them. More and more homes in India and world across can now be seen using these energy lamps.

Strategies and Prospects of Eco Friendly Consumer Products   *14*   *Marketing Paraphernalia*
Some shades of the marketing mix

But one thing is very important, that in case of green products the various attributes like nontoxic; or organic cotton, or natural dyes; energy or water saving or ecological etc ought to be marketed at the second stage. This is because first and foremost thing looked by the consumer is that the product must perform i.e. having performance qualities over conformation qualities. Moreover to increase their acceptability, the advertising campaign where brand ambassadors like celebrities can be used to promote imagined connotations of greenness and the possible benefits out of it. That will help increase the sales of environmentally friendly products. (Childs C. and Whiting S., 1998)

World wide evidence indicates people are concerned about the environment and are changing their behavior accordingly. As a result there is a growing market for sustainable & socially responsible products & services. The types of businesses that exist, the products they produce & their approaches to marketing are changing.

Today the smart marketers are focused not only on whether consumers view their messages, but to what extent the engage with it. Engagement is defined as a measure of consumers' involvement with a marketing vehicle. The green space is ripe for engagement in large part because consumers are interest in green not just as a product category but also a social cause. As a result, consumers are not highly open to invitations to engage, but eager to do so when given the opportunity. Several marketers have already tapped into this passion by creating points of engagement that go well beyond average marketing communication.

People generally want to do the right thing, so the challenge opportunity for the green marketer is to make it easy for people to do so. When all else is equal quality, price, performance and availability environmental benefit will most likely trip the balance in favor of a product. Successful green marketers will reap the rewards of healthy profits & improved shareholder vale, as well as help make the world a better place in the future.

Business is increasingly recognizing the many competitive advantages & business opportunities to be gained from eco- sustainability & green marketing

Who is a Green Customer? To take advantage of the emerging green market, it is important to understand who green customers are & the factors influencing their purchasing decisions & behavior. (Roberts and Bacon, 1997)

Attributes of environmentally conscious consumers:	Implication for green marketers:
	Target products to women who generally buy on behalf of men & families.
Will most likely be well-educated, young adult women who have more money to spend.	Use the influence of children to encourage parents to encourage parents to try green products. The green consumers of the future & are generally knowledgeable about environmental issues. Offer sample & increments to try products.
Will expect green products to function as effectively as non- green products & won't pay much extra or sacrifice quality for greener products.	Effectively communicate assurances of quality- for example quality of performances, look, feel, fit, comfort, durability.
Will not buy green products on the basis of environmental benefits alone. Products choice is still based on whether it meets their basic want or need . Environmental features are added selling points.	Like environmental attributes such as energy efficiency or toxic substance reduction with other benefits such as lower price, convenience or quality of life improvements.
Will be more likely to respond to product attribute that will personally benefit them.	Emphasize personal benefits by using terms such as 'safe', 'non-toxic', cost effective' rather than more generalized green messages such as 'biodegradable' or 'ozone friendly'.
Will tolerate only minimal inconvenience in using green products and don' want to have to go out of their way to buy them.	Make using the product simple- for example, minimize or eliminate refilling bottles.

	Select mainstream distributors where possible. Offer one - stop shopping & eye appealing displays.
Will be analytical, eager to learn, and can be cynical about corporate claims for green product unless they have independent verification.	Reinforce product benefits with evidence of corporate environmental performance & improvements.
	Educate consumers about environmental issues & your efforts through a variety of means.
	Provide credible environmental endorsements.
	Use labels, in compliance with government labeling guidelines, to convey precise, detailed information about your product and its packaging.
	Communicate your steps towards sustainability & commitments to improvement.
	Seek feedback & promote your efforts to respond to customer concerns.
Will not expect companies to have perfect green credentials , but will look for a commitment to improve & evidence backed by facts	

Market Segments for Green Products

Market researches can help in segmentation of green consumer based on actual purchasing behavior. One such research on US green consumer segmentation was performed by the Roper marketing group in 2001. (Jain and Kaur, 2004)

True blue Greens: Most committed, most active

Greenback Greens: Willing to pay the most for green products

Sprouts: Environmental Fence sitters

Grousers: Concerned, but less active

Basic Browns: Inactive

Each segment is having their unique characteristics as has been shown above. It is advisable for marketers to understand each segment and their chacteristics and choose a target segment carefully before practicing green marketing. (Codington, 1993)

Green marketing strategies versus Conventional marketing

	Conventional Marketing	Green Marketing
Consumers	Consumers with lifestyles	Human Beings with lives
Products	"Cradle-to-gave" One size Fits for all products	"Cradle-to Cradle" Flexible services
Marketing And Communication	Selling oriented End benefits	Educational values
Corporate	Reactive, independent, Competitive, Departmentalized, short term profit maximizing	Proactive, Interdependent, Cooperative, Holistic, Long term

Conclusion

Green marketing movement like communication movement has stated in the world, although late. The business organizations are going to benefit in the long run by the adoption of ecological approach .consumer demand for green products is on the rise, i.e. with labels like recyclable or with recycled content or ecofreindly. in other words it is not only government regulations on environment protection which have forced the business organizations to become greener in their approach, rather it is the marketing compulsions where buyers demand eco friendly products that increasingly have made firms to become proactive in their ecological approach.

Strategies and Prospects of
Eco Friendly Consumer Products   *16*   ——*Marketing Paraphernalia*
Some shades of the marketing mix——

Innovative and Creative Advertisements - 'The New Product Savers'

Prachi Sharma
PDGM (2009-11)

How loyal and consistent is today's customer? - A question that repeatedly plays around the corner and bothers organizations unendingly in the growing competition.

Technology has mastered itself, markets have grown, opportunities have taken a new turn, and organizations have been employing all new routes to customers' hearts. But, the competition, the risk prevailing of losing the prospective and consistent customers doesn't seem to make way for permanent happiness. I believe tough times or the meaning of tough have changed it's face, because making your presence felt in the market for every second is full time, tough job in itself.

For say, showing half of an advertisement- is may be cutting down on 50% chances of your prospective customer buying that product because the advertisement did made an impact but half the amount it should have. Moreover, the time taken from the first ad is being eaten up by some other advertisement, so there's a lot more to the 'cat fight'. It is not that simple anymore to earn your bread and butter and be happy with 'enough' because there is no end to 'enough'. It' a war of marketers.

It may seem pessimistic to say the above things but, there is another wonderful side to it as well, containing some interesting and colourful words which create history at many occasions. Words about whom we talk more and more while going deep into the competition making an attempt to strengthen up the roots. The words of magic are - Innovation, Creativity and Re-branding.

A very striking example of all the three words going hand-in-hand is Vodafone Essar Limited-showing a right mix of how to build a brand with creativity, innovation and their implementation. Both Vodafone and Idea showed immense innovation in there advertisement campaigns design structuring/re-structuring.

Vodafone Essar which is the Indian subsidiary of Vodafone Group and commenced operations in 1984 when it's Hutchison Telecom acquired the cellular license for Mumbai. The company now has it operations across the country with 82.84 million customers. Over the years, Vodafone, under the Hutch brand, has been named the 'Most Respected Telecom Company', the 'Best Mobile Service in the country' and the 'Most effective Advertiser of the Year'. But, achieving these titles has not come easily to Vodafone because maintaining the same brand value as was without the transformation of Vodafone from Hutch in July 2007 was a big challenge. In order to retain and also grow it's customer base Vodafone went through a series of advertisements depicting the change bought in the name.

Coming up with the 'Pug' was an interesting way of making an impact with right means of communication of innovation. I believe it even showed the quality and intellect that is contained in the product, depicted by its ads. They kept it simple but clear- showing the power of creativeness and innovation of thoughts.

Even, the transition from the orange colour of hutch to the bold red colour of Vodafone wasn't easy but the correct way of representation in their first ad, of the series, (where the pug jumps from the Orange colour to Red) did the job.

Further, the competition in the market proved the importance of re-branding and re-structuring even of ads with the very recent ZOO-ZOOs advertisements. The concept was immensely creative in s approach that its immediate fondness could be seen in the other products in the market like key-chains, tattoos etc. It showed that at no time, with any amount of success any organization can sit back and relax.

Thus Vodafone, in my view point is a perfect example of building a brand where:

- It kept it clear that branding and being innovative is not about what is being done, but how it is being done.

- It did not lose it's focus and it's ads showed that

Vodafone has a clear message to be shown.

- One of the key aspects of Vodafone remained that pug was utilized for every individual service they provided and later the same being done with the zoo-zoo' concept.

- And, most importantly they captured the market on an emotional level by both their pug and the zoo-zoo concepts.

Thus, by employing the right means of marketing and branding strategies VODAFONE today has created a loyal base customer for itself and with strong pool of advertisements it has the choice to make their ads appear without cuts even at prime times-though, of-course it pays for them (not any more in the same figures as they did in the initial days of transformation).

Thus, I feel that if the market is vast, so is the competition and to survive and make the best of it there is a wide need to open your right brain - which harnesses our creative abilities more than the left one - which take cares of our technical abilities. The earlier and faster we do it, the better it will be, because no one knows whether the brand creativeness is innovation. Will it remain a fad, or turn into a fashion or succeed in creating a trend.

Advertising History - Lost and found advertising on papyrus was common in Ancient Greece and Ancient Rome. Wall or rock painting for commercial advertising is another manifestation of an ancient advertising form, which is present to this day in many parts of Asia, Africa, and South America

As the towns and cities of the Middle Ages began to grow, and the general populace was unable to read, signs that today would say cobbler, miller, tailor or blacksmith would use an image associated with their trade such as a boot, a suit, a hat, a clock, a diamond, a horse shoe, a candle or even a bag of flour. As education became an apparent need and reading, as well as printing, developed advertising expanded to include handbills. In the 17th century advertisements started to appear in weekly newspapers in England.

Modern advertising developed with the rise of mass production in the late 19th and early 20th centuries. Virtually any medium can be used for advertising. Commercial advertising media can include wall paintings, billboards, street furniture components, printed flyers and rack cards, radio, cinema and television adverts, web banners, mobile telephone screens, shopping carts, web popups, skywriting, bus stop benches, human billboards, magazines, newspapers, town criers, sides of buses, banners attached to or sides of airplanes ("logojets"), in-flight advertisements on seatback tray tables or overhead storage bins, taxicab doors, roof mounts and passenger screens, musical stage shows, subway platforms and trains, elastic bands on disposable diapers, doors of bathroom stalls, stickers on apples in supermarkets, shopping cart handles (grabertising), the opening section of streaming audio and video, posters, and the backs of event tickets and supermarket receipts. Any place an "identified" sponsor pays to deliver their message through a medium is advertising.

Source: www.wikipedia.com

Retailing Vista

Aabha Mehato
PGDM (2009-11)

"Aunty lets go to Shoppers Stop, their toys are better than this one" said my four years old niece. I was more surprised than shocked by her statement. The first thing that ran through my mind was not that now I will have to shell out more money on toys for this tiny - tot, but that how well aware she is!

It made me turn through my childhood memories. It was either my mother's choice or father's wish to buy me a dress from a nearby shop and that, I thought, was the best dress that I could have had. The thing that I noticed more when I came back to the present was that my childhood was just 10 years back. Being an MBA student that really made my mind juggle that is it a change that the market has seen, or is it a revolution in the retail market?

After browsing the internet and flipping through the pages of some books, I came to know certain aspects about Retailing and related issues. Now, it was clear in my mind that retailing is not just limited to buying and selling; it has gone far beyond that. Since the stage of initiation before 1995, retailing has now become a more consolidated sector. With undeniable globalization and exposure to the outer world, every nation has found an opportunity to grow through its retail sector. If I talk about Indian economy, retail is currently the most booming sector growing at a galloping speed of 30-35% every year. Malls and shopping spaces are sprouting at a phenomenal rate giving ample of opportunities to the customers and also investors.

According to AT Kearney's eighth annual Global Retail Development Index (GRDI), Indian retail sector is the fifth largest retail destination globally, emerging as the most important market for the investors. As per a study conducted by the Indian Council for Research on International Economic Relations (ICRIER), the retail sector is expected to contribute to 22 per cent of India's GDP by 2010. There are about 300 new malls, 1500 supermarkets and 325 departmental stores currently being constructed in the cities across India. This has made retail the most upcoming sector contributing to around 10% of the GDP of India. The major global and national players are investing more for developing the infrastructure and construction of retail business. With rising consumer demand and greater disposable income, consumer spending has risen sharply as the youth population growth of organized retailing in India. Every brand can now be found at our doorsteps. You name it, and you find it. This is the metamorphosis effect of the retail sector.

As a job seeker, the first thing that cropped up in my mind was the job opportunities that this upcoming sector is bring along with it. Even though Retail sector is a late entrant, it is coming with numerous poised job prospects. A rough estimate states that by 2012, this sector will create about 13 million jobs in India. It is also encouraging to hear that about 60 per cent of these job vacancies will be in the rural India.

After searching some employment sites, I came to know that there are a lot of behind-the-counter tasks that need to be done which in itself widens the career paths in merchandising, marketing, store management, finance, distribution and information system. For planning and controlling inventories and directing the distribution of goods to increase sales and profit a *Planner* is needed. *A Department manager* establishes and implements policies, goals, and procedures for the specific department, supervises employees, reviews inventory and sales records as well as coordinates activities with other departments. There are also requirements for *Product development Manager, Personal Relations Manager* and *Inventory Manager.*

Even the job seekers from HR, Finance and IT background have a plethora of gateways in this sector. There is a huge demand for *HR Managers*, *HR Consultants* and *HR Specialists* for in-house activities. Services are being outsourced generating vacancies for *Training Manager (www.citehr.com).*

Job seekers from Finance background have got abundant array of career prospects. *Financial and Management Accountants, Payroll Managers, Internal*

Audit Managers and ***Financial Controllers*** are some of the impending platforms. The retail industry is a huge market and employs thousands of finance professionals.

It is easy to avail an entry-level job on the retail floor, but a college degree leads to Executive position and then catapults up to a high level very soon. Further, many organizations also provide training programs to make new comers adapt to the job specifications A degree curriculum combining core business courses with the study of merchandising, quantitative methods in retail, consumer behavior and retail strategy provides a good orientation. Attractive compensation packages are proposed that include a base salary plus incentives along with performance. Strong human skills, the eagerness to work for long hours and the ability to pick up new technology in the retail marketplace amplifies the scope of sustainability.

Major retailers use their own websites for advertising for the vacancies. They are offering intensifying job posts for every individual in the desired field. Employment and recruitment agencies are playing a vital role in meeting this demand and supply of workforce and vacancies for different retail organizations.

If the aforesaid estimations turned out to be true, there would certainly be huge magnitude of opportunities mushrooming for all the job seekers. As major companies that are already operating in the sector, including Future Group, Reliance Industries and Retail Solution Group are targeting to multiply its workforce to ten folds, there are about a dozen of world's renowned retail groups that are preparing to take part in the march.

Hence, there seems a good opportunity for all the young job seekers who are either hit by recession or are disappointed by its repercussions. They can have a sigh of relief and keep an eye on the vacancies to grab every possible leeway.

Now I have the confidence to stand up for myself and raise my hands to hold on to any prospect that not only suits my profile but also satisfies my expectations. My sincere return to my father cannot be the monetary expenses he spent on my education but I can sure make him feel proud by getting a decent job, utilizing my talent to the fullest and being happy. Keeping my fingers crossed, I am hoping for a good future lying ahead and hope the same for all my batch mates.

According to Ernst & Young's report `The Great Indian Retail Story' the retail sector is expected to create 2 million jobs by 2010.

About 4 crore people are employed in retail trade, assuming each person supports a family of 5, this, implies that about 20 crore people are dependent on this sector. For a vast majority of the households, retailing is a euphemism for a marginal existence. Modern retail formats have generated huge employment for the young and even senior citizens and women wanting to work part-time (even in small towns).

With private companies getting into retail, there are people employed from diverse cultures (no room for reservations unlike government owned stores) where there is a sense of unity in diversity. The companies are also employing people who are physically handicapped. The next few years are expected will see the sector offering new jobs to 50,000 young graduates and diploma holders.

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Organizations in Order

Strategies that work well for success of business organizations

Flexi - Timings in Indian Corporate Sector

Preeti Kaur Bhatia
PGDM (2008-10)

Gone are the cookie-cutter work hours where everyone reported to work at 8 a.m. and left at 5 p.m. A flexible work schedule is just one of the benefits some employers are offering in an effort to retain employees. With the ever-increasing pace of life and a greater number of double-income families, having adjustable work hours is an attractive option for employees. Increasing numbers of employers are recognizing this.

Flexi time started in IT, when business boom resulted in shortage of manpower. Even now, much of the trend is technology driven - it's easy to work ' remote'. Dotcoms gave rise to content providers. Now it is seen in other knowledge based services e.g. financial sector, garment and textiles, consultancy, account planning, creative, HR, retail, insurance, research, entertainment, pharmaceuticals, healthcare, travel and tourism, back office operations, medical transcriptions and the biggest one of all the call centers!

However, it is not true that all IT companies can afford flexi time for their employees. Wherever jobs require continuity and relationships with customers, clients or suppliers, the only variation of flexi time allowable is Core Flexi Time - even here, for those poor souls who put in 12 - 14 hours a day, 'flexi' becomes almost laughable! Flexi is really possible only when deliverables are content based and mark the 'end hour' of output.

"Organizations have to be mature enough to exercise a judicious work-life balance," says E. Balaji, chief executive officer of Ma Foi Consultants, an HR firm. "Also, to implement this (flexi-time work) policy successfully, companies need to provide IT infrastructure that is IP protected, so that corporate information is not leaked out."

The study of various factors involved in flexi-timings show that this policy identifies the voluntary flexible working arrangements available to employees in departments

It sets out the responsibilities for-

- The development, documentation and approval of voluntary flexible working arrangements.

- The management and review of these arrangements and any associated arrangements.

HR managers who favor working from home say it reduces attrition and attracts quality workers. "Working-hours flexibility helps employees maintain good work-life balance," says Toral Patel, senior director with the Accord Group, a talent search agency. "(But) it is the familiarity of physical offices that prevents most companies from accepting the new virtual office format."People are of the opinion that if they can turn deliverables on time, why anybody should have an objection.

Flexi time workers are normally more committed and self motivated, they do not have to be trained, overheads like space/ real estate and support staff can also be saved. Examples include retailers like (in India) Shopper's Stop and Westside, that have a cyclical business

Analysis

Flexible working is all about giving people the ability to work where, when and how they want. It is about giving people more flexibility and providing the business with a workforce that is equipped to react quickly, to take advantage of opportunities and to stay one step ahead of the competition.

- It can help organizations extend their opening hours. Therefore providing more of a tailored service for customers.

- Traveling can be cheaper and easier for travel outside the peak times.

- Other commitments can be arranged and fitted around the working day.

- If you stay later during busy periods, time can be taken off during quieter times.

- Makes it easier to accommodate personal needs, which can lead, to a reduction in one day absenteeism.

- Employers can make a reduction in overtime being worked.

- Can work more efficiently if you work in the office at the quiet ends of the day, when the telephone isn't

ringing or less interruption.

However there are some issues involved with the concept of Flexi timing:

- No retirement benefits

- Timing of assignments is not always in your hands

- Often effort required is more, as there is increase in stress due to "compressed" jobs

- No established/ legal framework for flexi time work

- Career progression wise, one takes the back seat

- Attitude of co workers and organization - only an experiment/ doing you a favor

- Deadlines in case of non committed people

- Makes it complicated to manage / work in a team

Suggestions

Flexible working is no longer considered something that is nice to have; rather many corporate see flexible working giving them a business differentiator.

Since virtual offices are not always cheaper and more efficient; investments in infrastructure and security, and costs such as phones and broadband connectivity hike budgets. Even teamwork is hindered. More time is invested in coordinating meetings since people are not in office, resulting in loss of time and work. Hence, the concept of flexi timing should be implemented keeping in view the various cost factors, time management. One must also make sure that the teamwork isn't affected.

No matter how productive virtual work is, it can never replace the power of relationships built through togetherness. So flexi timing can never replace the routine workers. Scaling down conventional work environments does not necessarily result in happier employees, greater productivity and lower costs. Isolation could lead to alienation, which impacts work product negatively. So, the company has to make sure that the individual's potential is used to the best so as to attain organizational goals.

One must also remember that if flexi timings is implemented as an HR policy, there will definitely be a downfall in productivity. So the steps should be taken accordingly.

Conclusion

The reasons why employers opt for flexi time are many. Firms get equivalent work at less pay, they attract and retain talented people who might otherwise leave due to family constraints, they can hire basis projects or depending on load of work, they get the image of a progressive organization.

- Flexi-hours policy suits support functions that demand minimal employee interface

- Instant messaging and video conferencing drives this change easily

- HR managers who favor working out of home say it reduces attrition and attracts quality workers

- Flexi-work policy helps to convert commute time into productivity output, and to connect with people in areas where companies have no geographical presence

- Companies feel virtual offices help in reducing certain fixed costs and office space per employee

Flextime or flexi time, originally derived from the German word Gleitzeit which literally means 'sliding time,' is a variable work schedule, in contrast to traditional work arrangements requiring employees to work a standard 9am to 5pm day. Its invention is usually credited to William Henning. Under flextime, there is typically a core period (of approximately 50% of total working time/working day) of the day when employees are expected to be at work (for example, between 11 am and 3pm), while the rest of the working day is "flexi time", in which employees can choose when they work, subject to achieving total daily, weekly or monthly hours in the region of what the employer expects, and subject to the necessary work being done.

There are many different methods used for recording working time ranging from sophisticated software (computer programs) to handwritten time sheets. Most of these methods are associated with the payment of wages in return for hours worked. As a result they often do not address a fundamental difference of most flexible working systems - namely the intention of flexible working to allow an employee to "trade hours" with their employer in return for a fixed wage.

Source: www.google.com

Alignment of Performance Management System With Strategic Plans

Garima Srivastava and Richa Malhotra
PGDM (2008-10)

Abstract

Managing today's changing dynamics of the current business scenario requires a clear understanding of the objectives of the organization among its various departments and its employees as well as a proper alignment among all. To attain this, a companywide strategic plan, unit based plan, departmental action plans and individual performance objectives need to combine to enhance the ownership and maintain organizational alignment.

Through Performance Management System, we measure the performance of the employees and improve thereupon. Through Strategic Planning we set up a pathway on which the employees work. As such both Strategic Planning and Performance Management System when implemented properly walk hand in hand complementing each other and thus improving the organizational effectiveness.

This article presents the Performance Management System and its relationship with Strategic Planning. Representing the mission, vision and values of the organization, PMS is developed to serve as a component of new Pay for Value system, support strategic plan and foster skill & career development and advancement.

KEY WORDS: Performance Management System, Strategic Planning, Vision, Goals

Introduction

The performance management system needs to motivate employees to display the behaviors and produce the results required to support the organization's mission vision and goals. Well designed performance management systems define a clear path from organizational mission, vision and goals to individual and team performance.

In addition to serving as a necessary guide for individual and team performance, knowledge of organization- and unit level mission and vision provides information about how to design the performance management system.

To be most useful performance management systems must rely on their strategic plans. The behaviors, results and developmental plans of all employees must be aligned with the vision, mission, goals and strategies of the organization.

Definition and purposes of strategic planning

Strategic Planning is a process that involves describing the organization's destination, assessing barriers that stand in the way, and selecting approaches for moving forward. The main goal of strategic planning is to allocate resources in a way that provides organizations with a competitive advantage. Overall, a strategic plan serves as a blueprint that defines how the organization will allocate its resources in pursuit of its goals.

Strategic plan serves the following purposes

- Helps define the organizations identity
- Helps organizations prepare for the future
- Enhance ability to adapt to environmental changes
- Provides focus and allow for better allocation of resources
- Produces an organizational culture of cooperation
- Allows for the consideration of new options and opportunities
- Provides employees with information to direct daily activities

Meaning of mission, vision, goals and strategies

The organization's strategic plan includes a mission statement and a vision statement, as well as goals and strategies that will allow for the fulfillment of the mission and vision. The strategies are created with the participation of managers at all levels. The higher the level of involvement, the more likely it is that managers will see the resulting strategies favorably

MISSION - The mission statement summarizes the organization's most important reason for its existence. Mission statements provide information on the purpose of the organization and its scope.

Good mission statement answers to the following questions:

- Why does the organization exist?

- What is the scope of the organization's activities?

- Who are the customers served?

- What are the products or services offered?

VISION - An organization's vision is a statement of future aspirations. In other words, the vision statement includes a description of what the organization would like to become in the future. Vision statements are typically written after the mission statement is completed because the organization needs to know who they are and what their purpose before they can figure out who they will be in future.

GOALS - The purpose of setting goals is to formalize statements about what the organization hopes to achieve in the medium- to long-range period. Goals provide more specific information regarding how the mission will be implemented.

STRATEGIES - Strategies are descriptions of game plans or how-to procedures to reach the stated objectives. The strategies could address issues of growth, survival, turnaround, stability, innovation and leadership, among others.

How alignment of performance management system to the strategic plan can be useful for a company

A performance management system aligns company's vision, mission, values, strategic initiatives and goals with individual performance. This alignment enables managers and employees to see the bigger picture and understand how their contribution helps the company realize its strategic objectives. It also encourages managers and employees to channelize their time, energy and efforts in the right direction. Second, a performance management system enables managers and supervisors to clearly distinguished top performers from average performers so that they can be rewarded differently. Because the measures used to assess performance are tied to your company's vision, mission, values, strategic initiatives and goals, it is easier to determine what part each individual plays in overall company success.

Third, it bonds all the company's human resource programs, practices and processes into a single, coherent purpose - improving employee performance. Fourth, several recent research studies show that organizations with effective performance management systems are financially more sound than the organizations without them.

Process of linking performance management system to the strategic plan

The mere presence of a strategic plan does not guarantee that this information will be used effectively as part of the performance management system. Many organizations spend too much time and effort crafting their mission and vision statements without undertaking any concrete follow- up actions. The process then ends up being a huge waste of time and a source of frustration. Thus to ensure that strategy cascades down the organization and leads to concrete actions, a conscious effort must be made to link the strategic plan with individual performance.

The organization's strategic plan includes mission and vision statements as well as goals and strategies that will allow for the fulfillment of the mission and vision. The strategies are created with the participation of managers at all levels. As soon as the organizational strategies are defined, senior management proceeds to meet with department or unit managers, who in turn solicit input from all people within their units to create unit level mission, vision, goals and strategies. Finally, the performance management system includes results, behaviors and developmental plans consistent with the organizational and development- level priorities as well as the individual job description.

Diagrammatic representation of link between performance management system and the strategic plan
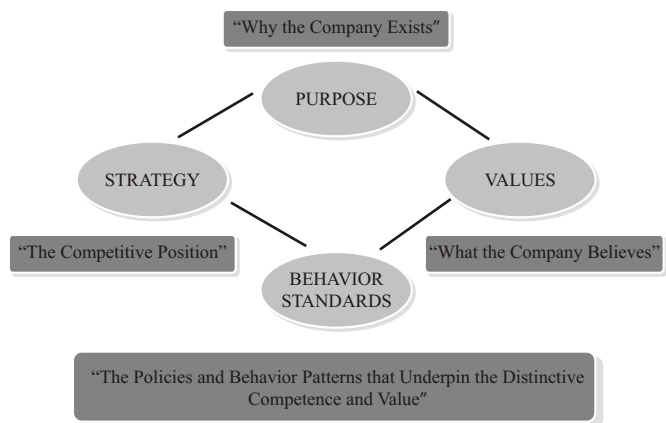
Case Study: BHARAT PETROLEUM CORPORATION LIMITED: Performance management system a tool for

aligning people to business goals

Bharat Petroleum Corporation Ltd. is an oil major engaged in refining and marketing the full range of petroleum products in India. It has a 9 MMT refinery in Mumbai, besides oil installations, depots and LPG bottling plants situated across the length and breadth of the country. It has over 4500 petrol pumps and 1500 LPG distributors.

