



Excellence with Values

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CENTRE FOR RESEARCH STUDIES

Shodh Gyaan

Knowledge Through Research



Centre for Research Studies, Birla Institute of Management Technology



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Dr. Arun Sahay

From The Dean's Desk

In last edition of Shodh Gyaan; I discussed about some of the aspects in a doctoral candidate's journey. Doctoral programme is quite different from the bachelor's or master's programme as beyond the course work, it is unstructured. Every doctoral student is unique in his / her attitude and ability, and thus, in the management of their tenure through the programme. Here are some more insights which will help doctoral candidates during their journey:

Opportunity Costs and Benefits

I have observed that doctoral students who are motivated and are competent in their field of research are in great demand from their colleagues and faculty. Meeting these demands, though may be ego boosting, requires considerable time. However, it should be understood that with every opportunity comes corresponding costs. For these doctoral students, prioritization is the key. Saying "yes" to every opportunity (whether it be a research project, review, consulting assignment, seminar etc.) could be counterproductive as they loose concentration and deviate from their main objective. Spreading themselves too thin distracts these doctoral students from moving forward in their research. Some may find themselves in a project that is not pertinent to their area of interest and does not add any value and yet they are required to do it as they had stuck their neck out.

No doubt many tempting opportunities come their way but every opportunity should be evaluated strategically. They need to move up from operational level to strategic level and ask searching questions such as:

- Does this (new) project contribute to my doctoral education?
- Is it an appropriate use of my time in lieu of other uses (e.g., finishing my series of incomplete grades or attending to reviewer's comment on the article sent for publication)?
- Am I getting into something that could keep expanding like a black hole?



By this, I do not mean that risks should not be taken, but that they should be measured and analyzed before making any commitment. No doubt, one gets pressure from faculty and colleagues, one must learn to tactfully manage such pressures from superiors and peers. If not done, it will delay your candidacy in the market and you will lose opportunity at least by one recruitment cycle resulting in high opportunity costs.

Peaks and Troughs

I have observed peaks and troughs in many doctoral students' life while pursuing the course work, holding seminars and conducting their research. Generally, after successfully going through the stress and the psychological hurdle of examinations and seminars, students feel relieved and start relaxing. This relaxation period goes on stretching. The thesis proposal (synopsis) writing and its finalization gets inordinately delayed. The level of motivation goes down slowing the process of getting back into the dissertation mode. It is my observation that the duration between clearing all the exams & seminars and the dissertation proposal is often the most poorly managed time. By all means celebrate the clearing of all exams and seminars but always be conscious of the doctoral program. During this lull period, even supervisors lose interest in non-responsive students. This results in loss of continuity and tremendous start-up costs in every interaction (questions such as what were you working on etc. crop up). Sometimes, it may not only retard but break the relationship between the student and supervisor which could be academically fatal. Doctoral students need to plan their program well as they are the master of their destiny. Beyond course work, exams and seminars, the planning for progress is in their hands. They should be continuously thinking of topics while doing the course work and should home in on their topic by the time they clear the exams and seminars. They should work on developing the topic with their supervisor as soon as they have cleared the exams and seminars. There is no substitute for continuous interaction with the supervisor even if it is for minor updates.

Seeking Help

At Bimtech, doctoral students have lot of colleagues and faculty with expertise who have tremendous resources at their disposal. The students should interact with them. Sometimes, I observe that doctoral students invest inordinate amounts of time in learning topics or methods for which expertise is already available. They try to resolve it through their own means rather than ask

for guidance. While there is no substitute for perseverance, remember that you do not have unlimited time. Time is a precious resource; it needs to be spent judiciously. No doubt learning by doing is great but in many cases guidance can save hours of fruitless work. For instance, if there is a methodological concern that is consuming lots of time, students should seek help even from faculty outside his thesis supervisory committee. May be, a faculty member in another department or in another institute is well-versed in the technique can help. At times, a colleague who might know of a book or other source of information can come handy in these situations. Even an e-mail to someone whose article uses the same technique can compress the frustration cycle. While seeking help or even otherwise, doctoral students should not be afraid of criticism. In fact, you must create critiques of your work. Sharing and critiquing each other's ideas is the essence of research process. Research can actually be fun and of great learning if students invite the peers to critique their work and seek suggestions.