The company's most valuable assets are its 12700 people, based in all corners of the country. Several new people management initiatives have been taken to leverage its human resources to meet customer expectations, both external and internal, and create value for all the stakeholders of the corporation. The Performance Management System, developed and introduced by the human resource department in 1999, was one such initiative.

Triggers for the new system came from the peoples' aspirations for a transparent and open system and the company's desire to create a performance management system that would align the staff skills and behaviors to the goals and vision of the organization because of the changing business environment and market competition.

The specific aims of this system were to

- Create an awareness of corporate and business goals.

- Translate such goals into tangible objectives and measures for teams and individuals, through discussions.

- Identify competencies necessary to achieve business vision and goals.

- Foster development of each and every management staff.

- Establish process of continuous feedback on performance.

The performance management system was developed based on the following principles

- **Business Driven** Link business vision and strategy to individual objectives.

- **Team work** Encourage and enhance teamwork through mutual sharing of goals with team accountability.

- **Communication** Encourage communication,

feedback and discussion at every stage.

- **Development** Foster development of staff.

- **Transparency** Promote openness and mutuality in planning, reviewing and evaluating performance and behavior.

- **Consistency** Ensure consistency in measuring and evaluating performance across the organization.

Result

By working with Active Strategy and deploying new performance management system, Bharat Petroleum Corporation Ltd has been able to become more focused, on track, and aligned with its strategic goals and performance objectives. New performance management system act as a strategic business tool that could significantly impact the direction and focus the organization towards the business decisions it would need to take to achieve its growth, goals and objectives.

In summary Bharat Petroleum Ltd. provides an example of how a performance management system can align with a vision statement to bring about organizational change and execution of a business strategy.

Conclusion

Strategic Planning and Performance Management System are like the two sides of the same coin. They walk hand in hand working together forming the inputs for each other. The strategic plan formulates and lays a path based on which are the principles of the performance system. As such the working of the performance management system very much depends upon the affectivity of the strategic planning of the organization.

More effective and realistic the planning is the more better the performance management system gets. Taking in concern the Mission, Vision and the Goals of the company any planning done and step further taken ahead clearly poses a direction for completion of the targets and achievements of the goals and objectives.

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Team Work Makes Dreams Work

Charu Malik and Priyanka Sharma
PGDM (2008 -10)

Abstract

This article will provide brief overview about the process of ensuring effective teamwork that includes characteristics of effective teams and the factors through which teams effect organizational performance.The term "team building" has become a buzzword in recent years, and has many connotations. In terms of corporate development, team-building exercises are important not for the immediate experience of the activities performed by the team, but also for the group skills, communication and bonding. The success of most organizations depends on the ability of individuals to build effective teams.Organizations are finding that they can accomplish their goals and reach new heights of performance by harnessing the collective energy of teams. Team-building programs provide upbeat and powerful team experiences allowing companies to compete effectively by enabling staff at all corporate levels to work as true team player.

KEYWORDS - Team, Performance, Motivation, Common Goals, Leadership, Role clarity

Literature Review

Peter Drucker "The leaders who work most effectively, it seems to me, never say 'I.' This is not because they have trained themselves not to say 'I.' They don't think 'I.' They think 'we'; they think 'team.' They understand their job to be to make the team function. They accept responsibility and don't sidestep it, but 'we' gets the credit.... This is what creates trust, what enables you to get the task done."

According to **Glen Parker** "Teamwork is the compelling theme of the 21st century. The people who succeed will be those who get high marks in works and plays well with others." And the successful organizations of the future will be customer-focused, team-based organizations. **Sun Tzu** idea about Team is "We cannot enter into alliances until we are acquainted with the designs of our neighbours."

Belbin suggests that, by understanding your team role within a particular team, you can develop your strengths and manage your weaknesses as a team member, and so improve how you contribute to the team. Team leaders and team development practitioners often use the Belbin model to help create more balanced teams. Teams can become unbalanced if all team members have similar styles of behavior or team roles. Michael Dell, the founder and CEO of DELL Computers, believes that business is all about building teams and building talent in the organization. According to him, it is the most essential component of success as diversity of ideas and input helps a lot in making better decisions.

Introduction

Team: It is defined as small group of people with complementary skills, who work actively together to achieve a common purpose for which they hold themselves collectively accountable.

Types of teams:

On basis of functions: Teams that recommend things - These are established to study specific problems and recommend solutions to them. **Teams that run things** - These have formal responsibility for leading other groups. **Teams that make or do things** - These are functional groups that perform ongoing tasks.

On basis of nature: Homogeneous teams -Members are similar with respect to such variables as age, gender, race, experience, ethnicity, and culture. **Heterogeneous teams** -Members are diverse in demography, experiences, life styles, and cultures.

What is teamwork? It occurs when group members actively work together in such a way that all their respective skills are well utilized to achieve a common purpose.

What is team building? It is sequence of planned activities designed to gather and analyze data on the functioning of a group and to initiate changes designed to improve teamwork and increase group effectiveness.

It is Continuous improvement approach i.e. the manager, team leader, or group members take responsibility for ongoing team building.

It is an Outdoor experience approach in which team members engage themselves in physically challenging situations that require teamwork.

Stages of team development

1. Forming - This occurs when people are first brought together to form a team.

2. Storming - The members are getting comfortable with one another. They start disagreeing and challenging each other. If this stage is missed, the team won't be as strong because it hasn't yet learned how to deal with conflict.

3. Norming - The members know each other and have developed rules of conduct. They want the team to be successful. Trust is being established, and the members are having fun.

4. Performing - In this final stage, the team has a clear, common purpose and direction. The members appreciate their diversity and are building on it. Synergy is taking hold.

Teams have become the latest management obsession. They're the corporate equivalent of a Visa card: they're everywhere you want to be. Managers, school principals everywhere in the world are striving to set up efficient teamwork procedures in their establishments.

Trouble is that despite their ubiquity and their omnipresence, teams rarely achieve breakthrough results. Instead, they sink to the level of the weakest performer and keep digging. The fault lies not with the team or its members, but with those who took a group of individuals, charged them with improbable goals, staffed them with uninspired leadership and expected them to function as a team.

Contrast that to an organized, well-oiled, and disciplined team, one in which the whole is greater than the sum of its parts. Such groups allow members to achieve results far beyond their individual abilities. **The irony is that when the needs of the group take priority, the needs of the individual actually are enhanced.**

How to create a high performing team?

1. **Establish objectives together**: Define performance objectives with the team and make sure that all team members understand the objectives and what actions will need to be taken to achieve them.

2. **Develop a participatory style**: Encourage team members to suggest ways to improve services. Listen to their ideas and acknowledge their points of view. Encourage them to discuss issues and to find solutions together.

3. **Focus on contributions**: Define objectives for having all team members actively contribute to the meeting. Introduce team members to the ways in which they can participate.

4. **Organize meetings**: Hold meetings with the whole team during supervisory visits and encourage the members to discuss their concerns.

5. **Organize the team**: Define roles and responsibilities together. If everyone has a clear role, individuals will be less likely to become frustrated and will be more willing to work together. Agree on who will assume leadership roles for different team activities.

6. **Explain the rules**: Discuss all norms and standards that have been established. Explain the rationale for these rules and discuss their implications in day-to-day practice.

7. **Promote team responsibility**: Encourage members of the team to take responsibility for completing specific tasks and to solve problems as a team. Introduce rewards only if the entire team meets objectives

8. **Establish time commitments**: Schedule when and how each team member will devote time to team work. Determine if team work will require other members to take on extra work and, if so, discuss this with all and obtain their commitment. Monitor actual vs. planned time carefully and clarify all adjustments in schedule.

High performance teams do not result from spontaneous combustion. They are grown, nurtured and exercised. It takes a lot of hard work and skill to blend the different personalities, abilities, and agendas into a cohesive unit willing to work for a common goal. Behind every great team is a strong and visionary leader. A leader whose job is not to control, but to teach, encourage and organize when necessary.

All teams are groups of individuals but not all groups of individuals necessarily demonstrate the cohesiveness of a team. Teams outperform individuals because teams generate a special energy. This energy develops as team members work together fusing their personal energies and talents to deliver tangible performance result.

High team cohesiveness occurs when:

- Members are similar in age, attitudes, needs, and backgrounds

- Group size is small

- Members respect each others' competencies.

- Members agree on common goals.

- Members work on interdependent tasks

- Groups are physically isolated from others

- Groups experience performance success or crisis

Benefits of teamwork

Benefits to individuals -

- People feel more motivated and committed to their work

- Morale is high

- People work harder and perform better increasing their earning power

- People feel that they are part of a team and the decision-making process, so accept change better

- Relationships with managers and within teams are better

- People are happy in their work and don't want to leave

Benefits to Management -

- Reduced staff turnover and intention to leave, so improving retention

- Fewer accidents

- Improved work quality

- Reduce waste.

- Better staff understanding and tolerance of others experiencing problems

- Distributing the workload

- Reinforcing individual capabilities

- Creating participation and involvement

- Making better decisions

- Generating a diversity of ideas, etc.

- Completion of work in time.

Factors of team affecting Organization's Performance

1. **Common Goals**

This is seemingly the most important factor driving the high performing team toward success--as their organization defines it. Notwithstanding nuisance factors--which see high performing teams work well even in potentially high conflict situations--shared objectives are implicit of their values, as If goals are not same then there will be no coordination & it will hamper the performance of the organization.

2. **Good Leadership**

Leadership, as we all suspect, is about results; tangible evidence of success is Leadership. It is a vehicle to team progress, for in all teams there must be leadership. High performance teams don't act in a vacuum. They thrive (and don't just survive) on good leadership principles. Team members are inspired by their leader whereas team members 'endure' their manager. Lack of good leader will take the team on wrong path which will not end in fruitful results for the organization.

3. **Effective Communications**

No elite team ever succeeds without an underpinning commitment to, and consistency and ease of, communication. Not only is it effective, it's often inspiring. Effective communications is at the center of inspiring team outcomes as much as ineffective communications is at the center of incidents, anomalies and failure. There should be sharing of information among all members as it results in discussion which leads to generation of ideas and bring profits for the organization, thus improves performance.

4. **Role Clarity**

Team members of the team know what's expected of them and that fits also with their individual passion and skill set. Not only that, but they can adapt, swinging in for infirmed team members at late notice because they see the opportunity to contribute to the team--seeing their overall role as somewhat broader than the specific role they normally fill. In other words, they know the bigger picture is bigger than just their specific role and they support it unreservedly. If roles are not clear then it will create confusion among members and delays the work and thus reduces the organizational performance.

5. **Willingness to Challenge and Change**

This takes courage, individually and collectively. To be able to embrace change openly takes both faith and commitment. A high performing team empowers all team members to openly challenge in an environment free of fear. There are no repercussions to be seen.

In fact, the effective leader encourages the challenging of the status quo, for they are not afraid of the truth. They realize that the truth can only liberate us. They realize that changing something in truth i.e. reacting to truth, to the satisfaction of a team member or the team as a whole is a win/win situation. They do it, therefore, willingly and enthusiastically.

Finally, there's a bond of maturity that envelopes the high performing team, both individually and

collectively. Acceptance runs rife and rejection, itself, is rejected. If the team members are not ready to accept change then an organization can't grow as change is an unchangeable law of nature & industry scenario keeps on changing and in order to retain market share organizations formulate different strategies which are based on change.

Barriers to Effective Teamwork

The basic benefit of team is many minds and bodies working together to accomplish a common goal. Truly successful teams take advantage of the unique strengths and perspectives of the individuals that make up the group. For teams to work together successful they often need to overcome a number of barriers However, barriers that teams must overcome to function together successful are:-

1. Can't take in what others are saying because they say it differently.

The idea communicated by the individual is not understood by others because of difference in ascent, etc. Sometimes, they hear it clearly but perceive it in different way.

2. The process by which they make decisions is different so they can't make consensus decision. Team members may differ in their culture and due to that have different belief and attitude.

3. Roles are not clear and there occurs confusion among team members.

Case Study: The Motorola Story

Much has been chronicled about the remarkable resurgence of Motorola during the late 1980's. Its "six-sigma" quality goal has become legendary. However, very little has been written about the role of work unit and self managed work teams in the company's success.

In the early to mid 1980's Motorola was in trouble. The Japanese had begun dumping better quality pagers and cellular phones in the US market and, as a result, Motorola was rapidly losing its market share in those product lines. Motorola's semiconductor products sector was in a similar, if not worse, trouble. Only in a few years, Motorola had gone from being second in worldwide chip sales to being an also ran behind NEC, Toshiba, Hitachi and Texas Instruments. Just five years later, Motorola was back. By 1989, Motorola was number one in semiconductor chip sales in the US, the number three supplier in Southeast Asia (the fastest growing chip market) and

number four worldwide. The company was performing equally well in its cellular phone and communications business.

Much of Motorola's success came as a result of significant improvements in quality, cost containment and efficiency. How did Motorola make a come back? The company fundamentally changed the way it did business. It spent billions of dollars on research and development, training and capital improvements as much as 19% of revenues during some years. It also began participating in research and development consortiums and strategic alliances. Motorola became very customer focused; the CEO and all top executives regularly made visits to customers and a senior manager in each product group was appointed the "customer champion." These champions also led the reengineering of Motorola's key business processes. However, the fundamental change Motorola made was to restructure itself into a team-based organization. Some of the essential measures it took include:

- The function of quality assurance employees throughout the company was changed from checking and controlling to facilitating work unit teams in interpreting customer needs.

- Internally, Motorola changed its definition of customer to "Next Operation as Customer" (NOAC). Each work unit team became a process owner and each process owner had an internal supplier (the previous process owner) and internal customer (the next process owner). Process owners were required to serve their customers to the fullest timeliness, accuracy, completeness and lowest cost.

- Each support team and white collar team within Motorola was required to complete the following six steps as its own version of the "six-sigma" process :

- Define the major functions and services it performed.

- Identify its internal customers and suppliers.

- Identify its customer's requirements and develop measures of its customer's satisfaction.

- Identify the requirements and measurement criteria its supplier must meet.

- Flow charts its service delivery process.

- Continuously improve the effectiveness, quality, cycle time and cost of its service process.

- To ensure that employees were focused on quality and customer satisfaction, Motorola,

- Reduced managerial and supervisory layers and increased spans of control.

- Limited each organization's size to encourage teamwork and employee ownership.

- Integrated departments to break down artificial functional barriers.

- Changed the headquarters organization's traditional role one of policing to one of coaching.

- To encourage employee involvement, Motorola established work unit teams throughout the company early in the change process and gave them technical and quality training. The employees set short term improvement goals and received bonuses for reaching these goals. They also received management and leadership training so they could also begin the transition to self management. The majority of these teams made the transition by 1993.

In half a decade, Motorola fundamentally changed the way it did business. In the next five years, it became a fully functioning and team based organization.

Conclusion:-

It has been becoming a common practice in organizations to produce high productive results through ensuring effective teamwork. It is really an effective tool in organizations where work is highly interconnected and demands up to date information sharing.

There are certain characteristics of an effective team that should be ensured for optimum output. It is argued that an effective team always have clear team goals that encourage team members to replace priority of individual goals with that of team one. Team should also comprise of people with relevant skills according to the context of goals. Mutual trust is also imperative among team members and that can be facilitated through open, honest and collaborative organizational culture. Similarly good communications and negotiation skills through which each member can understand each other is also imperative and all these processes should be lead by an effective team leader who can motivate team members even in difficult situations.

Hence **Golden rule to success is High performing Team** & effective team work can be achieved through effective team building and teamwork is always beneficial for organizations as it increase flexibility and speed as task is being done by more than one individual with different skills, effective use of diverse workforce is possible where more innovative ideas and efficient decision making is more probable due to heterogeneity in the team and more importantly provided by right set of motivation and support it can increase productivity far more than what can be achieved on individual basis. But **don't expect it to be a "quick fix."** Like any Core Value worth growing, **it will require constant preparation of the soil, planting, fertilizing, cultivating and harvesting. It all starts with you and your personal decision to, "in everything, do to others what you would have them do to you."Then you can say, "It's my waythe high way."**

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"Individually, we are one drop. Together, we are an ocean." Ryunosuke Satoro

"Coming together is a beginning. Keeping together is progress. Working together is success." Henry Ford

"Individual commitment to a group effort -- that is what makes a team work, a company work, a society work, a civilization work." Vince Lombardi

"There is no such thing as a self-made man. You will reach your goals only with the help of others." George Shinn

Source: www.thinkexist.com

Effective Strategies to Manage Underperformers

Rashi Chaudhary and Premlata Singh
PGDM (2008-10)

Abstract

Managing underperformance is a real challenge for many organizations, and more so in hard economic times. The impact caused by poor performance is widespread and can potentially affect the entire organization. Recognizing, acknowledging and tackling underperformance issues are huge challenges for everyone concerned. Among the essential 7Ps of an organization, people play a very important role. Performers are a boon to an organization while an under performer is bane. Recession in itself has created a problem for most of the companies and having underperformers in an organization can only add to the problems. The article deals with managing underperformers in an organization.

Keywords: Underperformers, strategies, counseling, mentoring

Introduction

Today's modern organization is under constant pressure from competitive forces. Eager upstarts or giant powerhouses can unexpectedly take market share. Building tight team with performers that work well together is one of the most challenging aspects of an organization.

The word 'underperformers' itself shows that they are performers but not meeting the expectations. These are the people who are not working the way they are supposed to work. Under-performers are present in every organization and it is a challenge for the HR manager, his department and the top management, to deal with the situation. It is of course toughest for the direct superior of the under-performer who has to deal with several team issues, apart from the difficulties in achieving the targets. Today, getting work done and managing underperformers has become the biggest challenge for many organizations for a manager, perhaps one of the most difficult situations he may face in his career is dealing with underperforming employees. How he responds can determine whether a problem is quickly resolved or becomes an even larger issue.

Types of underperformers:

A) The worried Ones (The have some personal problems, and they just cant isolate their mind while at work, which brings down their performance) These are the individuals who are not meeting the expectations unintentionally and there can other many reasons for the same as mentioned above.

B) The bad apples (destructive people)

"The-Bad-Apples" are generally, one of these three personality types:

- The Depressive Pessimist will complain that the task that they're doing isn't enjoyable, and make statements doubting the group's ability to succeed.

- The Jerk will say that other people's ideas are not adequate, but will offer no alternatives himself. He'll say "you guys need to listen to the expert: me."

- The Slacker will say "whatever", and "I really don't care." These are the individuals who does not want to work intentionally they think that they are not a part of organization and they are there not to work but for fun.

Reasons for poor performance

- Lack of common Interest: The Technology in Use is not his Strongest Skill

- Lack of Social Interest: The person is suffering from a personal glitch, or, is depressed, addicted to some ailment; don't like the work, etc.

- No clarity of job description: An Individual could also be the victim of changed circumstances. Many people who don't show interest in work are often the ones who don't find it exciting enough. "Employees perform better if they have a clear understanding of their organization's goals and what they can personally do to contribute towards these. So setting good objectives and getting performance management communication right, especially for the weaker members of a team, is of vital importance.

- Inadequate support or resources: the employee alone can't be blame if the organization does not have adequate resources so a manager needs to evaluate the resource needs of staff from time to time, and do his best to fulfill them.

- Personal issues: Personal problems do get in the way of performance.

- Lack of Inspiration/Motivation: The work seems boring, he lacks the Motivation or the Inspiration to perform

- Inadequate Skills: The work is above his intellectual capability

- Poor personal-management and Time-Management

How underperformance affects an organization?

Performance of people impacts the goals of not just the individual, but also the team the person is associated with. Ignoring the problem of underperformers may send the wrong signal to other employees in the work group. Persistent under-performance can lead to failure in achieving set goals or objectives an unbalanced team with under-performers will leech efficiency and effectiveness from an organization and is a killer of team motivation and performance. Top-performers who are not managed to lead properly will also cause bottlenecks. Under-performers who are kept on the team for the sake of harmony will eventually pull the others down and decrease performance across the board. Under-performers are very dangerous to the work environment. They tend to affect those around them, not in a good way. They spread a sense of its okay to under perform. Work is usually given to the best person for the job, and most of the time this person is a top-performer. Since a top-performer is also dependable and reliable, the next important task that appears also goes to him or her. This scenario continues until the top-performer falls behind and becomes frustrated from having too much work and seeing no end in sight. The under-performer, on the other hand, gets less work, and unless the top-performer has good management skills, the average-performer also doesn't get much work. What happens now? Work completes much more slowly, personnel vibes are bad, and a bottleneck is created. Top-performers are now upset because the under-performers are working much less and appear not to be doing anything at all. In environments where new projects are introduced at a rapid pace and resources are shared, the top performer bottleneck may turn out to be a serious problem. An underperformer may create a laidback attitude in the group. As a result, others in the team feel demotivated.

Employee Underperformance: Determining Factors

According to Bacal (2008), seven factors direct an employee's performance:

1. Their natural ability to learn and perform the work activity (i.e. aptitude).

2. The employee's skill level. As long as the employee has aptitude for a task, skills are able to be taught.

3. The employee's comprehension of the task. To satisfactorily complete a task, the employee must be aware of what is expected.

4. Motivational willingness. As long as the above three factors are present, employees must be willing to make the effort.

5. The amount of effort the employee is applying to the task.

6. Lack of follow through. Employees may satisfactorily start a project but never finish it

7. External factors. Employee performance can be impacted upon by factors external to   the worker (e.g. management, co-workers).

Steps in dealing with underperformers [3Cs]

Converse - Before we address the issue of under performance, we need to find out what's going on in the employee's life. Personal problems such as a sick child, a pending divorce or an ailing parent will distract an employee from devoting full attention to work. If there is such a problem, and the employee has a history of good performance, find a way to work around the issue. Those employees are worth saving.

Coach - Keep in mind that often employees under perform because they lack the necessary tools and or training. It's the manager's job to provide on-the-job coaching. The process is very straightforward. Discuss the issue so that the employee understands where he's falling short. Ask him to devise solutions for improvement. Talk about those solutions and agree on a timetable for improvement. And always hold the person accountable by following up.

Can - If there's no improvement (and outside issues are not relevant), then you must come to the conclusion that the individual is not right for the job. He or she should be encouraged to find another position for which he or she may be more qualified.

Strategies to handle an underperformer - Take immediate action: Don't wait until an employee's formal review to discuss poor performance on the job. If that individual isn't told immediately that there's a problem, he or she will assume certain behavior is

acceptable. Remember, before someone can change, they must know what they're doing wrong. Therefore, it's critical to say something right away. Schedule a private meeting to talk about the issue and be as specific as possible.

- Be sure to provide the employee with the opportunity to respond to your concerns: - There may be some issues you're not aware of-- pressures at home or friction with coworkers-- that may be contributing to the problem.

- Go for one to one conversation:-. These will serve as a helpful reminder of what was said and agreed upon. They may also prove useful in the event you need to take more serious action or the employee challenges a decision.

- Provide direction:-. Collaborate with the underperforming staff member on ideas for ways to overcome the problem. Then create a plan for improvement that includes specific steps and a timeline for completion. For instance, an accountant who has trouble managing multiple projects may require a time management course. Perhaps she needs help establishing priorities. Regular status meetings can serve as a forum for discussing her workload, assigning priorities and monitoring her progress.

- Make sure that your own actions don't send a conflicting message: - If someone has a problem with tardiness, for example, you should set the example by arriving on time yourself. If the employee sees that you're never punctual, he's less likely to be motivated to change his own behavior.

- Restructure the job assigned:-If you suspect the central issue is that the individual is no longer challenged by the job, try to restructure the position to include new responsibilities. Discuss

the employee's career goals and then explain what it takes to achieve them at your firm.

- While you want to provide encouragement, be careful not to go overboard. If it appears you're rewarding an underperforming employee, you risk alienating other staff members who meet standards but don't receive special treatment.

- Assign a mentor. A valuable technique when striving to improve someone's work is to pair the person with an experienced employee at the firm. The mentor can provide in-depth instruction or serve as an advisor, depending on the situation.

- A pat on a back can work wonders: - Be sure to offer praise when an employee does achieve objectives, even minor milestones. The recognition doesn't have to be expensive: consider giving thanks for a job well done during a staff meeting or providing a personal note of congratulations as a way to recognize good performance. A little acknowledgement can go a long way toward encouraging positive behavior in the future.

Conclusion

In this era of extreme jobs, continual organizational change, and fast-shifting priorities, an organization first instinct may be to drop underperformers. After all, who has the bandwidth to deal with them? But by adopting some effective strategies the underperformers can be transformed to top performers, there is a question which drools in the mind till the end that when is the right time to drop underperformers from the organization. Lay off should be the last tool to use to manage an underperformers as lot of cost has already been spent on his recruitment and training , so it wont be cost effective for a firm to drop its employees without any effort on there side. Underperformers once be treated as a serious issue and worked on it can be put back to track.

What is the cost to a company of employing individuals who under-perform and what is the value of those who perform well?

The value added by a good performer is half the amount that their employer is paying them. So how can we measure the value of people to the bottom line? Organizational scientists have concluded that the monetary difference for the employer between an employee who has average performance and an employee who has good (but not "outstanding") performance equals one half of their gross salary.

So the value added by a good performer, compared to an average performer, is half the amount that their employer is paying them.

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Issues relating human resources and their performance

Continuous Improvement through Coaching

Sakshi Saxena and Aanchal Tyagi
PGDM (2008-10)

Organizations are made up of people, and numerous studies have shown that the greatest factor to organizational growth occurs not at the structural level but at the personal level. Integrating proper coaching techniques into the organization's framework maximizes the payback from outside training, reduces turnover by motivating staff and investment in human capital. When the employees are empowered, they work smarter, producing a trickle-up effect that creates a true performance-enhancing culture and enables tangible transformational change within the organization. Coaches are facilitators and provide coaches with the necessary opportunities and tools that can enable them to develop themselves. The organizations have been increasingly using coaching models to increase the motivation level and performance of the employees and ultimately increasing their productivity.

Keywords: Coaching, Performance, Coaching Model, Productivity

Rationale

High Performance, contemporary organizations continue to emphasize the importance of maximizing performance of all employees for competitive advantage and to attain growth. As today's workplace and jobs are witnessing a drastic change, an organization must ensure to obtain maximum performance from employees. In the current competitive work scenario, the prime goal of the organization across the globe is to hunt for the means and ways to achieve the continual improvement in employee performance and organization's profitability.

Managing employee performance every day is the key to an effective performance system. There is a true statement "Coaching is an activity that is often met with the response." The American Heritage dictionary defines 'coach' as a person who gives instruction or 'a private tutor employed to prepare a student.'

Both these definitions fit into the organizational context also very well. True Coaching is an activity that is deliberate, planned, timed and practiced at all levels of an organization. The aim is to grow the company internally and externally and to retain qualified and productive employees.

"Coaching" is a long term, one to one professional relationship in which the coach actively supports the learner to build capacity to improve performance. In the new millennium, good coaching schemes are deemed a highly effective way to help people, through talking, increase self-direction, self esteem, efficacy, and accomplishments.