Create Knowledge Asset

In their career as researchers, doctoral students get many opportunities. It may be to work with a number of research groups or in various projects. The doctoral program opens many vistas for learning. They never would have devoted more time to learn as they do in their doctoral program. While life-long learning should be a goal, we often don't have the time or inclination. Once we are on regular jobs other priorities crop up. One of the ways to build their knowledge asset base is to become co-author in as many papers as possible using the time in their program. Relevant questions for a student are:

- Do I have writing skills required to be co-author?
- If not, how can I improve my writing skills?
- Besides writing, what are other skills required in the project?
- Can I cultivate those skills while in the program?
- If I work on a joint project, what do I bring to the table?

I have often associated doctoral students in my projects for their expertise in a certain area or methodology or even writing skills. Of late, I observe that the writing skill is taking a southward direction. Developing these skills and cultivating these assets, while in the doctoral program, creates value for joint endeavors in future. Doctoral students need to assess their assets and leverage the "learning" in the program in order to create



unique (inimitable) and long term value for themselves. Students, who do not build a knowledge asset base, fall in the category of “also ran.” They cannot sustain the joint research relationships that are so critical for their future career.

Ambitious But Not Overambitious

“The best dissertation is a done dissertation” is proverb used in academic circles, especially among the doctoral students. While only partially accepted, this statement is practical and needs to be noted for optimal outcome. Very often competent and motivated students invest a good deal of time in proposing thesis proposals that are extremely ambitious. They draw from various theoretical lenses, include a plethora of variables, requiring ambitious methodology, various mixes of methods and using number of tools and techniques. The role of the supervisor is to caution such students and narrow down their topics into a proposal that is not only interesting and relevant, but also doable, feasible and defensible.

No doubt, the dissertation process is a learning process but it is not necessarily the most significant project the student will ever do in his life. The feasibility (i.e., completion of a project within a reasonable time frame) of the proposal is an important criterion; it cannot be ignored while deciding the topic. When the topic is too ambitious, I intervene and advise students to evaluate their ambitious proposal in terms available time, resources and the value of the outcome. As a result, generally the project is pruned down and necessary changes are made. However before pruning or changing, they need to address questions like:

- How the pruning/ changing will affect the outcome of the research?
- What is the cost in time and effort to make these changes?
- Would some people disagree with the importance or need for the change?
- How do the benefits translate into probability of publication in a major journal?

It should be understood that no research can be perfect; there will always be limitations and scope for further research. In the doctoral program reasonable imperfection is acceptable, therefore, there is no need to be overambitious.

When To Depart

In many institutions, the scholarship is discontinued the moment thesis is submitted. This is one of the reasons

why doctoral students leave without defending the thesis. However, a good practice is to discourage students from leaving before their final defense. Unfortunately the pressures of getting a job take precedence. In some cases job hunt starts even before completion of the thesis. It is my observation that a dissertation with one month of pending work at the institute, sometimes takes years when pursued off campus. In a new job, a year flies. In a new job, you need to settle down, prepare courses, and establish new relationships. The dissertation takes back seat and at times gets squeezed out. It should be understood that one month investment could have saved the student many months and spared him of tension, anxiety, as well as risk in losing continuity of the dissertation process. The interest (or even physical presence) of the thesis committee, too, wanes. In some cases the members of the committee change their institute and are no more available.

Navigating Your Way

During the doctoral program, the students face many cross roads; sometimes cross fire. This is because unlike most masters programs, the doctoral program involves not only a higher level of dependence on faculty but also dependence on higher number of faculty. An unfortunate reality is that some faculty tend to be parochial and egocentric. Therefore, it is important for students to steer clear when managing their program. I have experienced cases in which faculty confrontation during oral examinations or defenses denigrated to a no-win situation for the student caught in the cross fire. In such situations, students need to be receptive and responsive to faculty; professional in their demeanor; make most of the different knowledge viewpoints being expressed and avoid any confrontation and take no unilateral actions. Being careful in choosing their committees based on members’ contribution, interests and chemistry is quite helpful in navigating the doctoral journey.