Coaching in Business Organization

Coaching is now days widely recognised for its impact in leveraging personal and organizational development. Coaching is designed to empower each individual to understand their potential and to identify how they can achieve it. Through developing a sound understanding of the concept, the coach knows when to support and when to stretch, when to challenge and when to guide. Working on a one-to-one basis, coach and coachee collaborate to set and achieve key development objectives, taking into account the needs of the organisation as well as the experience, maturity, knowledge and career path of the individual. Coaching encourages the creation of goals, which can then be broken down into manageable, measurable steps. To support this, coaching is delivered on a 'little and often' basis through a combination of face-to-face sessions, telephone and email feedback and 'on-the-job' observation.

A "mirror analogy" concept of coaching is seen in performance oriented organization, where coach holds up the mirror for the coachee to see her/his own operating assumptions and beliefs, their actions and resulting consequences. The coach enables the coachee to select the right activity for the desired outcome. The ultimate goal of a good coach is that the coachee at the completion of the program will be able to hold up the mirror and ask the necessary self probing questions.

Organisations implement coaching at all levels of a company structure, from graduate recruits to the Chairman. Coaching programmes are generally implemented at times of change or rapid growth. Results can be phenomenal. Companies developing a strong coaching culture demonstrate a strong commitment to empowering their employees to learn and grow. These companies are rewarded with greater

loyalty, involvement and commitment, which in tangible terms are manifested in increased motivation, effectiveness and professionalism of both individuals and groups. In most of the organizations, the culture of training prevails to improve the performance, but that is not an effective method as employee has not had the follow up, action, planning and understanding of how his performance is measured and affected. This is why the top performance and developing performers need to be coached.

Coaching for Senior Executives

Coaching at senior management level is required at times of significant organisational or personal change, for instance on promotion to board level. At that time many new directors face a variety of challenges, viz how to behave with former peers who are now subordinates and how to operate more strategically. In such case, external coaching can be used since they are able to give sensitive feedback to senior staff.

Coaching for middle managers

Coaching at middle management level may be required when the manager is empowered upon with the new project or task. He may not be able to decide in what strategic way to move upon and this may ultimately hamper his performance. In such a case, in-built house coaching model can be applied where his supervisor may act as his coach and guide him time to time in how to proceed this project.

Practical Examples of coaching

Coaches in Business organisation are seen over branch managers, telephone employees, tellers, relationship managers. The market leaders give coaching about field, market trend and dealing with clients. The call centres use coaching to transform the performance of customer service representatives. Coaching in a call centre is an employee performance developmental approach rather than a policing approach.

Pfizer R and D implemented coaching as a heart of a high performance culture. The organization adopted transformational coaching that leverages the talents and experiences to develop each other, to value and effectively use feedback as a learning tool to build high trust in working relationships and achieve high performance.

Various telecom companies are implementing the concept of coacher- coachee relationship in their

organisation and are experiencing high morale, satisfaction and improved productivity and enhanced performance of their employees.

Process of Coaching in Enterprises

Coaching Process in business enterprises is a cycle of six basic stages:

1. The coach and the client get to know one another to establish clarity and rapport, engage, and agree what the goal is.

2. They discuss the current reality, to which the coach will adapt the coaching and mentoring style.

3. They explore available options.

4. They identify and commit to a course of action (at a pace the client is comfortable with) in line with shared expectations (that might involve training)

5. The client implements the agreed actions with the support of and clear (meaning constructive and positive) feedback from the coach.

6. The coach and the client consider what has been learned and how they might build on that knowledge, possibly by possibly by initiating a new coaching cycle.

Conclusion:

Performance is the lifeline of any organization. With the rise of performance- centric organizations in the era of competitiveness, there seems to be various ways in which the employees can be motivated and his performance can be improved continuously.

Coaching has become a major part of Human Resource Development for many organisations. Coaching promises much development at the actual workplace, dissemination of knowledge and skills throughout the organisation, and even savings on training costs. But there are many challenges when developing a successful coaching model for an organization, but the benefits to those who have succeeded continue to grow. Organizations of varying size and structure have begun to use coaching models, some with limited success when executive schedules are not adhered to or leadership is missing. But those who follow the successful approach allow its success to lead to higher performance, satisfied and retained employees.

Therefore, it becomes imperative that organizations devise a coaching model that manage performance so that the human capital based on those models can be developed, improved and made competent.

Reality Check: A Case for improved performance

through coaching

Here is an example of situations where coaching effectiveness can be seen.

Amal has been working into a telecom business company, named iway telecom. And recently he had been promoted to a new role where he has to deal with large number of people, guiding them and also handling a new project of software development. Previously competent enough with small groups and committed to big challenges, his boss expected a lot from him. He was pressurized with loads of work; this consequently affected his performance from delay in completion of projects and his decreased efficiency to work due to pressure. The company did not have any policy of mentor or coaching relationship. As a result, Amal was not able to work effectively and was not able to give his best thereby resulting continuous fall in his performance.

On the other hand his friend Sudha also works in a telecom industry named E Commerce Client, having a vision of forward-thinking at the same designation. In recent months, she has shown remarkable performance. Mr Kanitkar, country manager of the company believes "coaches help develop our staff at a pace that suits the changing needs of our business and we can bounce ideas off them whenever we want. Also my staff likes the personal attention that coaching brings."

The strategic approach implemented by Ecommerce was they replaced their hierarchical structure with a coaching model. They share a lot more of information on strategic things like business planning, new ventures with the staff early on, before final decisions have been made. The benefits have also been realised in employee attitudes. Sudha says, we have high levels of motivation and morale and when we have that we give better performance. Our coach gives all the power to the people in the team. He is purely to make us better in terms of skills and performance

Coaching Model of E commerce

- Transitioning the role of Team Supervisor from monitoring/ evaluating/ administration role to a coaching role.

- Reduce the ratio of Supervisor to team member to increase time spent with team and to enable more effective interaction.

- New role involved twice weekly one to one coaching sessions.

Measures of Success of Coaching

1. Weekly Team satisfaction Surveys

2. Project Completion Time

3. Performance Scores.

On the basis of above mentioned situations it can be inferred that coaching improves employee motivational level and thereby enhancing his performance.

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"A good coach will make his players see what they can become rather than what they are." Ara Parseghian

"Example is not the main thing in influencing others, it is the only thing." Albert Schweitzer

"Better than a thousand days of diligent study is one day with a great teacher." Japanese Proverb

"We must open the doors of opportunity. But we must also equip our people to walk through those doors." - Lyndon B. Johnson

Source: www.thinkexist.com

Inside Human Resource Management

Prachi Sharma
PGDM (2009-11)

Human Resource Management a field in today' tough, competitive managerial times is as important as the company itself but ironically at the same time it' integrity, importance and need is questioned in tough times.

HRM is a process of integrating people, harnessing their abilities and channelizing their energy to satisfy and obtain the goals and ambitions set by the organization and the people as well.

An Organization is made of people, work- because of people, and work for people or we may say for fulfilling their needs and requirements irrespective that those needs are in the form of services or products, a fact well known to all of us. From everything to anything is catered by, to and for the people let it be through picking the product, strategising the policies, it' manufacturing, bringing new technologies for coming out with the best product, or may be marketing and advertisement of the finished product or may be in the end sales of the same- all governed in and around one word 'humans' or people as commonly said so.

There was a time in organizations (may be in late 1970s) when the HR as a separate department or developmental area was considered to be foolish and unrealistic as well as not needed, but came the 21st century and time gave its way to the emergence of not so explored yet existing, not so defined but yet demanding, yet to be well defined area - an area we all belong to even if we don't specialize into it-HRM. But, the issue is "the recent economic downturn did put a question mark on the sole existence of human resource as a separate entity. "

Though, lately the motive of organizations at many stages was mere survival and for others to just maintain the return of the cost incurred and thus, there were situations where layoffs did occur, some in bulk and in open or some in small quantities with hushed tones. But, the issue worth a notice is that though people from all the departments did lose their jobs as a measure of cost cuttings, probably the ones, who were not thought off as capable, were the ones to be hit first with this syndrome. But, all these known facts haven't been mentioned here to cook up a story but to bring in a point in the front that amongst this scenario the ones badly hit were people from HR department; probably the easiest way the companies could think of cost cuttings in the first go.

What, we need to understand is the sheer and simple importance and the reason for the existence of HUMAN RESOURCE as a separate entity.

1) Training is given due importance in today's time which is considered to be increasing the competence level of the employee with changing times. But, did anyone give due respect to the known fact that the training to deal with your clients, behave with them as if everyone of them are a sole individual in existence; OR, to the sales guy the tip how to interact with your client to maximize your return, all these aspects of relations with humans are given by humans of the human resource department.

2) The most important selection and recruitement of any organization aren't considered to be done till HR personnel don't pass the same.

3) Motivational lectures are also conducted by HR persons.

4) Internationally also, with globalization there is a much wider need for such people who can understand the materialistic as well as emotional needs of other countries. As, it may happen, as seen in the past that the product to be delivered is right but loses the right essence in which way to be delivered and to whom so as for an organization to be successful.

5) In, the end an organization constitutes of work force with every age group and to keep them together is no easy joke, which surely if managed well is backed by the HR department of a firm to a large extent.

But, still then organizations do give recruitment of HR

professionals a second hand when it comes to FINANCE and MARKETING, where the ratio may vary from 10:1 or even more. Or, we may put it the organizations do not get the right material needed in candidates to fit in their profiles. As, often complained by the candidates there are any jobs if one specializes in HR. But, what is required is just not an HR person but on e who is multi skilled and with a reasonable knowledge about all the other departments so as to help in internal auditing of the organization if needed and there are many more which get discovered with time.

*Here, are 3 examples worth mentioning which I, came across in my search to not lose an aspect worth giving it' due. 3 biggies, i.e. McDonald', Coca-Cola and Caterpillar in their own ways believe in believing in the power of it' people's abilities above that of the robots.

McDonald':

The company stands out because of its efforts to boost its workforce abilities, by aiming for talent management initiatives that strengthen employee engagement and also build commitment and loyalty. Also, the company has also started certain talent management programmes at the stores with competent training and development initiatives. And, one of the remarking development noticed since recession was the double increase in the incoming of resumes at McDonald', thus showing the strong HR growth they possess.

Coca-cola:

Coca-Cola has set up employee assistance posts (EAPs) to help employees address their fears and concerns about the future of the company and their growth in it. EAP aims at clearing any doubts and revealing the exact picture to the employees. This again shows the thought process of many HR people that goes behind such initiatives.

Caterpillar:

One, of the major initiatives to sustain and stay tall in the market by the firm was to cut down on the executives' salary by 35% and 15% pay cut off for other employees. Sure of keeping its workforce, the company discussed with the employees about pay cut before communicating their purpose to them. According to Sid Ban Wart, the firm's chief HR officer - taking employees into confidence is the only way to move forward in a crisis and not doing layoffs! And, this again comes in from a HR person of high degree of experience.

It is important to not to restrict the role of an HR person to just recruitment and selection but realize it' importance in integrating the organization as one, it may so happen that a person in finance or the sales department is also worth counselling, motivating the other employees but on a practical note how many times will this person get the right amount of time to perform these tasks. We, all have seen businesses being run in unstructured, unorganized manner, e.g. 90% of India's business is unorganized but times are changing and new generation is turning towards the organized sector that is because the need of the hour is being realized so in the same manner it can be said organizations may run without a not so equipped HR department but to run well and make it big if it is important to have a finance department it is equally important to have a HR department in the same degree of strength.

Motivation at the Heart of Performance Management

Aparna Bose and Kumari Nivedita
PGDM (2008-10)

Abstract

Motivation plays a very important role in managing the performance of any person. So this article focuses on the concept to understand what motivation is, how it affects performance and what steps can help the management to motivate employees for better performance management.

A relevant case study is also attached for better understanding of the concept.

Keywords

Motivation, Performance management, extrinsic motivation, intrinsic motivation

Introduction

Motivation is at the very heart of performance management- something that managers must attend to all the time. A person can understand goals and why they are important, but also be motivated to pursue them. One can coach a person to close performance gaps and improve productivity. But the employee won't take that coaching to heart if he or she is uninterested or not motivated.

One can spend hours on someone's annual performance appraisal and have a productive chat about it, but again, those hours will be wasted if the employee isn't motivated to improve. No matter what industry you're in, motivated and engaged employees are critical to success. Successful managers spend a significant portion of the day working to develop their team's skills, improve morale, and drive higher levels of performance.

Literatue Review

No one has done any specific research on this topic. Allan Makintosh had written an article of the topic "Motivation and Performance". This article was published in HRM review in the issue of September 2003 which has been referred. Performance management is the ability to manage the performance of employees at work.

There are two main aspects to performance management namely:-

1. Structure and process of performance management.

2. The skills needed to make the structure and process work.

Motivation plays a very important role in managing the performance of any person. So one needs to understand what motivation is and how it affects performance.

A person's motivation is a combination of desire and energy at achieving a goal. Influencing someone's motivation means getting them to want to do what you know must be done. A person's motivation depends on two things:

The strength of certain needs

For example - you are hungry, but you have to complete a task by a nearing deadline. If you are starving you will eat and if you are slightly hungry you will finish the task at hand.

The perception that taking a certain action will help satisfy those needs

In the example - you have two burning needs-the desire to complete the task and the desire to go to lunch. Your perception of how you view those two needs will determine which one takes priority. If you believe that you could be fired for not completing the task, you will probably put off the lunch and complete the task. If you believe that you will not get into trouble or perhaps finish the task in time, then you will likely go to lunch. It is very important for the management to keep the employees motivated to perform with the fullest potential. Thus, there are a number of skills needed to ensure effective performance management.

These include the following-

Motivational skills:

The role of the manager is to ensure that at all times they are aware of where an employee fits on Maslow's hierarchy and have a plan in place to enable the employee to move up the hierarchy. If an employee is seen to be slipping down the hierarchy then the manager should know exactly what steps to take and what skills to use to get the employee back up the hierarchy. This way the employee will be kept motivated and performance will remain high.

Motivate when and where required:

Generally motivational incentives are taken into consideration only during yearly reviews which would be too late for an employee to relish. Motivations

should be provided immediately which would reward employees psychologically to a great extent and urge them to contribute in a better manner in future assignments

Reward employee's family:

There would not be better motivation to an employee, other then rewarding his family equilaterally with him/her. Companies need to track employee's families and help the employee in satisfying his/her family's needs. Creating a common group of employee's families and inducing interaction among them would also make the family members realize how caring the companies are, not only towards their bread earner but also to the entire family.

Extrinsic and Intrinsic Motivation:

While it is important that your compensation plan helps effectively attract and retain great employees, numerous studies show that recognition is a much better retention tool and performance motivator than money.

The key to developing - and maintaining - a highly engaged and motivated team is to use intrinsic motivators, not extrinsic motivators.

Extrinsic motivation is a reward: a pay rise, a cash bonus, a gift - in other words, a tangible reward for performance given to the employee. The major problem with most extrinsic motivation programs is that the programs have to be continually repeated, and any motivation they initially produce wears off.

Intrinsic motivation comes from inside a person: it's the sense of achievement, responsibility, job satisfaction, purpose, involvement, empowerment, ownership - all the things that make an employee feel that what they're doing makes a big difference in their lives and in the organization itself.

If employees feel what they're doing is insignificant, they'll feel insignificant; if they feel their work is valued, they in turn feel valued.

CASE STUDY: "Culture of Success"

One of Australia's fastest-growing infrastructure services companies finds and keeps good people by stoking morale and providing plenty of juicy incentives.

Entrepreneur: Kerry Osborne

Company: CityWide Service Solutions

Business type: Infrastructure and environmental services management

Founded: 1995

Employees: 1000

Turnover: $148m (2006-07)

The Citywide Story

In a little over a decade since it was founded in 1995, CityWide Service Solutions has stormed its way into a leadership position in infrastructure services. CityWide's staff are ubiquitous in Melbourne, maintaining the city's gorgeous parks, sweeping streets, paving roads, servicing parking meters and a myriad other vital, behind-the-scenes functions. It all helps keep Melbourne one of the world's most livable cities.

But CityWide's growth arc slumped in the late 1990s as staff direction and motivation slipped. Some clients went across to a rival company lead by Kerry Osborne. So CityWide took a logical step and in 2001 head-hunted as CEO the competitor who was eating their lunch - Kerry Osborne.

Kerry found a business with some good people whom he felt had lacked leadership, direction and motivation. There was an entrenched government-service philosophy within the business, which reflected the defense forces background of some staff and former management. Kerry says: "We needed a major shift in mindset right through the company."

The Challenge - To motivate a dejected organization and make it grow.

The Solution

When Kerry Osborne arrived at CityWide he discovered some excellent managers, but he knew they would become disillusioned and leave if the organization remained sterile and static. The business had been struggling to develop a performance-orientated culture at the mid-management level.

Kerry began by drawing together the small talented management team and creating a dynamic larger team around them. He says: "A business is only as good as the people who are running it. CityWide now wins business not just on the quality of its work, but the skills, experience and innovation of its operations manager."

Keeping people informed is central to Kerry's management philosophy of creating an entrepreneurial team spirit. He says: "I needed to give people all the information necessary to make them part of the business in a real sense." Openness and transparency foster accountability.

Kerry began to link individual objectives and actions to broad business objectives. External trainers were used

to support the new cohort of managers in motivating their teams. Kerry says: "We listen to our people when developing KPIs [key performance indicators]. We aim to understand what makes them tick, what they value as a reward, and then we provide an opportunity to earn it … I love seeing people meet targets and achieve the goals we have set for the business."

On some contracts performance bonuses are shared with delivery teams. Those who exceed their KPIs can earn bonuses of up to 25% above their salary package.

The team structure and eight distinct business units give staff room for career growth and new experiences. Kerry says: "There are plenty of opportunities for those who want to try something different. We also offer competitive salary packages, a range of appropriate incentives, and support for our people to up-skill."

Celebrating success is a feature of CityWide's culture. Senior management regularly visits company depots to celebrate achievements. The CityWide Christmas party is a renowned event, with generous lucky dip giveaways including iPods, concert and movie tickets.

The company runs footy tipping competitions to help build camaraderie. Birthdays, service records, safety awards and other significant milestones are recognized with BBQs and by spreading the news (CityWide has two newsletters). It has 20 seats permanently booked at Telstra Dome and the MCG in Melbourne to reward the outstanding achievements.

Kerry says: "We're old-fashioned in that we like to give watches to people with 10, 15, 25-plus years' service. After seven years [as CEO], I still show up at BBQs such as the one we had recently at 7am for our Apprentice of the Year. Our investment in training, quality staff and motivational programs is paying off. I may spend 3-4% of profit on incentive schemes, but I get that back many times over in performance."

Kerry says that the best incentive is being smart about setting pathways to achievement at an individual level and then celebrating that achievement with people when they get there. "Clearly our aim is to achieve maximum productivity from all our people but that doesn't mean working them into the ground. On the contrary, we know that if our guys enjoy their workplace and their roles and understand our incentives schemes, they'll give 100%."

The Result

CityWide's revenue over the past six years has more than tripled, growing from $38 million to $148 million. Clients include such high-profile, blue-chips as City of Melbourne, Melbourne Docklands, Parks Victoria, VicRoads and prestigious interstate names such as City of Sydney.

CityWide's work environment is considered to be among the best in the industry, with a low incidence of safety breaches, a strong commitment to the environment and plenty of opportunities to achieve performance bonuses.

Conclusion

At the root of behavior lie the internal drivers that create satisfaction fundamental mechanisms towards optimal behavior at the workplace, at home, or at play. Inherently, all people, from babies to the elderly, want the same things in order to be motivated, and thus led to happiness in their lives. If employees are happy with what they do and how they are treated, the result is, improved employee morale.

People can be motivated by such forces as beliefs, values, interests, and worthy causes. Some of these forces are internal, such as needs, interests and beliefs. Others are external such as danger, the environment as pressure from a loved one etc. There is no simple formula for motivation.

Due to the increasing globalization fever which has fuelled the aspirations of everyone in the world demands of youngsters are never ending, no matter how much they earn or where they work. Its the employer duty to keep them satisfied to increase the overall productivity of the organization.

Effective performance management is vital if organizations are to get the best from all their employees, and this is only possible when the employee is motivated through various methods to perform with his best potential.

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Value of HR Management for Organizational Performance

Dishi Suri and Ankita Puri
PGDM (2008-10)

Introduction

In today's competitive Business environment, intellectual capital will be critical to business success. So if organization want to generate profits through people, HR practices are particularly significant. HRM play a vital role in organization performance. Various HRM parameters are there which lead to performance like reward management, appraisal feedback etc.

Human resource management (HRM) is the strategic and coherent approach to the management of an organization's most valued assets - the people working there who individually and collectively contributes to the achievement of the objectives of the business. The terms "human resource management" and "human resources" (HR) have largely replaced the term "personnel management" as a description of the processes involved in managing people in organizations. In simple sense, HRM means employing people, developing their resources, utilizing, maintaining and compensating their services in tune with the job and organizational requirement. The goal of human resource management is to help an organization to meet strategic goals by attracting, and maintaining employees and also to manage them effectively.

The management of human capital in organizations has become to be seen a critical factor in maintaining and improving organizational performance. Many Researches has shown that the people in organizations are an important variable when it comes to trying to stay ahead of the competition and that Human Resource Management (HRM) can play a decisive role in organizational performances. HRM is assumed to affect knowledge, skills, abilities attitudes and behavior of employees and may therefore affect the performance of an organization. The alignment of HRM with the organization strategy (strategic fit) and the alignment of the various HRM practices, such as career opportunities, training and appraisal, within the organization (internal fit) are assumed to be important factors in explaining the link between HRM and organizational performance. When HRM within an organization is well aligned, the employees know what is expected of them, may therefore act similarly and have uniform expectations about work and behavior.

The managerial aspects covered under effective Human Resource Management are Reward Management, HRD, Team Management, Recruitment and Selection, HR Inventory, Appraisal and Feedback. The organizational aspects covered under effective performance management are Organizational Culture, Learning and Collaboration, Communication, Motivation, Organizational Structure, Organizational Change and Development. There is correlation between all these.

Reward Management and Motivation

There is clear cut, direct and transparent relation between performance management and motivation the as the reward system was based on the performance of the employee and the organization, which is the major motivating factor.

Hence it is for the management to reward the employees based on the performance to motivate them to work further. But undermining this basic principle, many organizations either may not link the rewards with the performance or could not match the rewards with the performance in a proper manner leading to organizational failure and conflict.

An organization should have a performance management system which will provide a broad framework for its rewards management and to motivate its workforce. Hence the organization needs to have the pay structure and compensation management attractive enough at least to retain the talent.

Appraisal feedback and communication

Feedback from employees is a major channel of upward communication in organization. For this organizations must open up as much communication channels as possible to encourage the employees to freely air their views, thus avoiding conflict and misunderstanding in future and can help build the organizational learning and collaboration.

HRD and learning and collaboration

HRD seems to be a development process no development can take place without learning. During the course of learning the employees may have the opportunity to collaborate with the system and other employees of the organization. Hence the HRD programs should be designed in such a manner to instill the habit of both learning and collaborations among the participants of the program.

HR Inventory and leadership

Organizations make use of the HR inventory mostly for human resource planning and rarely for human capital assessment. Vital information concealed with HR inventory so far is succession planning to identify the future leaders. By properly conducting competency mapping of the workforce, we can get accurate talent and its potential for the future challenges. By conducting succession planning we can identify and nurture talent for tomorrow's leadership.
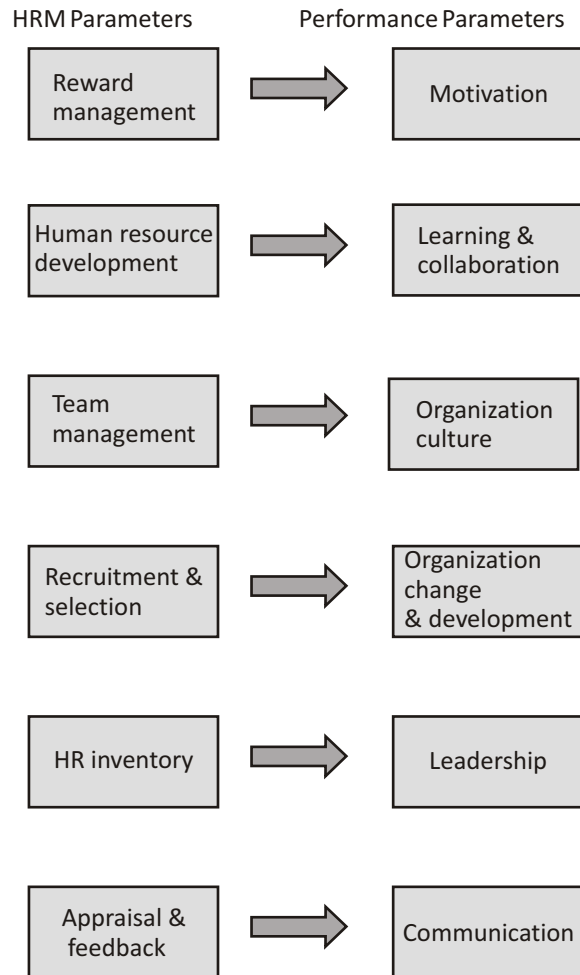
Team management and organization culture

Individual and organizational culture will play a major role in the formation ad functioning of the team in any organization. Hence before entering into the team style of management, one has better understanding of organization culture. For this, the organizations need to conduct attitude surveys among the employees about their job in organization. Once you start forming the teams after conducting this exercise, it will definitely produce desired results. Hence organizations while conducting performance evaluation they should include the aspect of attitude in their mechanism under competency analysis to get the vital information for the team formation and its management.

Recruitment and Selection and Organization Change and Development

To make necessary changes in the organizational structure and other developments such as job redesign, job enrichment and job rotation need validated data such as HR inventory, human capital and competency mapping, etc.

All of might be included in the performance management system to make effect the necessary changes in the organization for its development. Hence the recruitment and selection in the organization must be done only on the basis of the requirements through the data collected by the performance management system. As the right selection of the workforce will give half success, it is for the organization to select workforce by matching the person fit better with the job and organization and its culture, which can only be possible if the perfect performance system is practiced in the organization.

Decisions regarding promotions and transfers can also be undertaken on the basis of the performance of the employees which also had its own impact on the recruitment and selection process and on the organization change management.

HRM Parameters	Performance Parameters
Reward management	Motivation
Human resource development	Learning & collaboration
Team management	Organization culture
Recruitment & selection	Organization change & development
HR inventory	Leadership
Appraisal & feedback	Communication

Literature Review

In today's competitive Business environment, intellectual capital will be critical to business success. So if organizational are to generate profits through people, HR practices are particularly significant. The article discussed below is given by Mr. SVVS Vara Prasad. In this article, an attempt has been made to reveal that how the use of HR practices contributed to enhance employee commitment and in turn linked to levels of productivity and quality of services.

The article mentions a few researches conducted to ascertain the link between HRM and performance. A research conducted by 1998 Workplace Employee Relations Survey obtained the view of 28000 employees, revealed that strong association exists between employee attitude and workplace performance. The article establishes a Relation between these two terms with the help of few examples. The article discusses various HR Practices like analyzing work and designing jobs and hiring potential employees, selecting the right people , training employees , rewarding them , and establishing a positive work

environment and with examples explain how organizations are making use of HR Practices to have its impact on organizational performance.