Managing the Supervisor/Supervisory Committee

Even though you have created a very enlightened and supportive supervisory committee, managing supervisor/ supervisory Committee is an important aspect in doctoral research. In case of Indian Universities, the doctoral students have to manage his/her supervisor only whereas those in the IIM system have to manage an supervisory committee. The job in the later case becomes much tougher and requires higher softer skills. Doctoral students must understand



the duality of their relationship with their supervisor/committee. In case of committee, though the relationship with all the members is important, it is the chair of the committee who plays the vital role and therefore, a highly productive relation needs to be maintained with him/her. Supervisor/committee works in the interest of the student. They appreciate the thought and preparation students put into meetings, and are generally open minded about alternative approaches. In case of committee, different viewpoints may emerge from different members. This, on one hand, enriches the knowledge base of the student but on the other poses a challenge before him to choose from different viewpoints expressed.

Supervisor/chair of the committee, generally fall in three categories:

- So involved that he/she starts working rather than making the doctoral student work
- Supportive, knowledgeable but too busy to find time for doctoral student and
- Available, and responsive but lacking expertise in the research theme

Despite their best attempts at choosing a supervisor/chair of the committee who is available, supportive, knowledgeable, and responsive, they hardly find one. In reality Supervisor/ chair of the committee who get involved so much that they themselves start working rather than making the doctoral student work, harm the later more as the doctoral student may get the degree early but will repent whole life as he does not learn to do research independently. Some are supportive, knowledgeable having good intentions and caring for the student, but is so busy that they cannot be as responsive or available as the student might want. No doubt such supervisor's bring credibility to the thesis but the doctoral student in such cases needs to be very proactive to engage his supervisor otherwise his/her thesis gets unduly delayed. With such supervisors, students should not go into a meeting with an open-ended question that they have not thought through; they need to be well prepared and need to have developed alternatives. In the former case, it will result in a discussion that might soak up a precious hour or two without any concrete outcome whereas in the later case the student will come out with a solution and the supervisor will have a feeling of satisfaction. When they go in prepared with the issues, their possible solutions, and solicit their supervisor's advice (that's what supervisors are supposed to do) in resolving the issue,

the limited interaction time produces concrete result. One needs to take a position on the minor issues while seek guidance upfront on major issues. Sometimes, the student is blessed to get a "hands-on" supervisor who wants to meet regularly and keep the student on track with substantive advice and encouragement. In such circumstances, the student need to leverage the situation by always being on toes and respond to the supervisor. In the last case, where the supervisor lacks domain knowledge, the going becomes tough. It shows up more during thesis writing and viva. In such cases co-learning about the subject is a must. The doctoral students should generally avoid choosing such supervisor, however, if they have done so due to exigency or unavailability of the right guide, he/she needs to be patient and should know upfront that he will take relatively longer time to complete the thesis.

In either of the cases, students should never hide their thoughts, progress in work or road blocks from their supervisor. Hiding is common behavior that students indulge in, particularly if they are not making required progress in their work. Hiding is delusional as the problem (whatever it might be) goes on compounding. If there is something amiss, communication with the supervisor is a prerequisite for resolving it. A symbiotic relationship between student and supervisor needs to be established as it allows the work to progress in harmony and the time spent together is the most productive one. It should be well understood that they co-create knowledge.

In conclusion, I would like to emphasize that going through this chakravayuh is the responsibility of the doctoral student. While doctoral education is challenging, motivation and competence should work synergistically. However, students can extract the most value from their program by carefully considering program management issues as the third crucial factor. During the program, they have to be proactive all along. They must not get into troughs after hectic activities. Students, who create synergy, are proactive in their approach, evaluate opportunities carefully, avoid a deep lull period, manage the interaction with their supervisor, seek help and criticism of their work, build a particular skill set, temper ambitious projects with reasoned reality, consider organizational realities, don't leave the program prematurely and make right selection of the supervisor/chair of the committee and manage the symbiotic relation well, tend to be successful in the program as also in their professional career.



Abhijeet Lele

The Editorial

Evolution of mankind confirms that cognitive revolution, agricultural revolution, industrial revolution and modern age information revolution were not accomplished overnight. Effective usage of available resources, collaborative learning and constant fine tuning of processes were the key ingredient in writing those success stories.