ATHLETA CORPORATION, Internet exporter of sports apparel, based in California demonstrates the significance of Human Capital. The employees are so committed to the company that the turnover of the company is less than 1% (1 out of 100 employees). FEDEX Philosophy emphasizes that people are the main link in the value chain therefore value is generated by focusing on employees first. INFOSYS TECHNOLOGY LIMITED, is a notable example for innovate recruitment and selection practices. According to Nandan Nilekani, CEO of Infosys, "We focus on recruitment a candidate who displays a high degree of 'learn ability'. For this they make use of certain tests consisting of various puzzles and maths algorithms.

Training programs facilitate the organization to respond to change by equipping employees for future positions. The Centre for Workforce Development estimates that the US companies spend between 30 bn $ and 4 50 bn a year on formal training, but that 70% for all workplace learning is actually informal. At GE, training and development was a continuous process for its employees. It invested about US $1 bn on in- house training and development programs.

Performance AppraisaL

Performance appraisal is an important part of performance management. In itself it is not performance management, but it is one of the ranges of tools that can be used to manage performance. Because it is most usually carried out by line managers rather than HR professionals, it is important that they understand this and how performance appraisal contributes to performance management. Performance appraisal processes are one of the central pillars of the performance management which is directly related to the organizational performance and have a direct impact on it. Employee performance ultimately affects the performance of the organization.

Relationship Between Appraisal And Organizational Performance

For an organization to be effective, the goals, the standards and the action plans need to be planned well in advance. Thus, performance appraisal facilitates the achievement of organizational goals. It also facilitates the optimal use of the organizational resources. Performance appraisal is the strength of performance management, which in turn affects the

organizational performance. It helps to identify and overcome the problems faced.

Performance Appraisal improves Communication

It is obvious that communication is at the core of an appraisal system. Communication can be either upward or downward. Downward communication is from upper management levels to lower levels, and passes on a judgment of how the employees are doing and how they might do even better. As the information flows downward, it becomes more individualized and detailed. Upward communication is from lower to higher levels. Through this process, employees communicate their needs, aspirations and goals. As information flows upward, it has to become brief and precise because of the channels through which it has to pass. An effective Performance Appraisal System should be Participatory and open and should necessarily involve the employee's participation, usually through an appraisal interview with the supervisor, for feedback and future planning. During this interview, past performance should be discussed frankly and future goals established. A strategy for accomplishing these goals as well as for improving future performance should be evolved jointly by the supervisor and the employee being appraised. Such participation imparts a feeling of involvement and creates a sense of belonging.

A good Performance Appraisal serves various purposes

- help each employee understand more about their role and become clear about their functions;

- be instrumental in helping employees to better understand their strengths and weaknesses with respect to their role and functions in the organization;

- help in identifying the developmental needs of employees, given their role and function;

- help prepare employees for higher responsibilities in the future by continuously reinforcing the development of the behavior and qualities required for higher-level positions in the organization;

- be instrumental in creating a positive and healthy climate in the organization that drives employees to give their best while enjoying doing so.

Reward System

One of the important attributes of work organization is its ability to give rewards to their members. Pay, promotions, fringe benefits, and status symbols are perhaps the most important rewards. Because these rewards are important, the ways they are distributed have a profound effect on the quality of work life as well as on the effectiveness of organizations.

If an organization wishes to operate in a participative manner, it needs to change all its systems, including its reward system. Reward systems influence attraction and retention of employees. Overall, those organizations that give the most rewards tend to attract and retain the most people (Lawler, 1971). This seems to occur because high reward levels lead to high satisfaction, which in turn leads to lower turnover and more job applicants. The best performers represent a particularly interesting retention problem. To retain them, a reward system has to work on a par with those received by individuals performing similar jobs at a similar level in other organizations .The reward systems in hierarchical organizations acts as a strong motivation to learn those skills that are perceived to lead to promotion.

Realationship Between Reward Mangement And Orgazation Perfoprmance

Organizations typically rely on reward systems to do four things:

1) Motivate employees to perform effectively,

2) Motivate employees to join the organization,

3) Motivate employees to come to work, and

4) Motivate individuals by indicating their position in the organization structure.

There are several principles for setting up an effective reward system in an organization:

l) Give value to the reward system. Employees must have a preference for the types of rewards being offered. Many employees prefer cash awards and plaques. Some employees like to see their name in the company newsletter. Others like the public recognition surrounding award ceremonies.

2) Make the reward system simple to understand. Elaborate procedures for evaluating performance, filling out forms, and review by several levels of management lead to confusion. The system must be easy to.

Most organizations use different types of rewards. Examples of recognition and rewards include money, plaques, trophies, certificates or citations, public recognition, official perquisites, special assignments, parties or celebrations or other meaningful considerations. The most common are wages or salary, incentive systems, benefits and perquisites, and awards.

The following five conclusions can be reached about what determines satisfaction with rewards:

1) Satisfaction with reward is a function of both how much is received and how much the individual feels should be received. When individuals receive less than they feel they should receive, they are dissatisfied. When they receive more than they feel they should, they tend to feel guilty and uncomfortable.

2) People's feelings of satisfaction are influenced by comparisons with what happens to others. These comparisons are made both inside and outside the organizations they work in, and are usually made with similar people. Individuals tend to rate their inputs higher than others.

3) In addition to obvious extrinsic rewards individuals receive (e.g., pay, promotion, status symbols), they also may experience internal feelings that are rewarding to them. These include feelings of competence, achievement, personal growth, and self-esteem. The overall job satisfaction of most people is determined both by how they feel about their intrinsic rewards and how they feel about their extrinsic rewards.

4) People differ widely in the rewards they desire and how much important the different rewards are to them. One group feels money is the most important, while another group feels interesting work and job content is. Both groups, of course, are able to find examples to support their point of view.

5) Many extrinsic rewards are important and satisfying only because they lead to other rewards, or because of their symbolic value.

Conclusion

High performing organizations are built around elements such as innovation, values, purpose, leadership and trust. However, the core element which acts as the driving force is "people" working in the organization. Human resource is he only resource which can give value to the other resources of the organization. Barring human beings every organization of the same arena will be one and the same. It is the "people" who are leading and producing results. And simply put, super six approach of performance management is a key to organization success.

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jims

Jagan Institute of Management Studies

Fact Sheet

Case studies of some social units

Case: Diversifying the Disney Way

Compiled by : Aseem Gupta, Chiranjeet Roy, Meghna Gupta, Isha Sahni, Smriti Sharma
PGDM (2008-10)

Flashback:

- Walt Disney was born on December 5, 1901 in Chicago Illinois, to his father Elias Disney and mother Flora Call Disney.

- Walt had very early interests in art; he would often sell drawings to neighbours to make extra money. He pursued his art career, by studying art and photography by going to McKinley High School in Chicago.

Walt began to love, and appreciate nature and wildlife, and family and community, which were a large part of agrarian living. Though his father could be quite stern, and often there was little money, Walt was encouraged by his mother, and older brother, Roy to pursue his talents.

- Walt joined the Red Cross and was sent overseas to France, where he spent a year driving an ambulance and chauffeuring Red Cross officials.

- Once he returned from France, he wanted to pursue a career in commercial art, which soon lead to his experiments in animation. He began producing short animated films for local businesses, in Kansas City.

- By the time Walt had started to create The Alice Comedies, which was about a real girl and her adventures in an animated world, Walt ran out of money, and his company Laugh-O-Grams went bankrupted.

- Instead of giving up, Walt packed his suitcase and with his unfinished print of The Alice Comedies in hand, headed for Hollywood to start a new business.

- The early flop of The Alice Comedies inoculated Walt against fear of failure; he had risked it all three or four times in his life. Walt's brother, Roy O. Disney and Walt borrowed an additional $500, and set up shop in their uncle's garage. Soon, they received an order from New York for the first Alice in Cartoon land (The Alice Comedies) feature, and the brothers expanded their production operation to the rear of a Hollywood real estate office.

Creation of Mickey Mouse

- In 1928 Walt created a new animated character, Mickey Mouse.

- Mickey was constructed from two large circles, one for the trunk and one for the head, to which were appended two smaller circles, representing ears, along with rubber hose arms and legs that terminated in plump hands (ungloved at this early stage) , and large booted feet that provided him stability.

- He was also equipped with a long, skinny tail, a plump shaped nose, and buttoned eyes.

- He was designed for maximum ease of animation (circular forms are easier to animate effectively)

- But beyond that Mickey was provided with something that was new to the medium:

"A REAL PERSONALITY"

Walt Disney company overview

The Walt Disney Company started with a doodle of a mouse and has become and Entertainment Empire. The company was originally involved in only the production of small, animated films but has expanded into all facets of personal entertainment. Hoover's Online has characterized "The Walt Disney Company as the #2 media conglomerate in the world, with operations in television, film, theme parks, and the Internet." The ABC television network, ESPN, Miramax Films, and an Internet portal known as the Go network are among Disney's most visible commodities. Theme parks, strategically located around the globe, continue to be a valuable and profitable asset.

Despite this overwhelming success, a commitment to growth, and revenues that exceed $23.4 billion, investors have become skeptical and wonder if Disney will continue to be an industry leader in the new century. Theme parks continue to be the most stable of Disney's assets. Business Weekly contends that "The financial stability of the theme park division has served as a critical counterweight to the volatility at its network and movie studio businesses." These parks, most notably the Orlando facility, have become the most

frequented vacation spots in the world. Consumers continue to flock to these parks with their wallets open and are always ready to spend. The sale of character merchandise has grown significantly over the past decade. Fashionable brand name merchandise, as well as high quality food option has become extremely popular in this time of economic growth. Millennium festivities, as well as new rides endorsed by famous people such as the music band Aerosmith have given people another incentive to vacation with Disney. Overcrowding seems to be the only hindrance that the Disney Company faces in its theme park ventures. They have begun to solve this problem with advances in guest convenience. Disney has created a "Fast-Pass ride reservation system" that allows guests to take advantage of an express line to the more popular attractions. Disney believes that customers who are not constantly standing in line are more apt to enjoy the park going experience. As an added bonus, Disney has found that these customers have more time to browse through and purchase goods at the parks numerous shops, and food outlets. The Walt Disney World Company's first theme park opened its doors in California in 1955. A second park, Walt Disney World, was added in Orlando Florida in the late 1960's. The Orlando location is the largest and has returned the highest profits since its creation. The 1990's brought expansion as the company opened a park overseas in Europe. "Euro Disney" was initially a company failure but has recently begun to turn around into a profitable business venture. Plans for a new theme park in Hong Kong have been established and are expected to provide Disney with large returns.

Strategic analysis of the Walt Disney Company

Now we discuss the factors that contributed to the company's successes on its way towards becoming the World's largest family entertaining company. Porter's-Five-Forces Model focuses on the external environment that the company has to be able to cope with. The first force to be discussed is the threat of new entrants. Since the Disney Company has been able to find a very distinctive niche in the industry, the entrance barriers are relatively high. The company has been able to grow over a long period of time, and has developed from within the departments of Research and development, marketing, and finance. By relying on past experience, company officials know to a large extent

what the target customer wants. As Disney pretty much dominates the family entertainment market, it will be very difficult for such a new organization to develop brand recognition/identification, and product differentiation. Disney has focused of market diversification for years and the company covers a wide array of products and services. Being a market leader has made it possible for the company to practice effective economies of scale in production. For example, over 500,000 copies of the Videocassette "Pinocchio" were sold in only two months, and 20-30 million visitors visit its theme parks every year. In addition, an extremely large amount of capital investment is required for new entrants into the industry. The capital requirements are extremely high. For instance, Disney spent USD3.6 billion in its European theme park (Euro Disneyland). Only very large companies can meet such large capital requirement. Lastly, the government policy towards the industry appears to be very favorable. The French government invested USD 1.2 billion (40%) in Euro Disneyland, provided public transportation facilities, provided a large tax relief (from 18.6% to 7%) on the cost of goods sold.

The bargaining power of customers is high in the service and in the entertainment industry. Since a large number of customers are needed to make Disney's operations run smoothly, the customers have certain powers. For instance, if the price on a particular home video is too high, customers may be reluctant to spending the money needed to purchase the product. Another example is the entrance fee charged at Disney's theme parks. It is stated in the case that the maximum amount of money that customers are willing to pay is USD 33. Furthermore, the entertainment industry does not save the buyer money. Instead it is designed in a way that it will make the buyer spend more. A majority of Disney's product mix focuses on intangible returns on the buyer's money. The case that some customers may not realize that they are getting such a return may increase the bargaining power of the customers.

The bargaining power of suppliers is moderate. As the Disney Company is operating in a highly differentiated and unique industry with high switching costs associated with operations, the supplier are dominated by a few companies and is most probably very concentrated. However, Disney is a unique and important customer of many of the suppliers. Furthermore, the size of the company may certainly be a great advantage. By being able to order large volumes of

unique products from unique suppliers, will create a dependency relationship in the industry.

The threat of substitute products or services is moderate to low. Obviously, other cartoon figures, theme parks, and movies can penetrate the market in which Disney is operating in, but I do not believe that this is representing a significant threat. The Disney Company has already placed price ceilings on many of its product lines, and should be able to compete with new competitors. However, the threat alone of new entrants into the market requires Disney to hedge against such risk by concurrently upgrading products and services.

Jockeying among current contestants does not play a very important role in Disney's external operational environment. It is true that the company's exit barriers are extremely high (who would buy a huge theme/amusement park?). Furthermore, capacity is augmented in extremely large investments. However, there are no close direct competitors to Disney's operations. Competitors such as "Lonely Tunes" retail stores do not appear to commit themselves to expensive advertising campaigns to obtain market shares. Moreover, Disney's products are highly differentiated. The switching costs are therefore quite significant.

SWOT ANALYSIS:

Strengths

- Global Standardization
- Target Customer: Children
- Creative process
- Popular Brand Name
- Diversification

Weaknesses

- Excessive Research & Development
- Constant Up Gradation
- High Investment
- High Risk Factor

Opportunities

- Merchandise
- Global Localization: Think global, Act Local
- Characters of national or regional appeal
- Cheaper alternatives to soft toys
- Disney Music Channel
- Disney School of Management/ Training Institute

Threats

- Competitors: National, Regional & Global
- Employee Retention
- Highly Demanding in terms of Sales, Creativity and Innovation
- Unprofitable or hasty acquisition
- Brand Consistency
- Product Differentiation

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Walter Elias "Walt" Disney (1901 1966) was an American film producer, director, screenwriter, voice actor, animator, entrepreneur, entertainer, international icon and philanthropist. As the co-founder (with his brother Roy O. Disney) of Walt Disney Productions, Disney became one of the best-known motion picture producers in the world. The corporation he co-founded, now known as The Walt Disney Company, today has annual revenues of approximately U.S. $35 billion.

Disney is particularly noted for being a film producer and a popular showman, as well as an innovator in animation and theme park design. He and his staff created a number of the world's most famous fictional characters including Mickey Mouse, a character for which Disney himself was the original voice. He won 26 Academy Awards out of 59 nominations, including a record four in one year,[2] giving him more awards and nominations than any other individual. He also won seven Emmy Awards. He is the namesake for Disneyland and Walt Disney World Resort theme parks in the United States, Japan, France, and China. Disney died of lung cancer on December 15, 1966.

The following business case encompasses an organization called Tash systems Inc, its areas where 'all it deals' its management team and the kind of its structure, the industry to which it belongs and the present 'scene' its sales and financial report.

Tash systems Inc is the largest multinational information technology corporation that develops, sells and supports personal computers and other computer-related products, as a merchant. Its rich market niche, characterized by corporate clients with large budgets, significant training needs and receptiveness to new technology, include Academic institutions, Multilevel Network Marketing and Manufacturing Companies, Alternative Industries. Modern technology has made possible to gather and present this information economically and efficiently and TSI is leading the effort to marry technology and information dissemination through three strategic technology alliances which allow to register, enroll, teach, test, grade and certify distance learners in a seamless fashion.

By continuously developing and expanding its R& D laboratory relentlessly streamlining the process of delivering content and widening the range and variety of its products, TSI intends to maintain and strengthen its leadership position in this lucrative market niche while creating significant B2B and e-commerce opportunities. Tash support is a subsidiary of TSI which constants provides solutions to any kind of problems and queries regarding its own products as well as that of competitors, its provides drivers, software and hardware as well.

Management Team

Mr. V Smith- Chief Executive Officer: He is a Developer Founder and CEO of TSI, and also the main VC fundraiser for the $4 Million Capital that was used to develop the original its website. He is a passionate activist, , and a visionary entrepreneur. He has been labeled a walking encyclopedia, after two decades of researching and compiling a database of various techniques and solutions. He is much sought after by scientists and research conferences as both a speaker and teacher on his subject.

Dr Nancy Amato- Chief operations and financial officer: She is co-founder of Learning Systems, Inc. She brings 14 years of experience as CEO of 'I systems', and holds an MBA in finance and a Ph.D. in Computer Engineering. Dr. Nancy brings the financial and technical expertise needed to successfully manage TSI's growth, blending the old economy model of "net-earnings" vs. "eyeballs" and the new economy of e-commerce based expansion into global markets.

Mr. Smith and Dr. Amato have been business partners or affiliates since 1986, and both bring complementary strengths to the organization. Mr. Smith provides the entrepreneurial spirit, and Dr. Amato executes the vision on a day to day basis.

Organizational Structure

TSI has an agile organizational structure that recognizes the need for a smooth flow of ideas and implementation between sales, marketing, and course development.

The CEO deals with three direct reports: admin/finance, sales/marketing, and development. However the company does not manage with a strict hierarchy, on the contrary, it emphasizes the team. Still, as it will grow, structure will be necessary and decision-making power and the ability to act, rather than trying to do everything by consensus will be preserved.

Markets Analysis

Consolidation has altered the landscape of PC market and the computer hardware industry as a whole in the recent years. At the top rule a group of multinationals that maintain double digit market share. Automation and redesign of manufacturing operations have increased industry productivity by more than 100 percent in the 5 years.

Industry employment fell 30 percent and output rose 50 %. Productivity gains have been a major factor in the fall of prices of computer.

Major Competitors

Hewlett-Packard Company: While Hewlett-Packard may be known for product innovation, the company's corporate development is a tale of reinvention. HP provides enterprise and consumer customers a full range of high-tech equipment, including personal computers, servers, storage devices, printers, and networking equipment.

Acer Inc.: Acer proves that third place can sometimes count as a win. The company is a leading manufacturer

of notebook, tablet, handheld, and desktop computers. Other Acer products include servers, storage systems, projectors, LCD televisions, digital cameras, and computer displays.

Apple Computer (UK) Limited: Apple's UK-based unit provides desktop and notebook personal computers, servers, and peripheral displays. Other products include multimedia and operating system software, wireless networking equipment, portable multimedia players (iPod), wireless handsets (iPhone), and third-party hardware and software.

Centerprise International Ltd: Centerprise International manufactures and supports desktop and notebook PCs. Its other products include data backup systems and magnetic and optical disk storage devices. Centerprise also licenses third-party software and provides network server integration services.

China Hewlett-Packard Company Limited: China Hewlett-Packard Company (CHP) has long represented its North American parent in Asia. Hewlett-Packard's operations in China include sales, manufacturing, research and development, and service units. Its broad array of offerings include personal computers, servers, data storage devices, printing and imaging products, networking equipment, enterprise software, and IT services.

Cyberpower, Inc.: Cyberpower manufactures custom PCs, primarily for the gaming set. Its desktop configurations include systems optimized for video game play, business and graphics workstations and multimedia PCs. The company also offers notebook PCs ranging from entry-level models to high-end gaming devices.

Dell Corporation Limited: Dell Corporation Limited provides the UK market with desktop and notebook personal computers, professional workstations, servers, and storage systems. Other products include inkjet and laser printers, Ethernet switches, and wireless networking gear. The company offers a range of services, including broadband Internet access, customer support, computer recycling, and financing.

Electrovaya Inc.: Electrovaya designs and manufactures notebook (Power pad) and tablet PCs (Scribbler): The company also manufactures and distributes related accessories including rechargeable lithium ion batteries, docking stations, keyboards, and adapters. Electrovaya sells its products primarily in North America through resellers (CDW and Tiger Direct) and distributors (Ingram Micro).

Fujitsu Computer Systems Corporation: Fujitsu Computer Systems provides customers in North America with desktop, notebook, and tablet PCs. The company also sells Intel and SPARC-based servers, as well as disk-based mass storage systems. Its service offerings range from product maintenance to managed operational support for enterprises.

Fujitsu Siemens Computers (Holding) BV: Fujitsu Siemens Computers has used home field advantage to compete with the likes of Dell, Hewlett-Packard, and IBM in Europe. The company sells desktop and notebook PCs, as well as handheld computers, high-end servers and mainframes, storage devices, and peripherals.

Gericom AG: Gericom provides consumer and business customers throughout Europe with computers, consumer electronics, peripherals, and support services. Specializing in notebook computers, the company also offers plasma and LCD televisions, and peripherals such as computer monitors.

Hi-Grade Computers Plc: Hi-Grade Computers manufactures and markets desktop and notebook PCs, servers, and displays. In addition to standard technical support and financing services, the company provides network design, installation, and integration through its Hi-Grade Solutions division.

HP Personal Systems Group: HP Personal Systems Group (PSG), a division of Hewlett-Packard, provides desktop and notebook personal computers, workstations, handheld computers, calculators, software, and accessories. It markets both HP and Compaq-branded products to consumer and commercial customers.

Sales Forecast

The sales forecast in the following table is based on conservative estimates on the number of computers that can be sold. Sales are projected to rise from $36 million in 2009 to $60 million in 2010 and $105 million in 2011

Sales Summary (in $'000)	Year1	Year 2	Year 3
Average number sold	60000	100000	17000
Growth rate		181%	181%
E learning	30425	56734	975324

Revenues			
Additional revenues			
E solutions revenues	2098	2083	2062
Email marketing fees	1876	1914	1994
Other products sales	765	879	1087
Total sales	41164	71610	99746
Cost of sales	60%	50%	40%
Total profit	16465	35805	59847.6

SWOT Analysis

Strengths

The company offers direct relationships with customers such as corporate and institutional customers. This strategic method also provides other forms of products and services such as internet and telephone purchasing, customized computer systems; phone and online technical support and next-day, on-site product service.

The company's application of the Internet to other parts of the business - including procurement, customer support and relationship management - is growing at a rate of 30 percent. The company's Web site received at least 25 million visits at more than 50 country-specific sites.

Weakness

Its biggest weakness is the focus of majorly attracting the college student segment of the market. Sales revenue from educational institutions such as colleges only accounts for a measly 5% of the total. Focus on the educational institutions somehow affected its ability to form relationships with corporate and government institutional customers. Since many students purchase their PCs through their schools, IT is obviously not popular among the college market yet.

For home users, direct method and customization approach posed problems. For one, customers cannot go to retailers because does not use distribution channels. Customers just can't buy as simply as other brands because each product is custom-built according to their specifications and this might take days to finish.

Opportunities

Personal computers are becoming a necessity now more than ever. Customers are getting more and more educated about computers. Second-time buyers would most likely avail its custom-built computers because as their knowledge grows, so do their need to experiment or use some additional computer features.

Demand for laptops is also growing. As a matter of fact, demand for laptop has overtaken the demand for desktops. This is another opportunity for to grow in other segments. The internet also provides with greater opportunities since all they have to do now is to visit the website to place their order or to get information. Since it does not have retail stores, the online stores would surely make up for its absence. It is also more convenient for customers to shop online than to actually drive and do purchase at a physical store.

Threats

A volatile market such as personal computers, threats abound. Computers change in a constant sometime daily basis. New software, new hardware and computer accessories are introduced at a lightning speed. It is essential for therefore to be always on the lookout for new things or introduce new computer systems.

The threat to become outmoded is a scary reality in a computer business. Not only that, company must produce products that are high in quality but low in price. This is one challenge that it contends with.

One of the biggest external threats to it is that price difference among brands is getting smaller. Its Direct Model attracts customers because it saves cost. Since other companies are able to offer computers at low costs, this could threaten price-conscious growing customer base. With almost identical prices, price difference is no longer an issue for a customer. They might choose other brands instead of waiting for customized computers. The growth rate of the computer industry is also slowing down. If the demand slows down, the competition will become stiffer in the process; the organization would have to work doubly hard to differentiate itself from its substitutes to be able to continue holding a significant market share.

Technological advancement is a double-edge sword. It is an opportunity but at the same time a threat. Low-cost leadership strategy is no longer an issue to computer companies therefore it is important for computer companies to stand out from the rest.

Technology dictates that the most up-to-date and fastest products are always the most popular. There is a need to always keep up with technological advancements to compete.

Case: TLC Wedding Consultants

Compiled by : Shikha Nagar, Raman Khattar, Divya Behal
PGDM (2008-10)

TLC Wedding Consultants is a full service company that provides complete consulting services for weddings, holy unions and anniversaries. TLC is unique in that gives its clients undivided attention. They listen to their needs and work with them to create the event of their dreams. Clients' wishes are their commands. So whether the client wants a Western, Tropical, Las Vegas or more traditional wedding, the company can help. The services include weddings, honeymoons, receptions, anniversary consultations, budget planning, answers to etiquette questions, as well as full-service referrals to florists, hair stylists, entertainers, musicians, etc.

Objectives

Whether this is the client's first wedding, a renewal of their vows or their anniversary, the company ensures every detail of the event to be both a pleasurable and a memorable experience. Therefore the company offers a host of packages and services specifically tailored to the needs of each couple. The company expects that the company's net income will increase modestly by the second year.

Keys to Success

The keys to success include the follows:

• Service clients' needs promptly and efficiently.

• Maintain an excellent working relationship with vendors such as florists, hair salons and bridal shops.

• Maintain a professional image at all times.

Company's Location and Facilities

Initially the company started as a home-based business and continues to be so; however, by Year 5of its operations, the company intends to expand their facilities into a well-equipped and operational office.

Services

TLC is a full-service wedding consultant group and provides a variety of services including: etiquette advice, event scheduling, discounted invitations and products, vendor confirmation, rehearsal attendance, supervision of both ceremony and reception setup and budget planning.

Nearly $35 billion are spent every year on weddings and receptions. Therefore, professional wedding consultants are a commodity, not a calamity. TLC Wedding Consultants are full-service wedding consultants that take pride on being professional and courteous at all times and have packages to suit everyone's needs.

As previously stated marriage is a billion dollar industry; therefore, just about everyone the company interacts with is a potential client.

Market Segmentation

Although the flash and excitement of impending nuptials can be intoxicating, it can also be overwhelming. Therefore, TLC primarily markets its services to the people who need them the most that is, brides and grooms. In 1997, 2.4 million marriages took place in the United States. According to the Encarta Encyclopedia, the current US marriage rate of nine marriages per 1,000 people is still the highest rate among the industrialized countries. This marriage rate is expected to remain at the same level in the near future. In the Eugene, OR area where TLC Wedding Consultants operate their business, over 1,500 marriages are registered each year, which creates a sizable market potential for this line of business.

Another customer segment is represented by the numerous family members and guests attending weddings, anniversaries, and similar events. This segment requires event preparation services like gift ideas, etiquette tips, etc.

Besides the wedding arrangements, which TLC Wedding Consultants believe to be their major client assignments, other events the company will provide services to include corporate retreats, etiquette training, and more. This customer segment is estimated to have an annual volume of 1,000 orders in the Eugene, OR area.

Target Market Segment Strategy

TLC Wedding Consultants has positioned itself as an experienced provider of wedding planning services.

Unlike most of its competitors, TLC offers a full range of services and thus provides the convenience of one-stop shopping for its clients. This significantly reduces the customers' time and efforts preparing for such an important event as a wedding. Moreover, by utilizing numerous supplier contacts that the company owners have established and economies of scale, TLC Wedding Consultants will be able to pass on to its customers sizable cost savings in times to come.

Market Needs

The market needs for wedding planning services are strongly shaped by the customers' desire to have a perfectly planned and executed wedding ceremony. Although major customer segments, brides and grooms and family members, plan and budget for the wedding ceremony as far as a year or more in advance; they often realize that they cannot make all the necessary preparations by themselves in a cost effective manner. Strongly affected by the established social values, such customers seek professional advice to ensure that all the important aspects of the wedding ceremony meet or exceed perceived expectations.

The wedding services market is fragmented with the overwhelming majority of the incumbents offering only a limited line of services. There are numerous florists, hair stylists, and caterers to choose from. However, there are almost no companies that will provide the full range of services associated with the wedding planning and execution.

Competition and Buying Patterns

Competitive analysis conducted by the company owners has shown that there are 20 companies currently offering some sort of wedding planning services in the Eugene area. However, the majority of the incumbent competitors offer only a limited line of services like catering, flower arrangements or gifts. In fact, of these 25 competitors only three offered a range of services comparable with what TLC Wedding Consultants has to offer to its customers. The following is the list of the major competitors with a brief description of their services:

Rent-An-Action offers ceremony preparation, rehearsing and execution services.

Cross & Reeves provide flower and catering arrangements and wedding consulting services.

Lafayette wedding offers its clients entertaining, catering, floral design and hair styling services.

The market research has also shown that customers anticipate the complete wedding consulting services to be expensive and they budget accordingly. In fact, lower prices are very often associated with poor service quality. By aggregating a complete range of wedding services under one roof, TLC Wedding Consultants offer its customers the ease of one-stop shopping along with a high quality cum 'value for money' perception. The strategy is simple: the company intends to provide customers with a wide range of services custom tailored to their individual needs. Therefore, whether they require a complete package, or simply consulting on a particular service, TLC can help!

Competitive Edge

The company tries to leverage its owners' expertise in planning such events to competitively position it as a premier provider of wedding services. Both owners have very strong communication skills that will help develop the 'buzz' about the high quality of the services offered by TLC Wedding Consultants. By aggregating a complete range of wedding services under one roof, TLC Wedding Consultants competitively offers its customers the ease of one-stop shopping.

Sales Strategy

The company's sales strategy is based on the following elements:

Advertising in the Yellow Pages - two inch by three inch ads describing the services is placed in the local Yellow Pages.

Placing advertisements in the local press, including The Register Guard, Eugene Weekly, and The Oregon Daily Emerald.

In near future, the company intends to do the following:

Develop affiliate relationships with other service providers (florists, hair stylists, caterers) that would receive a percentage of sales to the referred customers.

Create word of mouth referrals - generating sales leads in the local community through customer referrals.

Sources:

www.tlcconsultants.co.uk

www.bplans.com

www.paloalto.com

Case: Jet Konnect Changing the Face of Air Travel

Compiled by : Ankita Gupta, Danesh Aggrawal, Neha Anand, Premlata Singh, Richa Malhotra
PGDM (2008-10)

Aviation Industry

With a growth rate of 18 per cent per annum, the Indian aviation industry is one of the fastest growing aviation industries in the world private players, which comprise 75 per cent of the domestic aviation market. But due to recession the airline industry is plagued with several problems including high aviation turbine fuel prices, rising labor costs and shortage of skilled labour, rapid fleet expansion and intense price competition among most players are going through unacceptable levels of losses. Markets are under extreme price competition players

The recession has even cut air travel, which has led to huge losses. With corporate travel having slowed down, airlines have been forced to slash fares to lure passengers. Traffic in the business class segment has almost dried up. According to data from the ministry of civil aviation, domestic airlines carried 21 million passengers in the first half of 2009, 2 million less than the previous year. Jet Airways reported a loss of Rs 225 crore in the quarter ended June, compared with net profit for the same quarter of FY09. Sales declined 26 percent in the quarter to Rs 2,080 crore. The company currently operates a fleet of 86 aircrafts.

JET AIRWAYS

Jet Airways was established on April 1, 1992, as an air taxi operator. The commercial airline operations of Jet Airways were started on May 5, 1993. The first fleet consisted of four leased Boeing 737-300 aircraft. In January 1994, the airline applied for scheduled airline status. In January 1995, after the Air Corporations Act (1953) was repealed, Jet Airways received its scheduled airline status. With a flight to Sri Lanka, in March 2004, Jet Airways started its international operations as well. Over the years, the airline has marked its presence both in domestic and international civil aviation industry. In April 2007, Jet Airways took over Air Sahara, which was later on renamed as JetLite. Currently, JetLite is a subsidiary of Jet Airways. Two years after the inception of Jet Lite, Jet Airways introduced another low-cost airline to its Indian customers - Jet Airways Konnect. Started in May 2009 Jet Airways operates over 400 flights daily, to as many as 44 destinations in India. Jet Airways was the first private airline of India to fly to international destinations - it operates daily international flights to 20 international destinations, including Hong Kong, Dhaka, Kathmandu, Colombo, Kuala Lumpur, Singapore, Bangkok, Bahrain, Kuwait, Muscat, Doha, Jeddah, Riyadh, Abu Dhabi, Dubai, Brussels, London, Toronto, New York and Newark. Today it is estimated that Jet Airways has a market share of 40%.

Mission Statement

Jet Airways will be the most preferred domestic airline in India. It will be the automatic first choice carrier for the travelling public and set standards, which other competing airlines will seek to match. Jet Airways will achieve these objectives whilst simultaneously ensuring consistent profitability, achieving healthy, long-term returns for the investors and providing its employees with an environment for excellence and growth.

Major Competitors:

• Air India

• Kingfisher airlines

Conventionally, there were two types of travellers Time rich, cash poor and Cash rich, time poor. After the recession there are people who are time and cash POOR!! During this economic slowdown, people haven't really cut down on their travelling. Their way of travelling has changed. Now most people prefer shorter but frequent trips instead of taking really long breaks at once. The industry needs to work on this. KONNECT is not a response to falling demand, but to changing demand on certain domestic Jet Airways routes.

JET KONNECT

Jet Airways Konnect is a low cost airline that serves as a division of Jet Airways, a leading private carrier in India. The air service was launched on May 8, 2009 and has the same airline designation as Jet Airways. It is headquartered in Mumbai and its primary hub is Chhatrapati Shivaji International Airport. On the other hand, Indira Gandhi International Airport and Chennai International Airport serve as the secondary hubs of the airline. Jet Konnect has a fleet consisting of six ATR 72-500s and two Boeing 737-800s. The flight numbers for Konnect are in the series 9W 2000-2999. Jet Konnect was started with the aim of diverting the flights to more profitable routes, with higher passenger load factors.

Reasons to launch Jet Konnect

- To beat the slowdown in aviation sector

- To make use of spare aircrafts from Jet Airways' routes, which were discontinued by the parent company due to the low passenger load factors

- Full service carrier's domestic passenger numbers slumped 26 percent as a slowing economy hurt business and leisure trips.

- Low-cost carrier like JetLite (formerly known as Sahara Airlines) performed relatively better.

- The all-economy, no-frills airline will help the company in improving company's bottom line

- To launch the new no-frills service as most corporate, hit by the recent economic downturn, have issued an advisory to travel "either by economy or low-fare."

- To meet Consumer demands are changing rapidly in a dynamic global environment.

- Forced to start new airline as ongoing legal dispute with Sahara.

- To avoid the regulatory delays that would have been caused by moving excess aircraft and assets from Jet Airways to JetLite, since they have different operator codes.

KONNECT - Changing the face of Air Travel

Air travel has taken a new meaning! ... JET KONNECT is not an airline,, JET KONNECT is only a name for a Economy-Class-Product on board of JET AIRWAYS. Jet Konnect is becoming an important part of Jet's strategy to ride out the slowdown in air travel, and could soon begin to overshadow the mother brand in number of flights. The fledgling airline, which started with 54 flights a week, has now raised the number to 125. It plans to go up to 160 flights in a few months. Compare that with the 110 that Jet Airways flies.

FLYING THE JET WAY

- Affordable Low fares. People are clearly looking for lower fare, no-frills service.

- Jet Konnect flights are 10 to 15 percent cheaper than Jet airways or any scheduled airline like of Spice Jet and Indigo.

- No business class, only economy class.

- The frequent flyer program of Jet Konnect is entitled to all the Jet Privilege benefits with the exception of lounge access at domestic airports.

- Food available against cash purchase only. The flyers have the option of selecting and buying various food and beverages from the in-flight a-la-carte menu.

STRATEGIES FOLLOWED BY JET

Business level strategy- Creation of Jet Konnect

It can be thought as the firm's core strategy-the strategy that must be formed to describe the firm will compete. Only those firms that continuously upgrade their competitive advantages over time are able to achieve long term success with their Business level strategy. It demonstrates the firm's ability to "build and maintain relationships with the best people for maximum value creation, both internally and externally.

Types of Business-Level Strategies

- Business-level strategies are intended to create differences between the firm's position relative to those of its rivals

- To position itself, the firm must decide whether it intends to perform activities differently or to perform different activities as compared to its rivals.

Cost leadership strategy

It is an integrated set of actions taken to produce goods or services with features that are acceptable to customers at the lowest cost, relative to that of competitors. Jet Airways is also leading to have a competitive edge over their competitors by using this cost leadership strategy.

Managing Relationships with Customers

Customer relationships are strengthened by offering them superior value

- Help customers to develop a new competitive advantage using the low fare air travel

- Enhance the value of existing competitive advantages because consumer is much responsive to value.

JETLITE

JetLite, formerly Air Sahara, is an airline based in New Delhi, India. Controlled by Jet Airways, the airline operates scheduled services connecting metropolitan centers in India. The airline was established on 20 September 1991 and began operations on 3 December 1993 with two Boeing 737-200 aircraft as Sahara Airlines.

The airline also provides helicopters which are available for charter services and aerial photography. Its main base is Indira Gandhi International Airport, New Delhi,

with hubs at Rajiv Gandhi International Airport, Hyderabad, Chatrapati Shivaji International Airport, Mumbai. The focus cities are Chennai International Airport, Chennai, Sardar Vallabhbhai Patel International Airport, Ahmadabad and Netaji Subhash Chandra Bose International Airport, Kolkata. JetLite offers a buy on board service called ByteLite, offering food for purchase

JET KONNECT PLANS TO MERGE JETLITE

Jet Airways, the country's largest private carrier by market value, is looking to merge its low-cost service Jet Konnect and its budget airlines JetLite, once the ongoing legal dispute with Sahara Group is resolved. According to Jet Airways CEO Wolfgang Prock-Schauer will look at it merger once the time is right. It is not clear what the new brand name will be once the proposed merger goes through.

Sahara India had filed an application on March 26 with the Bombay High Court, claiming Jet Airways had defaulted on payment towards the purchase of Air Sahara. Jet Airways acquired Air Sahara for Rs 1,450 crore in April 2007, and subsequently renamed it JetLite. The case is still being heard in the court.

The Naresh Goyal controlled Jet Airways launched Jet Konnect in May to arrest the falling load factor on its full service airline. Jet Airways was forced to start a new service, as the ongoing legal dispute with Sahara prevented it from transferring planes to JetLite, which is a separate airline. Also, to operate the flights under JetLite, it had to go through the time-consuming process of seeking regulatory approvals and air operator certificates. Instead, the loss-making carrier chose to start a new low-cost service.

In fact, Jet Airways plans to transfer two-thirds of its domestic capacity into Jet Konnect by October. After the transfer, there will be 19 Boeing 737 planes and 10 ATR planes under Jet Konnect. JetLite, which posted a marginal profit of Rs 2 crore in the quarter ended June, has 23 planes in an all-economy configuration.

Similarities: An analyst from Jet Airways says that it makes sense to fly with a single-brand rather two separate brands providing same facilities. JetLite and Jet Konnect have common features in terms of ticket price, buying meals on-board and earning miles on the Jet Privilege membership. Also, the routes of both offerings have been so planned that there are no overlap, said the analyst with domestic brokerage firm.

Difference: This new economy service by Jet Airways i.e. Jet Konnect caters to the needs of the Jet passengers seeking flight services at affordable prices. The sole difference is that Jet Konnect travellers have to pay for their meals on board. The rest of the Jet Airways and its low-cost carrier JetLite offer food to their travellers still without any charge on-board. The Jet Konnect provides service to selected sectors only. Only the difference lies in the routes you fly on where you will have to buy meals on-board.

Conclusion

Jet Airways Konnect services will provide Jet Airways the flexibility and speed to deploy capacity to meet these changing trends. Consumers are leaning towards a low-fare service and a large segment of consumers want low fares as well as the brand. The product is designed to suit their need. In the future, the airline may consider using Jet Airways Konnect at metro cities during non-peak hours and may even look at using it on international routes, though nothing is on the cards as of now.

Sources:

www.wikipedia.com

www.jetairways.com

Various Newspapers

Airlines vary from those with a single aircraft carrying mail or cargo, through full-service international airlines operating hundreds of aircraft. Airline services can be categorized as being intercontinental, intra continental, domestic, or international and may be operated as scheduled services or charters.

DELAG, Deutsche Luftschiffahrts-Aktiengesellschaft was the world's first airline. It was founded on November 16, 1909 with government assistance, and operated airships manufactured by The Zeppelin Corporation. Its headquarters were in Frankfurt. (Americans, such as Rufus Porter and Frederick Marriott, attempted to start airlines using airships in the mid-19th century, focusing on the New YorkCalifornia route. Those attempts floundered due to such mishaps as the aircraft catching fire and the aircraft being ripped apart by spectators.) The five oldest non-dirigible airlines that still exist are Netherlands' KLM, Colombia's Avianca, Australia's Qantas, Czech Republic's Czech Airlines, and Mexico's Mexicana. KLM first flew in May 1920 while Qantas (for the Queensland and Northern Territory Aerial Services Limited) was founded in Queensland, Australia, in late 1920.

Case: HR Strategies at Fed Ex

Compiled by : Ankita Puri and Dishi Suri
PGDM (2008-10)

"At FedEx, our people are our greatest asset. We truly believe that. Our founder and CEO rooted the company in this philosophy and we continue to stand by it"

- Judith Edge, Corporate VP of Human Resources of FedEx

To say that employee retention is big business at the moment would be something of an understatement. The war for talent and the shift it is creating for recruiters and jobseekers alike is everywhere you look, and it's sadly no longer commonplace to hear of an employee that has stayed with the same organization for more than, say, 20 years. But then, FedEx isn't an average employer, and Judith Edge isn't an average employee.

What used to be the case was that HR tended to focus on administrative tasks, but today, that's totally different. The focus now is much more technical and analytical. Edge realizes that it is the role of HR today to be more collaborative and more proactive in its processes. "We live in a very litigious society, we have to protect the company and look out for our employees," she says. "The way we do that is by working closely with our legal, operations and finance teams, that we're analyzing data, that we're noticing trends and are identifying risks and opportunities for the company and taking action to address those items."

HR has become much more of a strategic partner to the business than it perhaps was in the past. It can be a driver of profits, and is something that really sets the tone for the wider organization. "HR today has the capabilities to be that strategic partner whether it's in recruiting, talent development, performance management, employee relations or compensation

FedEx (NYSE: FDX), is among the 100 "Best Companies to Work For" in the US announced by FORTUNE magazine and the Great Places to Work Institute. FedEx (the largest employer in 2008 list and only shipping company included) now figures in this list in 10 of the past 11 years after being named to the

"Best Companies to Work for" Hall of Fame in 2005. FedEx was ranked as 97th overall. FedEx already has a reputation of being one of the most employee-friendly companies in the world.

HRM best Practices at Fed Ex

FedEx has developed several innovative human resource programs over the years. These programs have served as a benchmark for many companies.

'People-Service-Profit' philosophy

In 1973, Founder and CEO, Smith had developed and implemented FedEx's 'People-Service-Profit' (PSP) philosophy. This philosophy was based on the fact that if FedEx took proper care of its employees, they would provide efficient service to the customers. This in turn would benefit the company by generating more profits.

Leadership Evaluation System

In 1988, FedEx devised a program known as 'Leadership Evaluation and Awareness Process' (LEAP) to encourage non-managerial cadre employees to move to the managerial level within the company.

Employee Communication Program

The employee communication programs implemented by FedEx included the SFA program, Guaranteed Fair Treatment Procedure and Open Door Policy. FedEx also devised a mechanism to address and resolve employee grievances. This was apart from employing a formal communication system to inform employees about the major events taking place in the company.

Job Change Applicant Tracking System

JCATS is an on-line computer job posting system that allows hourly employees to post for any available job.

Recognition and Reward Program

FedEx rewards employees for their work with awards such as the 'Bravo Zulu' and the 'Golden Falcon Award'. FedEx is an example of an organization that has created an effective HR strategy that supports productivity and profitability.

In spite of the changes seen in technology (with the rise

of email and digital communication) over the last two decades, the Company's core business did not change dramatically. It wasn't a major wholesale shift as such, but more gradual over the years. Email came in and the websites took hold and it actually enabled us to communicate much more effectively with the employees that we have spread out throughout the world. Fed Ex can now do very timely, effective communications and can deliver it in words and video. It has really opened things up for them in terms of options of getting the message out to the workforce.

IT is an enabler. It's enabled HR jobs to become a lot more interesting and the company has become a lot more efficient as a result. They are now able to improve their compliance ratios and produce valuable analytics for business partners. A good example of this lies in the space where they now have the ability to be a completely paperless recruiting system. Fed Ex is able to provide a portal so that employees can go in through fedex.com career site, get a glimpse at what working at FedEx would be like and a feel for the FedEx culture.

Sources:

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Couriers are distinguished from ordinary mail services by features such as speed, security, tracking, signature, specialization and individualization of services, and committed delivery times, which are optional for most everyday mail services. As a premium service, couriers are usually more expensive than usual mail services, and their use is typically restricted to packages where one or more of these features are considered important enough to warrant the cost. Different courier services operate on all scales, from within specific towns or cities, to regional, national and global services. The world's largest courier companies are DHL, FedEx, TNT N.V., UPS, and Aramex. These offer services worldwide, typically via a hub and spoke model.

Leading players in India include the following -

• First Flight courier • FCML Worldwide Couriers • LDH Worldwide Express • Capital Mail • Flyking Courier Services Pvt. Ltd.

• Carrypak Services Ltd. • Vayu Seva • UPEX Express India Pvt. Ltd. • Shree Shyam Air Service • Aramex India • Blue Dart • DHL India

• OCS (Overseas Courier Service) • Desk To Desk Courier & Cargo • Elbee Express • FedEx India • First Flight Couriers • TNT India

• Team United Express • UPS India • Overnite Express • ACX Couriers (I) Pvt Ltd • GMS Express Pvt Ltd • DTDC Courier & Cargo Limited

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Jagan Institute of Management Studies

Impressions

A collection of entrepreneurial plans

Business Plan: "Book n Snacks"

Deepti Gulati
PGDM (2008-10)

The goal of this business plan is to outline the strategies, tactics and programs that will make the goals and mission of Books n Snacks a reality in the year 2010. Books n Snacks unlike a café, a library or a fun place will be a unique combination of communication, entertainment, knowledge and a hangout place. It is an answer to the growing demand of youth who want knowledge with a touch of entertainment. The project lays down the aspects of growth, expansion and development of this new business. Books n Snacks is a new business in itself but draws huge moral support from the owner's father, who runs an independent venture named Shayam Pustak Bandhar (a wholesale Books and stationary business).

Product and Services Management Team

Books n Snacks will provide its customers with full access to internet, library which will be a collection of education as well as competition level books, newspaper reading, certain soft drinks and evening time snacks and with certain latest computer programming courses. Since, it a Combo pack for youth therefore with the expansion of business we will try to add each and every service and product that a youth may demand. The list of products and services that Books n snacks will offer are as follows:

- A library facility which includes education and curriculum level of CBSE and ISC Board and also Competition level Books.

- A Collection of newspapers like Times of India, Economic Times, Mint etc.

- An access to internet facility.

- Access to Photostat and printing.

- An advisory committee that will provide with latest information of dates of entrance level tests and interview level.

- Each member will have access to Books n Snacks account that will keep the member updated with all latest and important topics, articles and current affairs.

Market

'Books n Snacks' faces the exciting opportunity of being the first mover in the local cyber café market and unique library. The consistent popularity of coffee and Snacks and the fast life of being the best in case is the idea behind such a business plan. The target market of Books n Snacks is as follows-

- University students which are growing at the percentage of 10%.

- The growing tuition and coaching centers of professional and competition level.

- The growing youth population which are increasing at the rate of 7%.

Therefore, the target Market as a whole is the population of the age group of 14 years to 24 years. After initial years the organization can also look for prospects to target a population of 25 years to 35 years who all may not be well equipped with computer but have lot of experience to share.

Competition -

The combination of services that the firm is willing to provide might face competition from all cyber cafes, coffee shops and libraries in the town, but as such the firm does not face a direct competition with any other organization because there is no one in the town that provides all there services in a combo pace.

Some competition in an indirect manner may occur from a hang out place cum restaurant in the town named "Hot Breads". Currently it is the best available place to hang out for the school and college going students. Though it does not provide any of the facilities of library or internet but the evening snacks with a cup of coffee is the best in the town. Therefore the firm is required to be ahead of 'Hot Breads' in all the services provided.

Considering the competition and level of services provides, the market of Books n Snacks can be defined as-

- A meeting place for business people interested in sharing their internet based business.

- A social hub for students and young people interested in sharing a beverage and their knowledge with friends.

- A place for nearby seniors to gather and learn about

the powers of the internet and better communication methods.

- A shopping point for travelers in need of an internet connection.
- A consultancy service that provides the opportunities in career and education.

Business system and Organization

Since the services that are provided by the firm are diversity therefore the human resource to handle such a Business are also required to be more who are specialize in one or the other work.

The Organization will recruit knowledgeable and friendly staff possessing both passion to share knowledge and experience to boast about.

- The Librarian will be recruited as per condition who will have experience of 5 to 7 years at a package pf Rs. 60,000 per annum
- A Consultant who will have good communication and knowledge of current happening and interviews, who have good interactive skills and human resources skills will be recruited at a package of Rs 180,000 per annum
- The snacks and eatery department will be delegated to Ajanta Bakery in the vicinity which will be given Rs. 10,000 monthly, and the entire responsibility for eatables will rest on that company.
- The owner will look after the overall management and employees.

Operations and Implementation

The outlet will be located at Shop No. 1, Court Road Saharanpur, Uttar Pradesh. Books n Snacks will focus on three areas-

- Internet access
- Library
- Snacks
- Some add on Services

Therefore the marketing strategy will be specifically directed on the basis of the above mentioned focus areas.

- For marketing purpose, the firm will position itself as an upscale coffee house, library and Internet Services provider.
- Students from nearby down town will be targeted

because all facilities are useful for them.

- The Business class and corporate to make use of e-mail other internet services
- Seniors from down town retirement centers will experience the internet for the first time and can read books and newspapers.

Marketing Objectives

- To grow total sales by 10% annually
- To diversify the service offering to insulate the business against fluctuations in any other component of the revenue system.
- To build customer loyalty through educational programs
- To maintain a staff of enthusiastic employers enthused about the opportunity to share their internet knowledge with each other
- To make Books n Snacks a household name in the area.

Promotion- A specific marketing effort will involve -

- Local TV channels
- Print Materials
- Local newspapers
- Books n Snacks Events

Pricing- The pricing model will match the competitor's prices in the market.

- Internet access will given at a rate of Rs. 15 per hour
- A library services will be provided by a membership card of Rs.150 per month
- Consultancy services will be provided at Rs.180 per month
- Snacks department will be responsibility of Ajanta Bakery with a 90% commission of ours on their services.

Opportunities and Risks

Opportunities

- Growing population of daily Internet users. The importance of the internet almost equals that of a telephone, as the population of daily internet users increases. So the need of internet and books n snacks will increase.
- The absence of any combo house in the entire town that provides such services.

- The need of increasing number of books and newspapers which the students cannot purchase but just need as a reference.

Risks

- Rapidly falling cost of internet access.

- Emerging local competitors because of existence of number of cyber cafes in town and also restaurant.

- The proportion of students in the town are also learning their hometown and going in the metro cities for education and job purposes. Therefore the target market has chances to reduce to certain extent.

Financial Planning and Financing-

Financial Planning and Financing will be the responsibility of the owner. The financing first needs to understand the Expenses and Budget, which are as follows-

- The marketing budget is based on a percentage of sales volume. Currently that value is at 20%

- The promotion expenses includes an estimate of Rs. 10,000

- The salary structure includes Rs. 300,000 per including snacks department.

- The Books facility in the library will be provided by the owner's father's business.

Therefore on a whole an expenditure of Rs. 400,000 per annum is there in a year and the services that the firm provides can get earning of Rs. 684,000

- Fixed cost includes Rs. 2,50,000

The calculation of earning are-

- Let the number of internet users be Rs.500 in month, which means a earning of

Rs. 500 X 15 = Rs.7500

- Library access has a earning of 150 X 150 = Rs. 22,500 when 150 members join it.

- Consultancy services, if 150 members join- 150 X 180 = Rs. 270,000

This means that the company will earn Rs. 684,000 per annum.

This translates into the company's prospects to come at a breakeven after 3 years.

The financial resources will be arranged as follows-

- 25% from owner's Bank Balance.

- 20% as loan, this includes an interest of 12%.

- Remaining as lending from the promoter's father.

Top 10 Tips for Business Plans

- *Write from the audience's perspective.*

- *Research the market thoroughly*

- *Understand the competition*

- *Attention to Detail*

- *Focus on the Opportunity*

- *Ensure all Key Areas are covered in the Plan*

- *Do the Sums*

- *Executive Summary*

- *Review Process*

- *Implement the Plan*

Business Plan: The Grand Palace

Nidhi Gupta, Parul Aggarwal, Parul Malhotra, Shaily, Sheeru
PGDM (2008-10)

M/s Lord Shiva Motels and Resorts is a partnership firm of the five partners. The firm has been formed for running of motels, resorts, restaurants, catering services, health spa/ gym, party lawns, conference and banquet halls.

Objective

To cater services in the field of motels, resorts, restaurants, catering services, health spa/ gym, party lawns, conference and banquet halls.

The firm is preparing to develop motels, resorts, restaurants, catering services, health spa/ gym, party lawns on a price of land measuring 14,035.77 sq. mts. which is a situated on GT Karnal Road.

Present situation of office is at:

Punjabi Bagh, New Delhi-110 026

The situation of site will be:

G.T. Karnal Road, New Delhi-110 041

Capacity

The motels are projected to be of 14 rooms. Besides the motel shall have the following facilities:

a) Multi-cuisine restaurant

b) Bar

c) Conference Room/ Multi room

d) State-of-art health club

e) Business Centre

f) Basement Parking

g) Lounge

In room facilities

a) Separate cubical shower in Bathroom

b) Air Conditioning with individual Remote Control

c) Telephone (direct national and international dialing)

d) 24 hrs. hot and cold water

e) 24 hrs. power back up

f) Complimentary Coffee/ tea maker

g) Mini Bar

h) Electronic Safe

i) Fire Safety devices

j) Internet Access

Restaurants

The motel will provide international delicacies with Indian warmth hospitality attributes. Multi-cuisines restaurant will provide best, hygiene, aesthetic and authenticated to its customer. It will have access to general public as well as the room-guest. Room guests will also be provided 24 hrs. In-room dining facilities.