Today India is an eye candy for investors across the globe because of its sheer potential of growth. But this growth cannot be achieved on its own. If we really want to be world class there has to be sustained effort and continuous improvement in the manner with which we do business. The best way to materialize this is through agile and collaborative learning. Indian companies should learn from business processes from globally renowned corporations and reinvent them by assessing future possibilities. Indian companies should relentlessly innovate their business mindset and business processes.

India is less oriented towards research and development and this has constantly axed our growth possibilities. Today public research and development spend in India is just under 1% of GDP. This is significantly less than budget allotted for research and development by other business oriented countries like China (1.98%), United States of America (2.79%), United Kingdom (1.72), and Singapore (2.10%). If India desires for rapid growth, it is extremely necessary to overlook and reinvent core thinking of doing business. Globalization can be boon for Indian companies only if they can learn changing parameters of doing business in different geographical locations and utilizing the resources efficiently as well as effectively.

After the advent of new government at the centre there have been some changes which have reignited positive business sentiments for foreign investors. But regulation and policies alone cannot overhaul overall business. It has to be the Indian organizations that need to step up and face challenges from their global counterparts. IT services have created lot of jobs but there is not a single product company which tops the global ladder. The fundamental reason behind this lag is our inability to understand and create products which we can scale, adapt and cater to global masses. If India has to become superpower in business we need to bridge this gap as rapidly as possible. Business companies and academic institutions are two entities that are responsible for reinventing and collaborating learning. These two entities must work hand in hand in order to bring synergy in overall business environment. There has to be one strong all weather bridge between business and academics. This can be achieved by strengthening the foundation of research in India.

“Shodh Gyaan” is an effort from Centre for Research Studies at Birla Institute of Management Technology to create that bridge. This issue of ‘Shodh Gyaan’ disseminates knowledge in form of articles, research papers and case study covering various areas of management.

Happy reading!



Designing interventions for under 5 malnourished children living in the vicinity of Gajraula

- Shruti Singh

Abstract

Malnutrition is an insufficient or partly balanced diet or faulty digestion or utilization of food. *"...malnutrition is a matter of national shame. Despite impressive growth in our GDP, the level of under nutrition in the country is unacceptably high."* Prime Minister Manmohan Singh, speaking at the launch of the 2011 HUNGAMA Survey Report, 10 January 2012.

This study was conducted to design the interventions for under 5 malnourished children in the vicinity of Gajraula (Uttar Pradesh). The research was conducted in 11 villages with sample size 160 children already identified as malnourished. Focusing on the socio-economic conditions, sanitation, and health status of children, this study reveals the reasons of malnutrition. Strengthening government institutions and awareness found to be the most concern areas. Research comprised of primary data, qualitative and quantitative tools were used for analyzing the data.

Introduction

India is one of the fastest growing countries in terms of population and economics, sitting at a population of 1.2 billion. Uttar Pradesh, the most populous state of India with around 200 million population as per census 2011. Uttar Pradesh is home to 16.49 percent of the India's population. The latest estimates released by the Planning Commission for the year 2004-05 reveals that Uttar Pradesh has the largest BPL population with 590.03 lakh people living below the poverty line. Children tend to be a major victim of this phenomenon. Its adverse effect on them are manifold:

- Insufficient calories and an imbalanced diet lead to child malnutrition, iron deficiency, and poor resistance to infection, making them vulnerable to minor infection, such as cold, pneumonia.
- Financial crunches lead to lack of medical facility.

Malnutrition refers to the situation where there is an imbalanced diet in which some nutrients are in excess, lacking or wrong proportion. One of the major cause for malnutrition in India is gender inequality. Due to the low social status of Indian women, their diet often lacks in both quality and quantity. Women who suffer malnutrition are less likely to have healthy babies. In

India, mothers generally lack proper knowledge in feeding children. Consequently, new born infants are unable to get adequate amount of nutrition from their mothers. In India 44% of children under the age of 5 are underweight. The 2011 Global Hunger Index (GHI) Report ranked India 15th, amongst leading countries with hunger situation. India has the largest child development program in the world, yet progress on malnutrition is limited. 1 in 3 malnourished children lives in India. Therefore India is not likely to reach the target on child nutrition MDG Target 2015: 27% Underweight because:

- 10 Million under 5 die in the world, 2.2 million in India
- More than 50% of them contributed by Malnutrition
- One child's life every five seconds due to malnutrition

Objectives

- Identify the malnourished children in vicinity of Gajraula
- Assess the reasons for the malnutrition
- Study the working of existing institutions and schemes of government to fight
- Design a program to reduce the level of



malnutrition of children living in the villages near the Gajraula

- To find out the willingness of the families to buy the additional nutritional supplements

Project:

MDG 4 – TO REDUCE CHILD MORTALITY BY TWO THIRD – CANNOT BE ACHIEVED WITHOUT TACKLING MALNUTRITION

Jubilant Bhartia Foundation has proposed a project to improve the diets and nutritional status of children

under the age of five and mothers living in Gajraula through the expansion of home fortification and breastfeeding promotion with a focus on the necessary behaviour change among the intended target group in the villages. Its key objectives:

- To reduce anaemia by 15%;
- To ensure access for the poor to ensure continuity of the changed behaviour, thereby reducing the opportunity cost to the rural consumer.

Area Profile:

Gajraula (Demographic profile):

Gajraula is a town in Amroha district of UP. As per 2001 Census report the total population of Gajraula is 39,826 out of which 53% are male and 47% are female. Gajraula has an average literacy rate of 69% (out of which 74% male, 66% female). In Gajraula 14% of population is under 6 years.

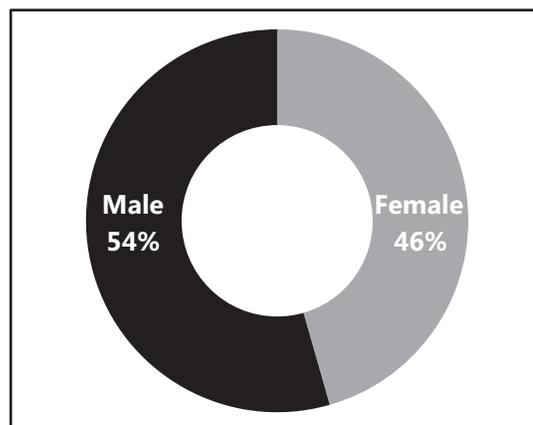
Area under this project	
No. of Villages	11
Population	30752
Children up to 60 months	2642
Female Child	1193
Male Child	1449

A baseline data was provided by Jubilant Bhartia Foundation which is the outcome of survey earlier conducted by them in Gajraula in 11 villages to address the malnutrition problem, to find out the causes and the practices of the community in day to day life. 2642 under 5 malnourished children in 11 villages were examined with the help of WHO chart and 902 were identified as malnourished children out of which 65% were in GRADE I (suffering from mild malnutrition), 23% GRADE II

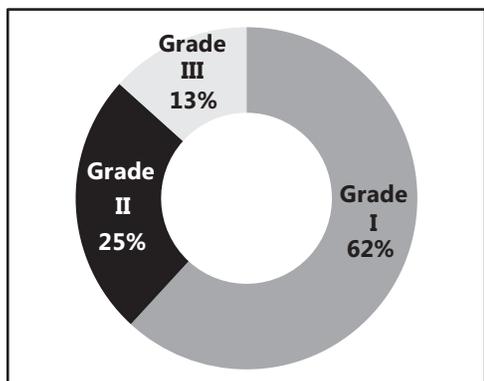
(suffering moderately from malnutrition), 12% GRADE III (severely suffering from malnutrition).

The outcomes were:

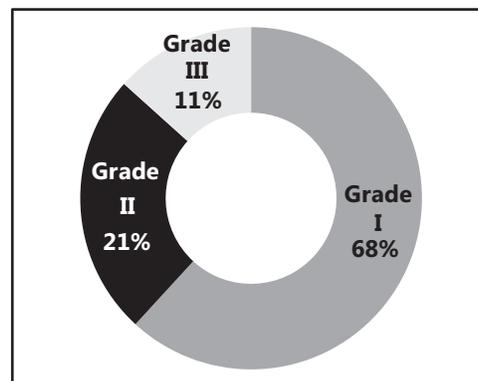
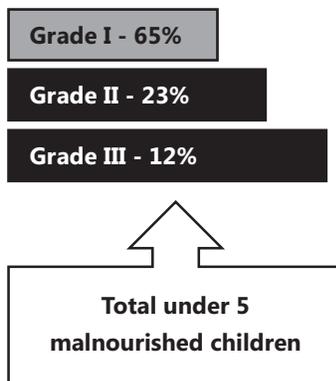
- Sex and gender ratio among 0 to 5 years of children is average
- Average Malnutrition is 35%
- Malnutrition among female child is 38%
- Malnutrition among male child is 32%



Graph 1: Sex Ratio



Graph 2: Female



Graph 3: Male

Methodology: include quantitative and qualitative analysis. Analysis was done through structured questionnaires, Personal interview, information collected from secondary sources.

In depth interviews: Interviews were held with mothers, Anganwadi workers and “swasthya prahari” (the women health guards who are identified from the local community, keep a track of expecting & lactating mothers, malnourished children, birth& deaths. They also make home contacts; motivate people for visiting health institutions). Different sets of questionnaires were prepared to identify the problems and issues regarding malnutrition, health status and socio-economic conditions of families.

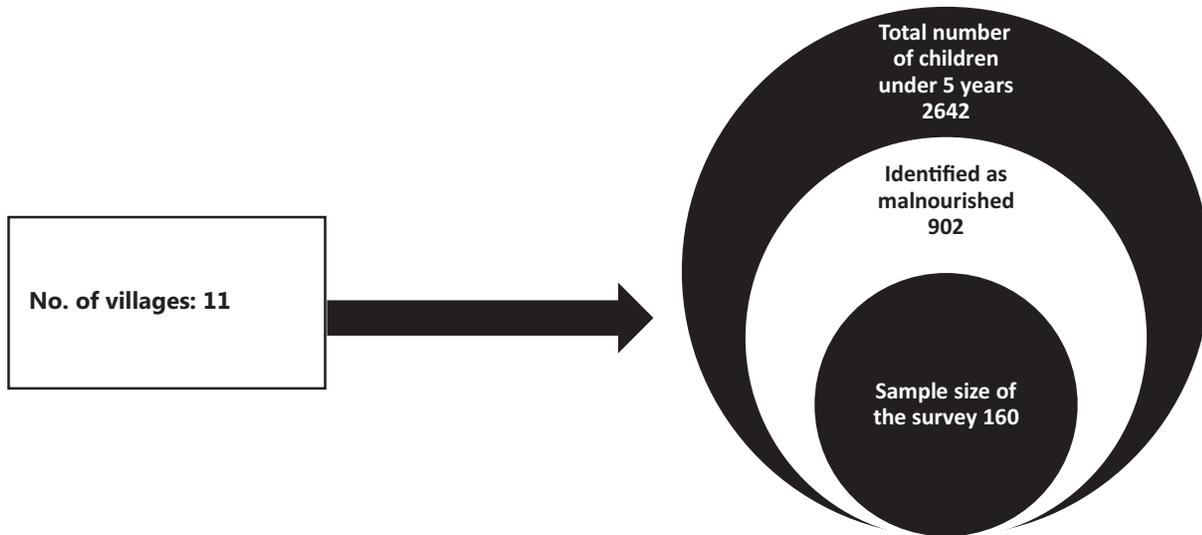
Issues reported here are- Reasons for malnourishment among under 5 children in the vicinity of Gajraula (*the survey was conducted with the help of individual data collected covering Grade II and Grade III children*), working of Anganwadi workers, quality of healthcare, mid-day meal, etc.

The data collection process was undertaken through:

- A review of project documents
- Discussion with program officers
- Discussion with Anganwadi workers
- Visit to schools
- Visit to villages and families.

The data collection was done in 11 villages:

Villages	Female	Male	Total
Bhikanpur	114	134	248
Choya	42	50	92
Katai	106	137	243
Naipura	138	176	314
Navada	124	121	245
Sehwazpur dor	293	334	627
Sultanther	100	135	235
Tigaria Khadar	49	67	116
Tigaria bhood	84	99	183
Allipur	101	139	240
Kumrala	42	57	99
Total	1193	1449	2642



Findings

No. of malnourished children: In this study 160 children those are already identified malnourished children were covered and out of that 47% female and 53% male. Girls being the marginalized and vulnerable section of society so we collected almost equal data.