Bar

The exotic, exquisite and authentic flavors from all over world shall be served.

Lounge

The lounge having live plasma television and soothing music will be perfect place to relax or hold meetings.

Health Club

The health club will provide free access to room-guests and will have fitness centre for relaxation.

Conference Room/ meeting Room

One 55 seater conference room/ meeting room will cater requirements of the business clients to have business exhibitions, get together.

Business Centre

The business centre will provide following facilities-

- Computers

- Laptops

- Fax Machines

- Video Conferencing

- Internet Access

- Photo Copying Machine

Additional Facilities

a) Air Conditioning

The building will incorporate state-of-art building automation system for monitoring and conditioning the entire hotel environment.

b) Elevators

The motel proposes to provide electronic elevators from OTIS incorporating advanced variable voltages variables

frequency.

c) Generators

The motels will have 2200 KVA automatic diesel generating sets. Entire air conditioning and electrical load will be backed up by DG sets as the 100% power-up is to be provided for the entire motel.

d) Fire detection system

Intelligent Fire detection systems with adducible detectors are to be installed at the motel.

e) Fire lighting system

The motel is proposed to have wet risen and sprinkler system in accordance with the requirements of fire by-laws.

f) CCTV security system

CCTV camera monitoring has been proposed for parking area and major entrances and exits.

Raw Material-

The major component of raw material is vegetables, milk and its product, spices, which is indigenously procured.

Labor and Other staff

The Labor/ staff whether technical or other required will be available locally and easily.

Electricity/ Power Connection of 200 KW

Management team

The firm is under the name M/s Lord Shiva motels and resorts will be managed as partnership firm. All the promoters Nidhi Gupta, Parul Aggarwal, Parul Malhotra, Shailey and Sheeru will be partners in the venture.

Market and Competition

- In the latest scenario, the government of India is encouraging the hotel/motel industries. In the same direction our Finance Minister during his budget 2007 speech has also announced the full tax holiday fro the hotel/ motel industry for the 5 yrs. From the date of starting of operations but prior to March, 2010.

- This scheme has been announced as Common Wealth Games are fast approaching which shall be organized during the year 2010 and there are insufficient hospitality arrangements for in and around Delhi. Further, Delhi is planning to host Asian Games and Olympics during 2014 and 2016 respectively.

- Major portions of household spending are towards food. They always search for quality and variety of eatables at hygienic space. Further, restaurants at residential places may be shut down in near future. So, restaurants at these places shall be in more demand.

- There is also lot of demand for good catering services. Anybody who likes the taste of food at restaurants would use the same catering service to provide food at their hosted parties at party lawns/ banquet halls/ conference halls of the firm.

- The promoters have decided to enter into tie ups with corporate to hold their meetings at their conference halls. Presently, the corporate sector is holding their meetings at such places as they add entertainment in addition to work and the employees feel better and respond positively towards work.

- After extensive market survey partners of the firm have decided to utilize the space at G.T. Karnal Road, New Delhi-110 041 because of location advantage of surrounded by residential and commercial establishments.

Implementation Schedule

The implementation schedule of the proposed project as per present planning is as follows:

S. No.	Particulars	Proposed period of commencement	Pro period of completion
I	Acquisition of Land	Already acquired	Already acquired
Ii	Site development work	2nd week of May,2010	Last week Feb,2010
Iii	Construction of Building	1st week of Nov,2010	Last week May,2011

Iv	Interior work	1st week of March,2011	Last week Aug,2011
V	Acquisition and installation of plant and machinery	Mid of May,2011	Last week Aug,2011
Vi	Inspection and trail running	1st week of Sep,2011	Last week Sep,2011
Vii	Final Running	1st week of Oct,2011	

Opportunities

The firm has proposed to engage itself into the business of running motel, resort, restaurant, catering, services, health spa/ gym, party lawns, conference and banquet hall.

The Grand Palace: The site of motel is on the G.T. Road at Delhi.

i. There is mini 'haat', an open theatre, handicraft shops and a small lawn where marriage functions is being held in present. Fairs are also arranged by the government from time to time.

ii. There are various projects of motels coming on GT Karnal road viz. City Parks hotel groups, V3S mall's group etc.

Financial Planning and Financing-

Cost of Project

S. No.	Particulars	Amount (Rs. Lacs)
1	Land and site development cost	166.37
2	Building and interior decoration cost	331.00
3	Plant and machinery	124.40
4	Miscellaneous fixed assets	38.50
5	Preliminary and pre operative expenses	45.82
6	Contingencies/ price escalation	7.38
7	Margin for working capital	18.33
	TOTAL	**785.80**

Means of finance

S. No.	Particulars	Amount (Rs. Lacs)
1	Promoter's capitalUnsecured loan	176.55
2	Plant and machinery	38.00
3	Term loan from financial institutions	571.325
	TOTAL	**785.80**

Plan Summary

Land Area	:	14,035.77 sq.mts.	Average DSCR	:	2.00.
Covered Area	:	34,000 sq.feet	Repayment Period	:	7 years
Total Cost of Project	:	Rs. 687.08 Lakh	Average BEP	:	54.333
Term Loan	:	Rs. 500 Lakh	Average Current Ratio	:	2.03
Working Capital Limit	:	Rs. 10 lakh	Average Debt Equity Ration	:	1.83
Promoters Contribution	:	34.54%			

Business Plan: De-lite Home Food Corner

Zaheer Uddin Ahmad
PGDM (2008-10)

At a time when fast food is in vogue, Traditional Cuisines have taken a backseat. Most restaurants provide foreign cuisines. Therefore the need for an eating joint that provides traditional cuisine is sorely felt, especially by outstation students who yearn for home food. Initially we would start with Traditional Assamese Cuisines and then diversify to traditional cuisines of other parts of India.

The name of the restaurant will be 'De-Lite Home Food Corner'. We will start from Delhi and expand gradually to other parts of India. We plan to start business by April 2010 as it is the festive season for Assamese people with the Regional Festival of Assam, Rongali Bihu or Bohag Bihu marking the start of the Assamese Calendar Year. Bohag is the first month of the Assamese Calendar Year.

Product Line

Initially we would offer Traditional Assamese Cuisines and gradually diversify to traditional cuisines of other parts of India. Apart from that we will also have home delivery facility wherein the customers can place an order over phone and it will be delivered to their door-step as fast as possible.

Some of the food items we would serve are:

- **Rice items**

Rice is the most important ingredient in this cuisine. As a staple diet rice is eaten either steam boiled or sundried. Apart from the rice cooked in the normal manner we would have

- **Jolpan (Snacks)**
- Doi-Chira (Curd with Rice boiled in its husk and flattened)
- Akhoi (Puffed Rice)
- Khandoh
- Bora Saul (A sticky variety) with milk or tea
- **Pithas**

Generally made with soaked and ground glutinous rice (Bora Saul) only on special occasions like the Bihu.

- Khutuli Pitha (Fried in oil with a sesame filling),

- Sunga Pitha (roasted young green bamboo over a slow fire)
- Kholasapori Pitha (baked and rolled over a hot plate with a filling).
- Til Pitha (made with til filling) and many more
- **Greens**

Various types of Khaak (Saag in Hindi), are an important part of the cuisine.

- Paleng (Spinach/Paalak)
- Methi
- Dhekia (Type of edible fern)
- Doroon (A saag with medicinal properties)
- Behar (Mustard/Sarso da saag) etc.
- **Khaar**

The khaar is a signature class of preparations made with a key ingredient, also called khaar. The traditional ingredient is made by filtering water through the ashes of a banana tree, which is then called kola khaar (The name derived from the local term of Banana , "Kol" or "Kola"). It's a bitter type of preparation. It's prepared with dry jute leaf, urad bean and khaar. But the combination of Khaar and Tenga (sour dish) is not recommended.

- **Laaru**
- Laskara
- Tilor laru
- **Tamul**

Raw betel nut wrapped in Betel leaf and served with limestone (Chuna).An Assamese meal is generally concluded with Tamul. It is a routine item after every meal.

Internal and External Environment

The internal team will consist of

- 6 chef
- 1 head chef
- 2 Managers

So it will entirely be a group effort. One promoter will act

as a manager and employ an experienced professional manager for handling financial aspects.

Though we would mainly target the away-from-home people, but we are open to all- Delhi-ites and Non-Delhi-ites.

Though currently no or few competition but we may attract competitors in the future.

Marketing, Operationas and associated risks :

Promotion for the outlet will be done by using tools like Handouts, Banners, and Pamphlets. Though we would not give away discounts or any such offers, but initially we would offer our services at a lower price to attract customers.

The plan is ready to be launched and we will start our services by April 2010.

Opportunities are tremendous as we are providing a very different ambience and a unique menu. Currently competitor's risk is less but it may grow in the future. We are just starting. We are just at the budding stage. So another risk is of being overlooked as just another eating joint.

Financial Planning

The financing will be done partly by using self accumulated funds and partly by loan. The initial capital will be Rs. 5lacs (contribution from the promoter) and Rs. 4lacs as loan from ICICI Bank at the rate of 13 per interest payment annually.

A business enterprise is an economic institution engaged in the production and/or distribution of goods and services in order to earn profits and acquire wealth. The scope of a business is very wide. It includes a large number of activities which may be classified into two broad categories i.e. Industry and Commerce. Production of goods is the domain of 'Industry' and distribution comes under 'Commerce'. Every entrepreneur aims at starting a business and building it into a successful enterprise. The term 'entrepreneur' means to undertake and pursue opportunities and to fulfill needs and wants of people through innovation. He/she innovates and combines resources in the form of men, materials and money and brings them together to make the business venture profitable. He/she is prepared to take risk and face challenges. Thus, innovation and risks are the two basic elements of a good entrepreneurship. The whole process of starting a business begins with writing a business plan. A good business plan is the key to setting up a successful business. Once a plan is prepared, the entrepreneur faces various challenges while implementing the plan.

The Commissionerates or Directorates of Industries are the nodal agencies in different States which assist and guide new entrepreneurs in starting up an industrial unit in the concerned State. They provide an interface between industry and other agencies for industry inputs and enable the entrepreneur to get different industrial approvals and clearances from various departments at a single point-Single Window. They sanction incentives to eligible industrial undertakings and create a transparent and automatic system of allotment of scarce raw materials to industrial units. Hence, a new entrepreneur must approach the concerned commissionerate while setting up a business firm.

Business Plan: De-Lite Home Food Corner   **70**   *Fact sheet*
Case Studies of some social units

Business Plan: HR Outsourcing Firm

Garima Srivastava
PGDM (2008-10)

The firm's basic business will be to provide HR solutions to its clients. There are various HR functions in every organization. Rather than having one's own HR Team, these organizations outsource those functions to companies like this one. These functions will range from Leave Management, Compensation Calculations to various Employee Benefit Plans. These functions will comprise the product line of this company.

Marketing techniques will include promotions through print media like business magazines and newspapers and word of mouth from current clients. **Financial sources** will take the form of receipts from the respective clients who have outsourced their business to the company and these finds are deployed well in areas of acquiring better technologies and software to undertake the various processes, have good infrastructure, and pay for the best of the talents available in the market.

Product (services) will include:

• Compensation Management

• Defined Benefits

• Defined Contributions

• Pensions and Provident Funds

• Medical Insurances and Other Employee Benefit Plans

Management team

The management team will comprises of leaders whose idea it is to start this business and who have provided this company with its vision and mission. These leaders will be graduates in fields of HR, Finance and Marketing to lay a foundation stone for this business.

Market and competition

Market for our business will generate from numerous companies coming in Indian corporate. These firms pose marketing opportunities for our company. Competition will be faced by this company against present firms in the market, for example, Hewitt and other leading BPOs, agencies and service providers.

Marketing and sales

Marketing for such a company will be mostly through the trust our clients will ensure in us. It will be through Word of Mouth. However, mode of print media will also be adopted for promotion of the company.

Business system and organization

This will assume the business or organization system of Tall Structure. There will be numerous levels and designations in the hierarchy that can be referred to as:

Operations and Implementation Schedule

The operations will include the various processes taken up by the company and the support departments as well. These support departments can be like Finance department, HR Team, IT Technicians who facilitate the smooth running of the various processes at the company. About the implementation part, these processes will be taken up in different shifts depending upon the location of the client firm and the time slot required as per them.

Opportunities and risks

The company can see its opportunities in the market in the form of several new MNCs coming up in India. The more the number of companies, the more the scope of business for the proposed business organization.

Speaking about the risks, risk will be present in the process operations itself. Major risk for this firm will the level of efficiency in the process operated and the results delivered.

For example, in case of any process failure, the client can sue the company monetarily. This will also impact the goodwill of the firm. Furthermore, the company deals with internal data of the client companies' employees in terms of their salary structures and medical details (in case of processes dealing in that domain). Such data if leaked can result into big risk fir the company.

Financial planning and financing

Sources of finance for this company will find their way from the client companies' pocket. It's the clients who will pay to this firm for the services provided. However initially, individual investors will be financing the company for it to make it a start. These investors will have some vested interests in the company like stocks of the company ort hey may be the owners of the firm. Financial plan speaks about deploying the complete fund in acquiring best available talent in the market, providing for up to date software and technologies so as to take up the processes more efficiently and expanding the horizons of the firm and taking up more and more business.

Business Plan: 'Yummy' Restaurant

Satyam Singh
PGDM (2008-10)

Although the restaurant industry is very competitive, the lifestyle changes created by modern living continue to fuel its steady growth. More and more people have less time, resources, and ability to cook for themselves. Trends are very important and Yummy is well positioned for the current interest in lighter, healthier foods at moderate to low prices.

The food service business is the third largest industry in our country. It accounts for over $240 billion annually in sales. The independent restaurants accounts for 15% of that total. The average Indian spends 15% of his/her income on meals away from home. This number has been increasing for the past seven years. In the past five years the restaurant industry has out-performed the national GNP by 40%. The reasons given by the Folkney Report (November 1994) are lifestyle changes, economic climate, and increase of product variety. There are 600 new restaurants opening every month and over 200 more needed to keep pace with increasing demand.

Background of plan

Royal Food, a north Indian company, will operate Yummy, a single unit, medium-size restaurant serving healthy, contemporary style food. The restaurant will be located at 645 Vaishali, Ghaziabad. A suitable site for the first restaurant was found last month and lease negotiations are in the final stages. The location will be on Vaishali, on the highway to Haridwar and close to a dense population of the target market. When the lease is signed there will be three months of free rent for construction and in that time the balance of the start-up funds must be raised. With that phase completed, Yummy Restaurant can then open and the operations phase of the project can begin.

Each partner will contribute 10 lacs and the remainder is obtained by the company through bank loan as start-up costs.

Objective

The company's goal is that of a multi-faceted success. Our first responsibility is to the financial well-being of the restaurant. We will meet this goal while trying to consider the following -

1) The effect of our products on the health and well being of our customers (and our staff)

2) The impact that our business practices and choices will have on the environment,

3) High quality of attitude, fairness, understanding, and generosity between management, staff, customers, and vendors. Awareness of all these factors and the responsible actions that result will give our efforts a sense of purpose and meaning beyond our basic financial goals.

Future Plans

If the business is meeting its projections by month nine, we will start scouting for a second location and develop plans for the next unit. Our five year goal is to have 3 restaurants in the Delhi NCR area with a combined annual profit of between Rs. 500,000 and Rs. 1,000,000.

Strategic opportunities

The predicated growth trend is very positive both in short and long-term projections. Research states that as modern living creates more demands, people will be compelled to eat more meals away from home. The DMR Industrial Report (April 1995) estimates this as high as 30% over the next five years.

- Consumers will spend a greater proportion of their food rupee away from home.

- Independent operators and entrepreneurs will be the main source of new restaurant concepts.

- Nutritional concerns will be critical at all types of foodservice operations, and food flavors will be important.

- Environmental concerns will receive increased attention.

Products & Related Services

Yummy Restaurant will be offering a menu of food and beverages with a distinctive image. There will be three ways to purchase these products; table service at the restaurant, take-out from the restaurant, and delivery to home or office.

The Menu

The Yummy menu is moderate sized, and moderate-low

priced offering a collection of ethnic and American items with a common theme - healthy (low-fat, low cholesterol, natural ingredients), flavorful, and familiar. Our goal is to create the image of light satisfying and still nutritious food.

There has been an increased awareness of nutritional and health concerns in recent years and a growing market of people who now eat this style of cooking regularly.

Production

Food production and assembly will take place in the kitchen of the restaurant. Fresh vegetables, meat and dairy products will be used to create most of the dishes from scratch. The chef will exercise strict standards of sanitation, quality production, and presentation or packaging over the kitchen and service staff.

Service

There will be three ways a customer can purchase food. They may sit down at one of the 44 seats in the dining room and get full service from a waitperson. A separate take-out counter will service those who wish to pick up their food. Most take-out food will be prepared to order with orders coming from either the telephone or fax. Delivery (an indirect form of take-out) will be available at certain times and to a limited area.

Future Opportunities

There is a market segment that prefers to eat this type of cooking at home although they do not have the time to cook. There are already caterers and even mail order companies that provide individuals and families with up to a month's supply of pre-prepared meals.

This opportunity will be researched and developed on a trial basis. If successful, it could become a major new source of income without creating the need for additional staff or production space.

The Target Market

The market for Yummy's products covers a large area of diverse and densely populated groups. Although it will be located in a downtown urban setting, it is an area where people travel to eat out and one that is also frequented by tourists. It is also an area known for and catering to the demographic group we are targeting.

The food concept and product image of Yummy will

attract 3 different customer profiles;

- **The student** -- more and more young people have developed healthy eating habits. Some also go through a "health food phase" while in college.

- **The health conscious person of any age or sex** -- this includes anyone on a restricted or prescribed diet or those who have committed to a healthy diet.

- **Curious and open-minded** -- "if you try it, you will like it." Through marketing, publicity, and word-of-mouth, people will seek out a new experience and learn that nutritious food can be tasty, fun, convenient, and inexpensive.

The population and demographics of the area have shown gradual increase over the last 15 years. Local businesses are increasing at a rate of 18% yearly.

The idea of a health consciousness through nutritional awareness and dietary change has been slowly building for more than 10 years. The extensive government studies and propaganda of healthy diet and lifestyle has given everyone a new definition of a balanced, healthy diet. This is not a fad but a true dietary trend backed by the scientific and medical community, the media, the government, and endorsed by the big food manufacturers.

As some people may want to stay home more and others may wish to cook less our strategy of delivering prepared meals on a weekly or monthly arrangement may be a widespread accepted new way of eating.

The Competition

There are over two dozen restaurants in the Vaishali area that sell food at similar prices. Although this presents an obvious challenge in terms of market share, it also indicates the presence of a large, strong potential. The newest competitors have made their successful entry based on an innovative concept or novelty. Yummy will offer an innovative product in a familiar style at a competitive price. Our aggressive plans of take-out and delivery will also give us an advantage to create a good market share before the competition can adjust or similar concepts appear.

Competing with Yummy for the target market are these categories of food providers:

- Independent table service restaurants of similar menu and price structure.

- Commercial foodservice companies serving students directly.

Independent operators include Nasser, Karims, Bombay Club, Delicious, and The Border Cafe. Most are ethnic based and will carry at least two similar menu items. They all are doing very well.

There are three major ways in which we will create an advantage over our competitors;

- Product identity, quality, and novelty
- High employee motivation and good sales attitude
- Innovative and aggressive service options.

Market Penetration

Entry into the market should not be a problem. The local residents and students always support new restaurants and the tourists do not have fixed preferences. In addition, Rs. 20,000 has been budgeted for a pre-opening advertising and public relations campaign.

Focusing on the unique aspect of the product theme (healthy, tasty foods) a mix of marketing vehicles will be created to convey our presence, our image, and our message.

- Print media -- local newspapers, magazines and student publications
- Broadcast media -- local programming and special interest shows
- Restaurant and Hotel guides
- Direct mail -- subscriber lists, offices for delivery
- Misc. -- yellow pages, charity events

A public relations firm has been retained to create special events and solicit print and broadcast coverage, especially at the start-up.

The marketing effort will be split into 3 phases;

1) **Opening** -- An advanced notice (press packet) sent out by the PR firm to all media and printed announcement ads in key places. Budget - Rs1, 00,000

2) **Ongoing** -- A flexible campaign (using the above media), assessed regularly for effectiveness. Budget - Rs10, 00,000

3) **Point of sale** -- A well-trained staff can increase the average check as well as enhancing the customer's overall experience. Word-of-mouth referral is very important in building a customer base.

Future Plans

Catering to offices (even outside of our local area) may become a large part of gross sales. At that point a sales agent would be hired to directly market our products for daily delivery or catered functions.

Operations

The restaurant at 645 Vaishali is a 2400 Square foot space. It was formerly a restaurant and needs on minor structural modifications. The licenses and codes' issues are all in order. New equipment and dining room furnishings will be purchased and installed by the general contractor. Offices of the corporation are presently at the promoter's (Satyam Singh's) home but will be moved to the restaurant after opening.

The restaurant will be open for lunch and dinner 7 days a week. Service will begin at 11:00 AM and end at 11:00 PM.

Employees will be trained not only in their specific operational duties but in the philosophy and applications of our concept. They will receive extensive information from the chef and be kept informed of the latest information on healthy eating.

A big emphasis is being placed on extensive research into the quality and integrity of our products. They will constantly be tested for our own high standards of freshness and purity. Food costs and inventory control will be handled by our computer system and checked daily by management.

Most food will be prepared on the premises. The kitchen will be designed for high standards of sanitary efficiency and cleaned daily. Food will be made mostly to order and stored in large coolers in the basement.

Food for delivery may be similar to take-out (prepared to order) or it may be prepared earlier and stocked. Catering will be treated as deliveries.

Management & Organization

Of the four promoters, two are owners and manager of Royal Food, a local natural food wholesaler and retail store. These two bring with them a track record of success in the natural foods industry. Our management style is innovative and in keeping with the corporate style outlined in the mission statement.

Yummy will offer competitive wages and salaries to all employees with benefit packages available to key personnel only.

An impressive board of directors has been assembled

that represents some top professional from the area. They will be a great asset to the development of the company. In the beginning, no outside consults have been retained, excepting the design department at Best Equipment.

We are presently searching for a general manager and executive chef. These key employees will be well chosen and given incentives for performance and growth. Satyam Singh will be the President and Chief Operating Officer. The general manager and chef will report to him. The assistant manager and sous-chef will report to the respective manager, and all other employees will be subordinate to them. We four and some other will retain ownership with the possibility of offering stock to key employees if deemed appropriate.

Long-Term Development

Goals

Yummy is an innovative concept that targets a new, growing market. We assume that the market will respond, and grow quickly in the next 5 years. Our goals are to create a reputation of quality, consistency and security (safety of food) that will make us the leader of a new style of dining.

Strategies

Our marketing efforts will be concentrated on take-out and delivery, the areas of most promising growth. As the market changes, new products may be added to maintain sales.

Milestones

After the restaurant opens, we will keep a close eye on sales and profit. If we are on target at the end of year 1, we will look to expand to a second unit.

Risks

With any new venture, there is risk involved. The success of our project hinges on the strength and acceptance of a fairly new market. After year 1, we expect some copycat competition in the form of other independent units. Chain competition will come in much later.

Indian food industry expected to grow to US$ 280 billion by 2015 and generate an additional employment for approximately 8.2 million people. Also, food consumption in India is estimated to grow at a CAGR of 5.32 % by 2013.Futher, it is expected that processed food output will grow at a strong 7 % CAGR in terms of value from 55.6 billion US$ in 2005 to 95.6 billion US$ in 2013.

Consumer food industry includes pasta, breads, cakes, pastries, rusk, buns, rolls, noodles, corn flakes, rice flakes, ready-to-eat and ready-to-cook products, biscuits etc. Bread and biscuits constitute the largest segment of consumer foods. India's biscuits industry is the largest among all the food industries and has a turnover of around US$ 0.64 billion. India is known to be the second largest manufacturer of biscuits, the first being USA. Indian consumer food industry is classified under two sectors: organized and unorganized. Bread and biscuits are the major part of the bakery industry and cover around 80 percent of the total bakery products in India. Biscuits stand at a higher value and production level than bread. This belongs to the unorganized sector of the bakery industry and covers over 70% of the total production.

100% FDI is allowed under automatic route in food processing industry and food infrastructure including food parks, distillation & brewing of alcohol, cold storage chain and warehousing. The total inflow of Foreign Direct Investment in food processing sector during the last five years since April 2004-March 2009 is US$ 409.41 million.

Glimpses

Reviews of some worthy books

Title: The Catcher in the Rye

Book Review by Thockchom Heeraj Anand
PGDM (2009-11)

Author: J.D. Salinger

Publisher: Little, Brown and Company (1951)

Pages: 276

The Catcher in the Rye is a book that has been steeped in deep controversy since it was banned in America after its first publication. The legendary Beatles singer, John Lennon's assassin, Mark Chapman, asked the former Beatle to sign a copy of the book earlier in the morning of the day that he murdered Lennon. After the incident, The Catcher in the Rye became widely popular. The book was associated with esoteric theories and was touted as a book with hidden subtle messages which led to the media speculation about the possible connection. This gave the book even more notoriety.

The story is narrated in first person and is of a perturbed, American teenager, Holden Caulfield's turbulent last few days before his Christmas vacation starts. During these days, Holden leaves Pencey Prep, a boy's school he's been kicked out of, and takes off for a few nights alone in New York City, and tries to spend the few days left, sans the tantrums of his parents and the inevitable wrath-filled fits that would follow him being expelled from yet another school. Holden tells the story as a monologue, the environment and the people he met in these few days makes up most of the story.

The story deals with the unraveling of the main protagonist's character as he deals with each person and place he comes across. His thoughts and the activities, echoes that of nervous breakdown, which is implied by the erratic and the random behavior, the excessive spending, the tendency to be in a drunken stupor, the wanton contradictions to himself and his frequent bouts of depression.

The story gets you involved in the psychological battles going in him, where he rants about the society's "phoniness", the hypocrisy, the irrational thinking and the pretentious people. He finds these people and this "society" really annoying and he abhors them. He tries to dissect these people's thoughts, but it only resulted in him hating them all the more, which led him deeper into depression. He tries to reason with the society and amalgamate himself with 'them' but finds it impossible. This makes him believe that he's a social outcast, which only leads to increasing isolation and the walls around him getting higher and thicker.

In the course of the story, he encounters two parallel worlds one of the 'society' filled with sleazy bar owners, filthy rich people, prostitutes, goons, musicians, and pretentious girls; and the other of kids on merry-go-rounds, skating on a rink and his childhood memories. He finds these two contrasting worlds, co-existing, really depressing. He finds his only solace in the innocence of kids, and he's afraid that the other alter world would mar the beauty and the sanctity of the innocence of this world that he finds his solace in.

Holden spends a total of two days in the city, and these days are largely characterized by drunkenness and loneliness. The characters he comes across, the dialogues taking place between them and the thoughts that crop up in him, challenges one to think about society's attitude to the human condition and the total lack of introspection in them, the 'ostrich in the sand' mentality, a deliberate ignorance of the emptiness that characterizes their existence. And as Holden digs in deep into his own sense of loneliness, he questions himself, if it is he who's going insane or the 'phonies' around him that has lost their sense of existence.

His distress with the phoniness and stupidity of the world focuses as he spends his last afternoon wandering around the city. What bothers him most is that the world seems to have no sanctuary from the phony or perverse in it anymore-it's a cruel place to grow up. This becomes all the more real for Holden as he wanders around his little sister's school building and keeps finding swear words scribbled on the walls.

Holden begins to envision himself as a guardian of children, someone who will protect their innocence. This hope is crystallized in a vision of himself as the catcher in the rye-a sort of guard at the edges of a field where children can run free and play a guardian who can keep these kids from falling, in their exuberance, over the field's edges.

This novel is one of the most thought and angst provoking novels I have read. When you are really honest to yourself, and when you start abhorring the ways these 'phonies' ridden world work; you see a part of yourself speaking out in those thoughts that creep up in Holden's consciousness.

Title: Snapshots from Hell - Making of an MBA

Book review by Daksha
PGDM (2009-11)

Author: Peter M. Robinson

Publisher: Grand Central Publishing (1995)

Pages: 286

For all those who have not read this book well let me tell you one thing about it that I went forward with my decision of doing MBA even after reading the book, and those who have read the book will be quite astonished at my decision. It's like you went ahead to study engineering even after watching '3 idiots'. But for people like me (those who've read the book), we have an advantage over others that we came in to slay this dragon with substantial knowledge of its power, weakness and the dangers involved.

For me the reasons for pursuing this course were different from any other PG student. Here it's about a grown up man, considered to be 'nicely settled', who wanted to have a leap in his career so he planned to add a MBA degree in his resume. So Mr. Robinson joined Stanford, a reputed B-school in the world. People can kill to get a seat in this institute. But Mr. Robinson depicts an altogether different scenario about the life that is in there; where people are actually killing themselves, figuratively speaking. "Abandon All Hopes, Ye Who Enters Here." For that's how Mr. Robinson sees himself, as a poet in hell.

Poets, in B-school lingo, are those who have no knowledge about subjects that are the likes of QT (Quantitative techniques, for the uninitiated!). These were mainly the people who wanted to change their career or their field of work; and they thought that MBA degree would provide the apt knowledge and direction to introduce this change in their professional lives. In case of Mr. Robinson, it was a speechwriter leaving the Reagan White House. At Stanford they are up against the consultants and investment bankers who are already comfortable with spread sheets, ratios and many other weapons that they use with the very ease and poise of that of a professional and cold killer. So the competition between the two cultures was dreadfully unfair.

Snapshots from hell - is an attempt to tell the inside story of an elite B-school. Mr. Robinson has painted quite a familiar picture with that of ours like having to study Financial Accounting, Macro Economics, Cost Accounting, DBMS, Financial Management- you got the picture. So, for a poet to battle all the monsters is really hard. Though there was a program (like what was arranged in our college as well) - refresher program, but that too proved to be of little help as to get to the level of those consultants in a months time. So the problem continued for the poor poet. The overall picture drawn about the B-school is pretty grim, though I suspect that it may be far more than that...

Robinson beautifully describes his brave, at times successful while at times futile attempts to navigate his way through a scary bunch of core courses. As a reader I could experience the horror of a "cold call", the frenzy of exam times, a largely alien world, and the highs and lows of the interview process. An interesting read for all, especially all those who are either pursuing MBA or are aspiring to be one.

Thoughts lead on to purposes; purposes go forth in action; actions form habits; habits decide character; and character fixes our destiny

- Tyron Edwards

Snapshots From Hell - Making Of An MBA   78   **Glimpses** *Reviews of some worthy books*

Title: Making Sense of Change Management

Book Review by Anisha Rathee, Archana Chandel, Ruchi Malhotra and Swati Agarwal
PGDM (2009-11)
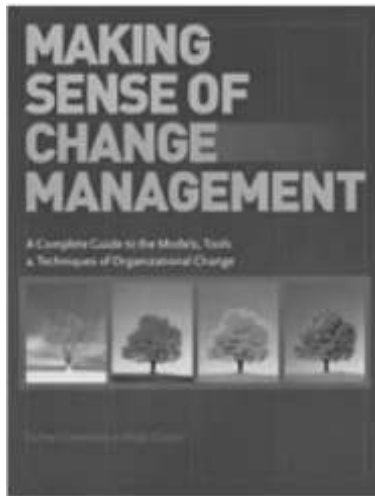
Author: Esther Cameron and Mike Green

Publisher: Kogan Page Limited 2009

Pages: 288

The book Making Sense of Change Management is a classic text in the field of change management, written for students and professionals alike. It is aimed at anyone who wants to understand why change happens, how it happens and what needs to be done to make change a welcome rather than a dreaded concept. It offers considered insights into the many frameworks, models and ways of approaching change and helps the reader apply the right approach to each unique situation.

The first chapter on Individual Change explains how individuals go through the changes and there are various phenomena explaining this. Firstly, four approaches to change are explained:

The Behavioral Approach to Change:

It focuses on how individual can change another individual's behavior using reward and punishment, to achieve the desired results.

Herzberg's idea on motivation and behavior suggested that there is something more to play then reward and punishment when it comes to motivating people.

The Cognitive Approach to Change:

This theory believed that our emotions and our problems as a result of the way we think. By changing the thought process, an individual can change the

way he/she responds to situations. Much work has been done by Albert Ellis and Aaron Beck in this regard. The cognitive approach has many techniques for changing the beliefs of people and thereby improving their performance. Techniques are positive listings, affirmations, visualizations, reframing, pattern breaking, detachment, anchoring and resource states, rational analysis.

The Psychodynamic Approach to Change:

This model helps in understanding why people react the way they do; it helps in understanding the inner state of their staff when they encounter a change. Virginia Satir's (a noted psychotherapist) model incorporates the idea of a defining event- the transforming idea- that can be seen to change, or be the beginning of the change, for an individual.

The Humanistic Psychological Approach:

This approach opens up some interesting possibilities and challenges. Humanistic psychology will not agree, but will go one step further in stating that without being fully present emotionally in the situation, you cannot be fully effective; and you will not be able to maximize your learning, or anyone else's learning. Carl Rogers and Gestalt did significant work in it.

Personality and Change:

Personality differs from person to person and personality type has a significant effect on an individual's ability to initiate or adapt to change. The nature of the change varies, it can be routine or one offs or so.

Schein identified two competing anxieties in individual change, survival anxiety versus learning anxiety. Survival anxiety has to be greater than learning anxiety, if a change has to be happening. He advocated the need for managers to reduce people's learning anxiety rather than increase survival anxiety.

The second chapter on Team Change discusses some of the important aspects of how to improve team effectiveness, what team change looks like, the leadership issues in team change, how individuals affect team dynamics etc. Important learning that can be derived out of this chapter includes the following:

- Groups and teams are different, with different characteristics and different reasons for existing.

- Teams are important in organizational life for accomplishing large or complex tasks.

- Team work is important for management teams when they work on risky issues that require them to share views and align. There are many different types of organizational team, each with significant benefits and downsides. Work team, Self-managed team, Parallel team, Project team, Matrix team, Virtual team, Networked team, Management team, Change team are some of them which has proved to be efficient.

Teams can become more effective by addressing five elements:

1. Team mission, planning and goal setting;

2. Team roles;

3. Team operating processes;

4. Team interpersonal relationships;

5. Inter-team relations.

- Teams develop over time. Bruce Tuckman's forming, storming, norming and performing model is useful for understanding the process of how a team attains its full functionality.

- The composition of a team is an important factor in determining how it can be successful. Dr. Meredith Belbin says that well-rounded teams are best. Deficiencies in a certain type can cause problems.

- The Myers-Briggs profile allows mutual understanding of tem member's preferences for initiating or adapting to change.

Third chapter on organizational Change discusses how organizations work and aptly illustrates models of organizational change and approaches to organizational change. Some of them are mentioned below. Gareth Morgan's work on organizational metaphors provides a useful way of looking at the range of assumptions that exists about how organizations work.

The four commonly used organizational metaphors are:

- The machine metaphor: - It's deeply ingrained in our ideas about how organizations run, so tends to inform many of the well-known approaches to organizational change, particularly project management and planning oriented approaches.

- The political metaphor: - A powerful group of individuals builds a new coalition with new guiding principles. There are debates, maneuverings and negotiations which eventually lead to the new coalition either winning or losing.

- The organism metaphor: - This metaphor is very prevalent in the human resource world. This

metaphor views changes as a process of adapting to changes in the environment.

- The flux and transformation metaphor: - it appears to model the true complexity of how change really happens. If we use this metaphor to view organizational life it does not lead to neat formulae, or concise how-to approaches. There less certainty to inform our actions.

Some of the important models are stated briefly below.

Lewin three-step model

One of the cornerstone models for understanding organizational change was developed by Kurt Lewin back in the 1950s, and still holds true today. His model is known as Unfreeze Change Refreeze, refers to the three-stage process of change he describes. Lewin`s ideas are valuable when analyzing the change process at the start of an initiative. His force-field analysis and current state/end state discussions are extremely useful tools.

Kotter, eight steps

These steps are an excellent starting point for those interested in making large or small-scale organizational change. The model places most emphasis on getting the early steps right: building coalition and setting the vision rather than later steps of empowerment and consolidation.

Beckhard and Harris, change formula

The change formula is simple but highly effective. It can be used at any point in the change process to analyze what is going on. It is useful for sharing with the whole team to illuminate barriers to change.

Nadler and Tushman, congruence model

The congruence model provides a memorable checklist for the change process, although we think the seven's model gives a more rounded approach to the same problem of examining interdependent organizational sub-systems. Both are also useful for doing a post change analysis of what went wrong. Both encourage a problem focus rather than enabling a vision-setting process.

William bridges, managing the transition

Bridge's model of endings, neutral zone and beginnings is good for tackling inevitable changes such as redundancy; merger or acquisition. It's less good for understanding change grown from within, where endings and beginnings are less distinct.

Senge, systemic model

Peter Senge challenges the notion of top-down, large scale organizational change. He provides a hefty dose of realism for those facing organizational change: start

small, grow steadily, and don't plan the whole thing. However, this advice is hard to follow in today's climate of fast pace, quick results and maximum effectiveness.

The fourth chapter on Leading Change talks about visionary leadership, roles that leaders play, the leadership styles and skills, different leadership for different phases of change.

Some influential thinkers in this field talked about visionary leadership - the first basic ingredient of leadership. Warren Bennis gave a guiding vision, passion & integrity as the basic ingredients of leadership. He gave different qualities of a manager and a leader. According to him, most managers have to do both roles. Kotter (1996) contrasted the areas of focus for leader with that of a manager like setting direction versus planning and budgeting, aligning people versus organizing and staffing, motivating people versus controlling and problem solving. Bass (1992) distinguished between transactional and transformational leadership and identified charmistic and inspirational leadership, the components of leadership success. Gardner (1996) researched the lives and work of 11 leaders and indicated that those leaders who had really made a difference to the way others thought, felt and acted all appeared to have a central story or message. Connective Leadership offers an important perspective for bringing together diverse, even conflicting, groups that exist in an interdependent environment. Important strengths for connective leaders are: Ethical political savvy, Authenticity and accountability, a politics of commonalities, thinking long term and acting short term, leadership through expectation and a quest for meaning.

Senge (1999) talked about dispersed leadership and said that successful leadership of change comes from within the organization. According to him, different types of leaders have different types of role. The three important, interconnected types of leader are Local line leaders, Executive leaders and Network leaders.

Mary Beth O'Neil (2000) identified four specific leadership roles necessary for successful and sustained change efforts in organizations - Sponsor: has the authority to make the change happen and has control of resources; Implementer: implements the change, reports to sponsor, responsible for giving the feedback to the sponsor on change progress; Change agent: facilitator of change, helps sponsor and implementers stay aligned, keeps sponsor on board, no direct authority over implements; Advocate: has an idea, needs a sponsor to make it happen, usually highly motivated.

Daniel Goleman (2000) researched on leadership styles and skills and developed a set of six distinct leadership styles- Coercive style, Authoritative style, Affiliative style, Democratic, Pacesetting, Coaching. He also grouped the competencies for leaders into four categories- Self-awareness, Self-management, Social awareness and Social skills.

Steven Covey (1989) emphasized on principle-centered leadership. He gave seven habits which connects the leader's outer habits with the inner capability- Habit 1: be proactive, Habit 2: begin with the end in mind, Habit 3: put first things first, Habit 4 : think win-win, Habit 5: seek first to understand, then to be understood, Habit 6: synergize, Habit 7: sharpen the saw.

Change management is not a stand - alone process for designing a business solution.

Change management is the processes, tools and techniques for managing the people - side of change.

Change management is not a process improvement method.

Change management is a method for reducing and managing resistance to change when implementing process, technology or organizational change.

Change management is not a stand - alone technique for improving organizational performance.

Change management is a necessary component for any organizational performance improvement process to succeed, including programs like: Six Sigma, Business Process Reengineering, Total Quality Management, Organizational Development, Restructuring and continuous process improvement.

Change management is about managing change to realize business results.

Source: www.change-management.com

jims

Jagan Institute of Management Studies

Assortment

A variety of ideas and concepts

Cloud Computing - What and Why?

Abhishek Saurabh
PGDM (2009-11)

What is Cloud Computing?

Cloud computing is internet based development and use of computer technology. In concept it is an abstraction of details from users who no longer need the knowledge of the technology infrastructure that supports them. It typically involves the provision of dynamically scalable and often virtualized resources as a service over the Internet. Typical cloud computing providers deliver common business applications online which are accessed from a web browser, while the software and data are stored on the servers.

These applications are broadly divided in following categories:

1. Software as a Service
2. Utility Computing
3. Web Services
4. Platform as a Service
5. Managed Service Providers
6. Service Commerce
7. Internet Integration
8. Data Centers

The name cloud computing was inspired by the cloud symbol that is often used to represent the Internet in flow charts and diagrams
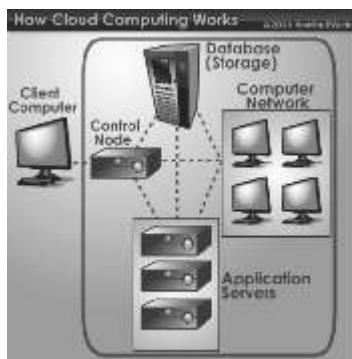
Issues faced by Organizations in Current IT Structure

1. **Rising labor costs**- IT budgets are increasingly strained by the rising cost of personnel required to manage IT applications and data centers. Administration cost of servers has risen by 400% since 1996.

2. **Sky-high energy consumption**- Power and energy consumption for a particular IT organization has also ballooned up in recent times. International agencies have already started to keep in account the energy savings of nations and carbon credit of each nation.

3. **Growing Demands of Consumer**- Today's on-demand society assumes nearly universal access to real-time data and analytics in a resilient, secure environment. Anything short of that standard is unacceptable. These demands are being driven by a proliferation of data sources, mobile devices, radio frequency identification systems, unified communications, Web2.0 services and technologies such as mashups.

4. **Chaotic data silos**- Too often, today's data center is a haphazard collection of multiple hardware systems, operating systems and applications that have accumulated over a period of years in response to the demands of various internal business units. These disparate systems grew without an enterprise approach to the datacenter that was based on a common set of goals and standards. Instead, the systems were often dedicated to meeting the specific needs of a single business unit or process function without a view toward interoperability with the rest of the datacenter or the needs of other parts of the organization.

5. **Exponential growth in data volume**- the proliferation of devices, compliance, improved systems performance, online commerce and increased replication to secondary or backup sites is contributing to an annual doubling of the amount of information transmitted over the Internet, according to market researcher IDC. The world's information, the raw material for databases, is projected to double every 11 hours by 2010.

Solution through Cloud Computing

Cloud computing liberates organizations to deliver IT services as never before. Cloud enables the dynamic availability of IT applications and infrastructure, regardless of location. More rapid service delivery results from the ability to orchestrate the tasks to create configure provision and add computing power in support of IT and business services much more quickly than would be possible with today's computing infrastructure. Enhanced service delivery reinforces

efforts for customer retention, faster time to market and horizontal market expansion. Cloud computing can enhance SOA, information management and service management initiatives, which also support your service delivery initiatives.

Simple application like email has a lot of profound effect on ones IT spending. If we take an example of an email suite that an organization uses is Lotus Notes. Now for each of your User you need to buy a license from IBM. However corporate email accounts from Google just let you save the cost of one license per user and moreover it gives you space from Data Center and let you use their server. Apart from that you might save the cost of an IBM z-series. A layman has also used cloud computing as emails are form of cloud computing.

If you need to save your data on a database server and you do not have the cost of buying a server, you can rent a space on Data Center and forget the cost of buying a server; this is a form of Cloud Computing.

Now another way one can save cost is by using web applications of word processor, spreadsheet, presentations and forms offered by google. The online application allows saving the cost of buying licenses.

IBM's implementation of cloud computing

In China, IBM is piloting a newly developed cloud computing platform, codenamed Project Yun which is Chinese for "cloud," for companies to access business services. The platform is designed to make the selection and implementation of new cloud services as easy as selecting an item from a drop-down menu. With no need for backend provisioning, the IBM platform stands to cut the time required to deliver new services dramatically. The Yun platform allocates storage, server and network resources for the customer application with zero human input, achieving top performance, availability and power utilization.

One of China's largest retailers welcomes more than 10million customers per day; Wang Fu Jing Department Store has deployed several key cloud services from Project Yun, including a supply chain management solution for its vast network of retail stores to easily share supply chain information and visualize the execution of B2B business processes with thousands of their own SMB suppliers via the cloud. To meet customers' growing appetite for cloud computing services, IBM has built more than a dozen cloud computing centers for customers around the world. For example, in China, the Wuxi Cloud Center provides on-demand virtual computing resources that allow up to 200,000software developers to share a cost efficient IT environment from their PCs or other computing devices. This approach stimulates economic growth and creates more IT related jobs.

Sources: www.wikipedia.com and www.ibm.com

According to Dustin Amrheim of IBM "sometimes lost in the cloud computing benefits discussion is how cloud computing enhances development and test groups in an enterprise." Dustin provides five ways this enhancement occurs which are worth remembering:

First, there is self-service capability, a defining characteristic of cloud computing. You can easily commission and decommission computing resources as appropriate, which shortens the procurement process for testing teams, speeding up development and testing efforts.

Second, there is enhanced resource availability. Cloud computing, through intelligent virtualization, usage tracking, and more, enables a better usage of the IT resource pool as a single, logical entity.

Third, is increased environmental fidelity. Test and operation teams may have different conventions and configurations than development teams. Dustin notes that this can lead to unintended application behavior and delays in service delivery. Cloud computing offers a potential solution through the increasingly popular templatized solution stack. These solution stacks can include the application and entire environment down to the operating system. They enable all teams to see the exact environment in which the application was designed and unit tested.

Fourth, hosted tools allow developers and testers to no longer worry with installing, configuring, running, or maintaining tools on their own machines. Instead, they can log into tools from any machine with a network connection and get to work.

Fifth, the four benefits above allow developers and testers to focus more on their core jobs. As a result, organizations can benefit from more developer innovation, increased test quality and coverage, and more.

Source: www.cloudcomputingcompanies.net

Are you Erring on Cross-Cultural Differences?

Ankit Sharma
PGDM (2009-11)

Besides, food, clothing & shelter, there is one more innate need - love. In spite of what people say about it, we are bound to stay in it and with it. Finding a compatible match is hard nut too crack and needless to say getting the courage to propose is the hardest. We somehow manage it. However, few relationships turn into marriage and fewer into successful marriages. One obstacle that has been observed is cultural differences. If there are so many differences within India amongst different communities, then better forget about globalization of love. There are definitely differences in income, taste, preference, attitude, culture and many other demographic features.

I want to quote an interesting incident shared by my gregarious co-traveler, Yogesh during a journey. Despite his irksome conversation, one thing caught my attention. He said that once he went to an Arabic country and happened to meet a female friend in a shopping plaza and greeted her by hugging & kissing her cheeks. His friend became uneasy and reluctant. Moreover, the people around raised their eyebrows as if he had committed a crime. After a short talk, he hugged her again and bade farewell by taking a stance of "Thumps up". These actions were probably testing the patience of an onlooker Arabic National. He seemed full of rage and suggested to Yogesh, 'Mind your manners else you will be sent behind the bars.' A small crowd had already gathered to add fuel to the tense situation. Out of the crowd, a man probably of Indian origin approached Yogesh, to tame the situation. What happened later was all absurd except the fact that his friend ends with a bitter taste in her mouth, wondering "how could Yogesh behave like this here?'

Before any of us faces such situation, lets understand that different culture have differences in the way they look at things gestures, postures, colors, words, etc.

Everyone wants to be in ones comfortable zone called 'proximity'. Some people expand their zone quickly whereas others take time. For those who take time, we should accept them to be like that so that they welcome us. If one can gel in our culture well, we feel delighted. So would they, if we attempt to accept their culture. Acceptance is possible only when we zoom in its different dimensions.

Lesson 1: Zoom in Non Verbal Language

A research shows that Non-Verbal language affects our communication more than verbal language.

In case of Yogesh (aforesaid incident), a gesture of 'Thumps up' was misinterpreted. It may be acceptable in India, but it is sign of obscenity in Arabic countries & also to some parts of world too.

A famous book by Merkel on gestures has queues of such examples, one of those is as follows:-

"An American couple on an auto tour in Australia was stopped by a police officer in Sydney for failing to signal before turning. Since they were tourists the officer gave them only a friendly warning. Relieved, the American man responded with a smile and the thumbs-up sign. The police officer became enraged, ordered the couple out of the car, called a backup, searched the car, and finally gave the driver an expensive ticket. Later, back in their hotel and recounting their experience, the tourist learned that in Australia the thumbs-up gesture means "screw you!"

Touch

We, in India do not accept hugging a person of the opposite gender as freely as in westernized cultures. For instance, In USA, a handshake is common (even for strangers), and so is hugging/kissing for those of opposite gender or of family on an increasingly more intimate basis. A handshake which looks simply uniformed has many forms & all are differently interpreted when exported or imported. In some parts of Africa, only palms are touched for a second or two, whereas in Turkey farmers keep shaking hands until a bargaining point is reached. Therefore, don't keep shaking your Turkey national girlfriend's hand!

In Islamic countries, 2 males greet each other by kissing hands while shaking hands. If anyone in USA sees this, they will label those males as gays. Incident: An Afro-American male goes into a convenience store recently taken over by new Korean immigrants. He gives a $20 bill for his purchase to Mrs. Cho who is the cashier and waits for his change. He is upset when his change is put down on the counter in front of him. What is the problem? Traditional Koreans (and many other Asian countries) do not touch strangers, especially between members of the opposite sex. But the African-American sees this as another example of discrimination (not touching him

because he is black).

Eye Contact

In Japan, Africa, Latin American & Caribbean, people avoid eye contact to show respect. Western cultures see direct eye to eye contact as positive (advise children to look a person in the eyes). But within USA, a prolonged gaze is often seen as a sign of sexual interest.

Gestures & Postures

Make a 'V' sign using fingers: Once upon a time, a ruler conquered a part of Australia and addressed the masses by showing 2 fingers palm facing others. People felt offensive as it is a stance of insult there.

Beckoning with index finger: This means "Come here" in the U.S. To motion with the index finger to call someone is insulting, or even obscene, in many cultures.

Pass an item to someone with one hand: In Japan this is very rude. Even a very small item such as a pencil must be passed with two hands. An employee of Maruti Udyog Ltd. was emoted because he offered food to his Japanese Boss with one hand.

Form a circle with fingers to indicate "O.K.": Although this means "O.K." in the U.S. and in many countries around the world, there are some notable exceptions. In Japan, this means "money." In France, it has the additional meaning of "zero" or "worthless."

Use of left hand: Strange but true that people of Pakistan don't use their left hand for eating food or other holy purposes as it is considered to be used only for maintaining personal hygiene.

Lesson 2: Zoom in Mannerism

Boy! Most of the girls fall for manners. So "mind your manners!"

In Austria, men rise when a woman enters the room. Chewing gum in public is considered inappropriate.

Hands in pockets when conversing should be avoided. In England, Scotland and Wales, loud conversations and any form of boisterousness in public places should be avoided. Do not stare at someone in public. If you often smoke, then be prepared to be bankrupt because it is the custom to offer cigarettes to others in your conversational group before lighting up. In Japan & Turkey, we have to remove shoes before entering their homes.

Lesson 3: Zoom in colors

Alike India where a bride or groom is not allowed to wear black color in UK, a bride can't wear a dress of green color. In traditional UK, old parents refrain their kids from buying a green automobile. Colors as well change their meaning when knocks at the door of other country.

Incident: An intelligent Indian boy greeted his favorite French teacher with some yellow flowers and his teacher never reverted to him thereon. This happened because in France yellow symbolizes jealousy. In eastern culture, like Japan & China, white color symbolizes death. Whereas, in China 'red' exhibits prosperity & luck and in India also it is used in weddings & Indian women put a red dot on their forehead. There are various other aspects of Cultures, which if taken care of will keep the ball in your court. These are value system, rituals, music, etc.

Not only will analysis of inter-country culture affect our routine life. But shall surely bring prosperity to our business, marketing efforts, employees' stickiness and at helm of everything profit. We can now make advertisement with color which are acceptable, make use of correct gestures & postures while training & also reduce number of sins against Indians staying abroad. The reason for increasing deaths of those innocent Indian students may be due to their inability to cope with alien cultures. We tend to be selective learner of things. We learn what we like for example disco, pubs, night life and forgo others like code of conducts etc. We all ought to amiably accept differences.

"Our culture teaches us what messages to attend to and what those messages mean. This is especially true of nonverbal messages, because their meanings are almost entirely culture-specific. Moreover, we learn how to communicate nonverbally simply by growing up and participating with others in the culture. Verbal communication is learned formally, explicitly, in the classroom, while nonverbal communication is learned informally, implicitly, through interaction with others. Because nonverbal communication skills are unconsciously acquired, most of us are unaware that we are constantly sending and receiving these messages and giving them meanings." Gary Weaver

Source: www.cyc-net.org

Commodity Market In India: Investment Opportunities

Rahul Gupta
PGDM (2009-11)

Commodity: Forward contract regulation act (FCRA), 1952 defines "commodity" as every kind of movable property other than actionable claims, money and securities. These include all goods and products of agriculture (wheat, pulses, rice, soybean, rapeseed, cotton, guar, gum, zeera) precious metals (gold, silver), base metals (nickel, zinc, aluminum, tin) , energy products (crude oil, furnace oil), spices(pepper, chilies, cumin seed) etc. are traded in commodity market.

History Of Commodity Market In India

India has a long history of futures trading in commodities. In India, trading in commodity futures has been in existence from the nineteenth century with organized trading in cotton, through the establishment of Bombay Cotton Trade Association Ltd. in 1875. Over a period of time, other commodities were permitted to be traded in futures exchanges. There were booming activities in this market and at one time as many as 110 exchanges were conducting forward trade in various commodities in the country. The securities market was a poor cousin of this market as there were not many papers to be traded at that time.

The era of widespread shortages in many essential commodities resulting in inflationary pressures and the tilt towards socialist policy, in which the role of market forces for resource allocation got diminished, saw the decline of this market since the mid-1960s. This coupled with the regulatory constraints in 1960s, resulted in virtual dismantling of the commodities future markets. It is only in the last decade that commodity future exchanges have been actively encouraged. However, the markets have been thin with poor liquidity and have not grown to any significant level.

The commodity market in India revived after the liberalization of the economy in 1991 when future trading in major commodities was permitted in a gradual way from April 1, 2003. At present, there are 20 commodity exchanges operating in more than 100 commodities, of which three are electronic national-level exchanges (i.e., with nationwide operations). The rest are regional commodity exchanges.

And today commodity market in India clocks a daily average turnover of Rs 12,000-15,000 crore.

Why Commodity Trading?

Well, let's suppose that you want to buy a commodity in local market for making profit out of its price variations then you need to find out a place to store it, you have to provide the security, transport it to vault and other such hassles. And also you have to pay a full amount to buy a commodity but in case of commodity exchange, you just need to pay a margin money that too very less say 3-4% of the total value varying according to the nature of commodity and also there is no need to find out a storage place as trading is done online. Compared to stocks, trading in commodities is much cheaper, because margins are much lower than in stock futures. Also brokerage is low for commodity futures. It ranges from 0.05% to 0.12% because of this, commodity futures are a speculator's paradise.

Comparative Analysis of Commodity and Equity Markets

Factors	Commodity Markets	Equity Markets
Percentage Returns	Gold gives 10-15 % returns on the conservative basis.	Returns in the range of 15-20 % on annual basis.
Initial Margins	Lower in the range of 4-5-6%	Higher in the range of 25-40%
Arbitrage Opportunities	Exists on 1-2 month contracts. There is a small difference in prices, but in case of commodities, which it is in large tonnage makes a huge difference.	Significant Arbitrage Opportunities exists.
Price Movements	Price movements are purely based on the supply and demand.	Prices movements based on the expectation of future performance.
Price Changes	Price changes are due to policy changes, changes in tariff and duties.	Price changes can also be due to Corporate actions, Dividend announcements, Bonus shares / Stock splits.
Future Predictability	Predictability of future prices is not in the control due to factors like Failure of Monsoon.	Predictability of futures performance is reasonably high, which is supplemented by the History of management performance.
Volatility	Lower Volatility	Higher Volatility
Securities Transaction Act Application	Securities Transaction Act is not applicable to commodity futures trading.	Securities Transaction Act is applicable to equity markets trading.

Major Commodity Exchanges In India

- Multi Commodity Exchange of India Limited (MCX):- Headquartered in Mumbai MCX, is an independent and demutualised exchange with a permanent recognition from Government of India. it started offering trade in November 2003 today accounts India's No. 1 commodity exchange with 84% Market share in 2008($0.84 trillion) and average turnover of US $2.15 billion. Globally, it ranks no. 1 in silver, no. 2 in natural gas, no. 3 in crude oil and gold in futures trading. The highest traded item is gold with an average monthly turnover of Rs 1.42 Trillion ($29 Billion). MCX now reaches out to about 500 cities in India with the help of about 10,000 trading terminals. MCX has achieved three ISO certifications including ISO 9001:2000 for quality management, ISO 27001:2005 - for information security management systems and ISO 14001:2004 for environment management systems.

- Key shareholders of MCX are Financial Technologies (India) Ltd., National Bank for Agriculture and Rural Development (NABARD), State Bank of India, Union Bank of India, Corporation Bank, Bank of India and Canara Bank. MCX has forged strategic alliance with various leading International Exchanges, including Tokyo Commodity Exchange, Chicago Climate Exchange, London Metal Exchange, New York Mercantile Exchange, New York Board of Trade, Bursa Malaysia Derivatives, Berhad and others.

- National Commodity & Derivatives Exchange Limited (NCDEX):- NCDEX located in Mumbai is a public limited company incorporated on April 23, 2003 under the Companies Act, 1956 and had commenced its operations on December 15, 2003 providing trading in 53 commodities. Total turnover of NCDEX in 2007 was 774965 crores. NCDEX is the only commodity exchange in the country promoted by national level institutions. NCDEX is regulated by Forward Market Commission and is subjected to various laws of the land like the Companies Act, Stamp Act, Contracts Act, Forward Commission (Regulation) Act and various other legislations. Promoter stakeholders are Life Insurance Corporation of India (LIC), National Bank for Agriculture and Rural Development (NABARD) and National Stock Exchange of India Limited (NSE).

- National Multi-Commodity Exchange of India Limited (NMCEIL):- NMCEIL is the first demutualized, Electronic Multi-Commodity Exchange in India. On 25th July, 2001, it was granted approval by the Government to organize trading in the edible oil complex. It has come into operation from November 26, 2002. It is being supported by Central Warehousing Corporation Ltd., Gujarat State Agricultural Marketing Board and Neptune Overseas Limited. It got its recognition in October 2002.

Total turnover of all exchanges in India for 2007 was 3654487 crores as compared to 3484485 crores in 2006 and 1637345 in 2005. One major development in this market during last year was the entry of new players like R-ADAG, Kotak Mahindra group, Indiabulls group, MMTC Ltd.etc. MMTC and Indiabulls formed a joint venture to set up a fourth national commodity exchange. Reliance money picked up a stake in the Ahmedabad commodity exchange.

And the most important thing - government on January 30, 2008 allowed 26% FDI and 23% FIIs in commodity exchanges. This decision of allowing 49% foreign investment in commodity market will not only improve the efficiency of exchanges, but also make trading more transparent. Some of the Intermediaries of commodity market are Bonanza, India Info line, Reliance direct etc. With risks not being absorbed any more, the idea is to transfer it. As the focus is shifting to **"Manage price change rather than change prices"**, the commodity markets will play a key role for the same.

Today investors are heading towards commodity market from stock market due to its easiness and less volatility nature of trading.

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Genetically Modified Foods - 'Boon or Bane?'

Jatinder Mohan Mahajan
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Some say, we are interfering with the ways of Mother Nature, some say that it is the invention of the century. We are talking about the science of genetically modified foods which has brought a whole new dimension to the way crops are grown. What is a Genetically Modified Food (GMF)?

This term GMF is used to refer to crops plants created or modified genetically, for human or animal consumption using latest molecular biology to enhance the desired traits such as increased resistance to herbicides, resistance to pests or disease and even improved nutritional content.

Genetically modified (GM) foods are foods derived from genetically modified organisms. Genetically modified organisms have had specific changes introduced into their DNA by genetic engineering, using a process of either Cisgenesis or Transgenesis. These techniques are much more precise than mutagenesis (mutation breeding) where an organism is exposed to radiation or chemicals to create a non-specific but stable change.

The conventional ways of enhancements of such traits were based on breeding and were often very slow and not very accurate. Genetic engineering has made all this possible with great speed and accuracy. For example, plant geneticist can isolate a gene responsible for drought tolerance and insert that gene into a different plant. Genes of a non-plant organism can also be used. BT corn which produces its own pesticides against an insect called 'European corn borer' is an example of it.

The advantages of GM foods are:

1) **Pest Resistance**: Crop losses from insect pests can be staggering, resulting in devastating financial loss for farmers and starvation in developing countries. Farmers typically use many tons of chemical pesticides annually. Consumers do not wish to eat food that has been treated with pesticides because of potential health hazards, and run-off of agricultural wastes from excessive use of pesticides and fertilizers can poison the water supply and cause harm to the environment. On the other hand, these GM Foods are pest resistant.

2) **Herbicide Tolerance**: GM Crops are engineered to be resistant to the popular herbicides, that could help prevent environmental damage by reducing the amount of herbicides needed and hence it helps prevent environmental damage by reducing the amount of pesticides needed.

3) **Disease Resistance**: Plant biologists are working to create plants with genetically engineered resistance to various viral, fungal and bacterial diseases.

4) **Freeze Tolerance**: An antifreeze gene from cold water fish has been introduced into plants like tobacco and potato with which they can tolerate freezing temperatures, which otherwise, can be fatal for the plants.

5) **Drought Resistance/Salinity tolerance**: Geneticists have created crops that can withstand long periods of drought and light salt cone in soil and ground water which help farmers to grow crops in inhospitable conditions.

6) **Nutritive Value**: Staple food in many of the underdeveloped nations does not provide the necessary level of nutrition. Geneticists have found ways of enriching rice with Vitamin A. The rice is known as "golden rice."

7) **Medicine/Vaccine**: Researchers have developed edible vaccines in tomatoes and potatoes and which are not available in third world countries. For e.g. - people may be immunized against measles by eating GM bananas.

Some facts related to GM foods are:

'13' countries grew GM crops in 2000, of these '68%' were grown in US. Argentina grew 23%, Canada 7% and China 1%. India gave permission for the commercial cultivation of BT cotton, first GM crop in India.

Like the two facets of a coin, the GM chapter has an uglier side too. Environmental activists, religious organizations, public interest groups and other group

have been harping about the ill effects. Some of them are:-

1. **Unintended harm to other organisms**: GM Foods cause unintentional harm to other organisms and plants nearby them e.g. pollen from B.T. corn cause high mortality rates in monarch butterfly caterpillars.

2. **Reduced effectiveness of pesticides**: The GM crops results in the reduction of effectiveness of the pesticides thereby creating loss for the farmers there by finally decreasing the fertility of soil.

3. **Gene transfer to non target spires:** Another concern is that crop plants engineered for herbicide tolerance and weeds will cross-breed, resulting in the transfer of the herbicide resistance genes from the crops into the weeds.

4. **Allergenicity**: Many children in the US and Europe have developed life-threatening allergies to peanuts and other foods. This is the result of a GM Crop.

5. **Unknown effects on human health**: There is a growing concern that introducing foreign genes into food plants may have an unexpected and negative impact on human health.

Before deciding its fate we must know that the GM foods concept is still in the developing stage. No doubt, we still haven't found the ideal GM crop, but slowly and surely we are getting towards a giant leap in plant evolution.

"Four GM food Items"

Golden rice is genetically modified rice that now contains a large amount of A-vitamins. Or more correctly, the rice contains the element beta-carotene which is converted in the body into Vitamin-A. So when you eat golden rice, you get more Vitamin A. Beta-carotene gives carrots their orange color and is the reason why genetically modified rice is golden. For the golden rice to make beta-carotene three new genes are implanted: two from daffodils and the third from a bacterium.

Long-lasting tomatoes are genetically modified tomatoes came on to the market in 1994 and were the first genetically modified food available to consumers. The genetically modified tomato produces less of the substance that causes tomatoes to rot, so remains firm and fresh for a long time.

Insecticide sweet corn is genetically modified sweet corn that produces a poison which kills harmful insects. This means the farmer no longer needs to fight insects with insecticides. The genetically modified corn is called Bt-corn, because the insect-killing gene in the plant comes from the bacteria Bacillus.

Pesticide resistant rape plants - Scientists have transferred a gene to the rape plant which enables the plant to resist a certain pesticide. When the farmer sprays his genetically modified rape crop with pesticides, he or she can destroy most of the pests without killing the rape plants.

Source: www.bionetonline.org

Global Warming

Deepak Kumar Sahu
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Global warming- the name itself makes one understand its meaning i.e., the warming of our planet Earth (referred as globe). Global warming is the increase in the average temperature of the Earth in the recent times and its projected continuation. Global warming is said to be the main reason for the climatic changes that have been observed in recent times. Climate models referenced by IPCC (Intergovernmental Panel on Climate Change) projects that global surface temperatures are likely to increase by 1- 6 degree Celsius in the twenty-first century.

The main causes that have been identified for the global warming are greenhouse gas concentrations, feedbacks and solar variation. The increase in the global average temperatures is very likely due to the increase in the anthropogenic (human induced) greenhouse gas concentrations.

The major greenhouse gases are water vapour - which causes most of the greenhouse effect; carbon dioxide the second main contributor; methane and ozone. The atmospheric concentrations of carbon dioxide and methane have increased many folds since the pre-industrial levels. About seventy-five percent of the anthropogenic emissions of carbon dioxide to the atmosphere during the past two decades are due to fossil fuel burning. The rest can be attributed to land-use change especially deforestation. With the present levels of greenhouse gases in the atmosphere, the rapid industrialization trend and the use of excessive fossil fuels warming and sea level rise are expected to continue for more than a millennium even if greenhouse gas levels are stabilized.

The effects of forcing agents on the climate are complicated by various feedback processes. One of the most pronounced feedback effects relates to the evaporation of water. Carbon dioxide in the atmosphere causes a warming of the atmosphere and the earth's surface. This warming causes more water to be evaporated into the atmosphere. Since water vapour itself acts as a greenhouse gas, this causes still more warming; the warming causes more water vapour to be evaporated and this cycle continues. This feedback effect can only be reversed slowly as carbon dioxide has a long average atmospheric lifetime.

Clouds absorb infrared radiation and so exert a warming. The topic of feedback effects due to clouds is an ongoing research and debate area. Ice-albedo feedback is another important process. The increased carbon dioxide concentration contributing to global warming leads to melting of ice near the poles. The place of ice is then taken over by either land or open water which is on average less reflective than ice and thus absorbs more solar radiation. This causes more warming which in turn causes more ice to melt and this cycle continues.

The effects of global warming can be very diverse. The increasing number of cyclones and the melting of polar ice shelves are partly attributed to global warming. The future effects of this may be even more adverse. Glacier retreat, water scarcity in some regions and increased precipitation in other regions, adverse health effects from warmer temperature, sea level rise, fall in agricultural productivity, depletion in ozone layer and extinction of some species are some of the expected effects. Sea level rise is expected to be around 1-3 feet by the end of the twenty-first century, which would mean some parts of the coastal regions around the world would be submerged. Economic aspect of global warming is also alarming. Extreme weather might reduce global gross domestic product. The climate change would also create difficulties in agriculture and transport. Developing countries are at greater economic risk than their developed counterparts.

With the increased global warming effects challenging the very existence of life in the future, measures have already been initiated to curtail this phenomenon. The fact that the global temperatures will continue to increase has led nations, states, corporations, groups and individuals to implement actions to try to control global warming or adjust to it. Many environmental groups encourage action against global warming.

Measure towards controlling the effects of global warming includes business actions on climate change and moves to alternative fuels. Business actions include the development of greenhouse gas emission trading. One of the key components of national and international emissions trading schemes is carbon credits. Emission allowances 'caps' the maximum amount of greenhouse gases for developed and developing countries. In turn these countries set quotas on the emissions of installations run by local business

and other organizations. Countries manage this through their own national registries, which are monitored by the United Nations Framework Convention on Climate Change (UNFCCC). Each installation has an allowance of credits where each unit gives the owner the right to emit one metric tonne of carbon dioxide or other equivalent greenhouse gases. Organizations that have not used up their quotas can sell their allowances as carbon credits while businesses that are about to exceed their quotas can buy the extra allowance as credits, privately or on the open market. By allowing allowances to be bought and sold an organization can seek out the most cost effective way of reducing its emission, mostly by investing in cleaner machinery.

The world's primary international agreement on combating global warming is the Kyoto Protocol made under the UNFCCC negotiated in 1997. Countries that satisfy this protocol commit to reduce their emissions of carbon dioxide and five other greenhouse gases or engage in emission trading. The Protocol now covers more than 170 countries globally and more than 60 percentage of countries in terms of global greenhouse gas emissions. United States (the largest emitter) and Kazakhstan are the only signatory nations not to have ratified the act (as of December 2007). The US has indicated that it does not intend to submit the treaty for ratification, not because it does not support the Kyoto Principles but because of the exemptions granted to India and especially China (second largest emitter). Here what must be considered is the US has only one-fourth the population of that of China.

The first phase of the Kyoto Protocol expires in 2012. The United Nations Climate Change Conference in Copenhagen in December 2009 was the next in an annual series of UN meetings that followed the 1992 Earth Summit in Rio. In 1997 the talks led to the Kyoto Protocol, Copenhagen is the world's chance to agree a successor to Kyoto that will bring about meaningful carbon cuts.

In the recently concluded G8 summit at L'AQUILA, Italy, leaders from the Group of Eight (G8) industrialized countries agreed to limit global warming to within two degrees Celsius above pre-industrial levels, but watered down a target of halving greenhouse gas emission by 2050. Scientists had warned that there would be serious climate consequences if the world temperature rises more than the threshold of two degrees Celsius. The United States has been reluctant to accept the 2-degree limit, a goal strongly supported by the European Union (EU). It is the first time the G8 leaders accepted the political goal in the global fight against climate change. The G8 leaders said they are ready to achieve the goal of reducing global emissions by at least 50 percent by 2050, without specifying from the level of which year. The EU has been pushing for reduction by half from the base year of 1990, but Washington wants to use the emission level in 2005, which is higher than that in 1990, as the reference.

That global warming is happening has now been established. Yet, such a forcing is likely to take centuries to induce any discernible climate change on the planetary level. We should invest the bulk of our scarce resources in research and innovation. We should accept that climate change is inevitable and work out ways of harnessing it to our benefit. We should come up with new agricultural methods and strains; new types of tourism; new irrigation techniques; water desalination, diversion, transport, and allocation schemes; ways of sustaining biological diversity and of helping the human body adapt and cope; and global plans to cope with energy production problems, poverty, and disease triggered by global warming.

For the next few centuries, global warming is inexorable and largely irreversible (as the IPCC essentially admits). To think otherwise is completely delusional. Better to re-imagine our existence on this planet (adaptation). As temperatures rise in certain locales (and drop in others!), new economic activities and routes of commerce would be made possible or rendered feasible; new types of produce and forests will flourish; new technologies will be developed to cater to a novel and growing set of needs.

"Climate change is the most severe problem that we are facing today, more serious even than the threat of terrorism." - David King

"The problem of climate change is so large that it can't be solved by voluntary individual responses. It requires an economy-wide solution, i.e. one that limits the total carbon intake of the economy." - Peter Barnes

Deteriorating Values

Swati Agarwal
PGDM Year I (2009-10)

It was the time of summers, was burning outside, I was travelling in a bus. I was sitting comfortably on my seat enjoying my music with my ear phones plugged in, least bothered about others. Suddenly bus stopped at some location and many people entered in, more than the number of seats as it happens generally making it overcrowded with bus conductor shouting on passengers to get settled and get tickets, this hustle bustle disturbed me and all the other passengers entirely spoiling our mood I tried not to look at it at all as is the mindset now a days and concentrate on my favourite track being played on my iPod but I couldn't do that, the crowd was making me uncomfortable as someone was going from my side almost hitting me ,someone stepping on my shoes, I was irritated as suddenly my comfortable journey has turned into a struggling one and the thing bothering me most was I was not able to enjoy my music. But away from theses all things I saw a tired old lady she must be in her 70's standing in the crowd with a small bag on her shoulder. A guilt surrounded me-here I am sitting getting irritated on crowd and trying to concentrate on my music and there she was standing in the crowd, I saw my fellow passengers most of them were youngsters like me they were also sitting on their seats not bothered about anything exactly the same way I was behaving. I felt very bad and stood up offering my seat to the lady some others took note of the deed they did same offering their seats to some old people and others kept on sitting ignoring what was happening. I was feeling ashamed of my generation and this incident stuck me so hard. It forced me to think where we are leading in this materialistic world, what we are trying to achieve, what we are doing…..

Have human values lost their existence or they are not that happening thing in this youngster's world!! Have we hidden our self so inside in our selfish and comfortable cocoon that we have forgotten what respect is and how that should be given to our elders, to the most deserving people on this planet, to the ones who made us what we are today? Where are our values, ethics and even humanity gone?

Youngsters usually say "It's my life I will live it my way"- fair enough but does that mean that you will put humanity at stake and forgot everything, all good old values, all responsibilities just because you are least bothered about these things or its not part of your interest just to be cool and modern? Has modern society has sunk so low in this advanced world where world getting smaller and distances getting wider and wider .Dilution of values has gone to such high level and if its so at this time what will future generation do? What will we teach them? We need to prevent this degradation of values for everyone for humanity because as long as human values, ethics deteriorate, humanity will deteriorate at same level.

We enjoy sitting at our homes and criticizing others for their wrong doings for their misbehaving and even discussing about the condition of societies now and then comparing it with those good old days. But is this justified? Is this right to sit ideally and shift blame on others? Have we ever thought what are we doing in this regard?

It is late but not very late yet, we youngsters need to come out of our small world and realize our basic human values to prevent value degradation of society and humanity on the whole, at least to be answerable to future generation.

It is our responsibility at the end to contribute in some way or other in this regard and we are capable of making the difference. At least if we can't do anything due to any unavoidable reason, one thing can always be done, that is not worsening the condition more not hurting the humanity.

Give and show your efforts whole heartedly and show the world that the new generation does care. I know that what is moral is when you feel good after the action or behaviour and what is immoral is when you feel bad after the deed.

Market Economy and the Financial Crisis

Shama Parveen and Nitin Agarwal
PGDM (2009-11)

"People don't change when you tell them there is a better option. They change when they conclude they have no other option. "

These are the words of Michael Mandelbaum quoted in Friedman's "The World is Flat". This statement is so relevant in today's turbulent economy that the words have even been echoed by now US president Barack Obama as "change we need "slogan.

The genesis of economy has been very eventful and as time passed by, it has become more dynamic. The most eventful of all has been the industrial evolution of the 19th century in Britain, which brought Capitalism into life, and it was perceived to be highly exploitative. The unequal sharing of wealth lead to agitation and brought with it the concept of socialism. Socialism is based on the concept of 'everyone gets their share'. But socialism in its pure form would be too naïve to exist, as hard working members of the economy would expect a larger share of the pie. This can be summarized in the words of Winston Churchill as - "The inherent vice of capitalism is the unequal sharing of blessings. The inherent vice of socialism is the equal sharing of Miseries".

So here arises the need for the mixed economy market where there is a variety of public and government control, or a mixture of both theories - capitalism and socialism. Today, most countries follow a mixed economy system; but the grip of capitalism has deep roots and it far surpasses that of socialism. Greed and power drives the economy to the path of immense growth and to colossal destruction. This has been exemplified by the Great Depression of 1929.

The period following the great depression, the state played an interestingly prominent role in the capitalistic system throughout much of the world after World War II. This era was greatly influenced by Keynes .The General Agreement of Tariff and Trade (GATT), was established after World War II (1947).Both economists, Henry Dexter White and John Maynard Keynes at Bretton Woods conference, had been strong advocates of a liberal international trade environment and recommended the establishment of the IMF (fiscal & monetary issues) and World Bank (for financial & structural issues). While GATT functioned well enough, the leading members wished to replace it with World Trade Organization (WTO) for a number of reasons; as it covered trade in merchandise as well as services, and was a permanent institution with its own secretariat and also provided a forum of negotiation and for settling disputes.

The positive effects of the open market economy are clearly evident in the stellar growth of the US economy over their past decade. Since 1990, the US economy has grown by more than 23%, adding more than $2.1trillion to the nation's GDP.The economy responded well to the expansion of trade that occurred after the signing of the North American free trade agreement (NAFTA) in 1993, and the establishment of the WTO in 1995 as a forum for settling disputes.

But globalization and free trade are not free from from vices of Capitalism. It can be inferred from the words of Kevin Rudd - "From time to time, in human history there occur events of a truly seismic significance. Events that marks a turning point between each epoch and the next. The significance of these events is rarely apparent as they unfold; it becomes clear only in retrospect, when observed from the commanding heights of history."

The epicenter of the financial crisis has its roots way back in 1997-98, with the Asian financial crisis. It was a financial crisis that crippled much of the beginning in July 1997.It started in Thailand with the financial collapse of the Thai Baht .The crisis spread, most of Southeast Asia and Japan saw slumping currencies, devalued stock market and other asset prices. The IMF stepped in to initiate a $40 billion program to stabilize the currencies of South Korea, Thailand and Indonesia . The effects of the crisis lingered through 1998.

After the Asian crisis, investors were reluctant to lend to developing countries, leading to economic slowdown in developing countries. The powerful negative shock also reduced the price of oil, which reached as low as $8 per barrel towards the end of 1998, causing a financial pinch in the OPEC countries and other oil exporters. This reduction in oil revenue contributed to the 1998 Russian financial crisis, which in turn caused long term capital management in the US to collapse after $4.6 billion in 4 months. A wider collapse was avoided when Alan Greenspan, an economist and chairman of the federal reserve of the US (1998 to 2006), and the Federal

Reserve Bank of New York organized a $6.35 billion bail-out.

Many countries learned from this crisis and quickly built up foreign exchange reserves; as a hedge against attacks, including Japan, China, South Korea. This led to an ever increasing funding for US treasury bonds, allowing or adding houses (in 2001-2005) and stock asset bubbles (in 1996-2001) to develop in the US. A major crisis came into a form of "dot-com bubble". After the dotcom burst and the shock wave from 9/11; left the US economy struggling to avoid a recession. There was one more shock In store for wall street before the end of 2001.In November, the giant energy trading corporation ENRON whose share price had terminal free fall. The collapse of Enron Corporation imposed widespread costs on the US economy.

As a result people's confidence was getting low in financial market. And previously, due to the dot com boom bust, people divested their investments in the housing sector. So, now there was a housing boom in US encouraged by government policies. This bubble roughly coincides with real estate bubbles of the UK, Hong Kong, Spain, Poland, Hungary and South Korea.

The US housing bubble had a direct impact not only on home valuation, but the nation's mortgage markets, builders, real estate, home supply retail outlets, Wall Street hedge funds and foreign banks; increasing the risk of nation wide recession. In 2008 alone, the US government allocated over $ 900 billion to special loans and bailouts related to US housing bubbles. In March 2007, the US subprime mortgage industry collapsed due to higher than expected foreclosure rates, with more than 25 subprime lenders declaring bankruptcy, announcing significant losses

But the shockwave to the economy came on September 15, 2008 with the collapse of the Lehman Brothers. Investors were left reeling at the abrupt demise of the Lehman Brothers and sparked the biggest shake-up Wall Street had in decades. And simultaneously, one of the US capitalism's biggest institutions, Merrill lynch was acquitted by Bank of America's $50 billion takeover to save it from collapse. Shares fell, as fear spread through the financial system. The Bank of England injected £5 billion Euro of emergency lending into money markets. Leading shares on both sides of Atlantic took a battering. Due to the effect of the recession, the debt accounts could not be kept under wraps for long; and hence another devastating scandal called the 'Madoff Investment Scandal 'came into limelight in 2008.He admitted operating 'Ponzi scheme ', that may be the largest investment fraud of Wall Street history of around $ 18 billion dollar.

This series of unfortunate events spread like a wildfire worldwide, as banks around the world had similar exposures to subprime and other declining assets and hence there was crisis of confidence in the financial markets. Crisis spread to other assets and institutions and led to credit and liquidity and hence, to the meltdown of the stock markets across the globe. The economy got caught up in the vicious cycle of low investment, liquidity crunch, drop in international trade in commodities and services, retrenchment and unemployment. The government all over the world took the necessary fiscal and monetary policies to avert the disastrous crash in the new economy. The world is still spiraling under the effects of the financial crisis; the present recession has left both the developed and developing countries in the lurch.

Still the current environment presents with new challenges and opportunities at an ever accelerating pace. While we are constantly in search of stability and predictability, with which to base decisions; it has become evident that very rare events, such as the rise of the Google, the collapse of Bear Stearns , and 9/11, just to name a few, occurred without warning and obviate all our assumptions and prior forecasts.

Hence, there is a dire need for government to come forward and regulate the economy. Capitalists left on their own wants actually lead to disaster and numerous examples are present to support the statements. Mixed economy in its pure form should emerge. Regulated financial markets would not have faced such a catastrophe perhaps.

"What we know about the global financial crisis is that we don't know very much." - Paul A. Samuelson

"My problem lies in reconciling my gross habits with my net income." - Errol Flynn

"October: This is one of the peculiarly dangerous months to speculate in stocks in. The others are July, January, September, April, November, May, March, June, December, August and February." - Mark Twain