Frequency of children: 52% of families were having children more than equal to 3, reason for no family planning lack of education.

Socio-economic conditions

Ownership of house: Ownership of house represent the economic status of a family. Being a rural area, there was no case of rented house. Everybody has built their own house and that too pucca houses but 90% of houses were having only two rooms. Large families living in two rooms may lead to spread of diseases. As such there was no questionnaire design for this but it has been observed during interviews.

Family occupation: 68% the families were labor class either they are working in hotels, factories or on others farms, 25% of families were doing farming on their own fields and only 7% were doing some small scale business. In 81% of the families only men were working to earn, in 17% of families both men and women were engage in some work and in 2% families women were engage in activities to earn the income for their families.

Monthly income of families: It has been observed that 46% of families have monthly income of Rs. 5000-10000 these are the families in which mostly male members are

working as labour either in hotel or factories, 40% include both labours and those who are working on their own land but has small ownership of land or having some shops having monthly income of Rs. 2500-5000. 9% were with large land holdings or doing some government jobs with income of Rs. 10000 and above and 5% were hardly getting job for a continuous period of one month and earning less than Rs. 2500.

Ownership of milch cattle: In villages milch cattle are being considered as property as, milk and dairy products hold huge potential to improve nutrition and livelihoods for hundreds of millions of poor people across the world. But while animal milks are not recommended for infants under 12 months, they are an efficient vehicle for delivering vital nutrients and improving growth for young children. 51% were not have milch cattle at their homes which is a sign of a danger.

Food intake patterns of children

Cases identification on the basis of their eating habits:

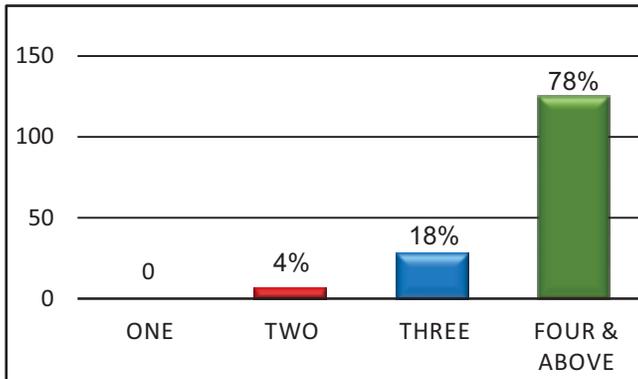
Families were also identified on the basis of their eating habits to find out the food included in their meal. 75% of the families were identified as non-vegetarians and 25% families were vegetarians. It indicates that 75% of children were easily getting enough protein, point of concern here was hygiene.

Frequency of food intake in a day:

As it is shown 78% children eating more than 4times a day, 18% were eating 3 times a day and 4% taking 2



times a day and there was no case who is taking food one time in a day. This shows they are taking proper food but there is a lack of nutrients in their food. They are not taking balancing diet.



Graph 4: Frequency of food intake

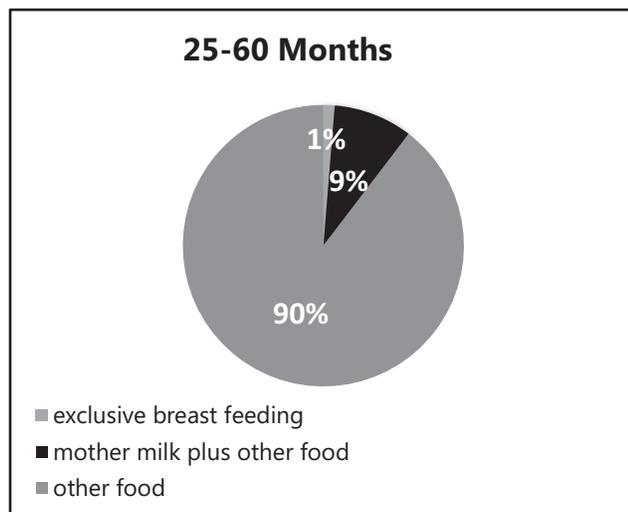
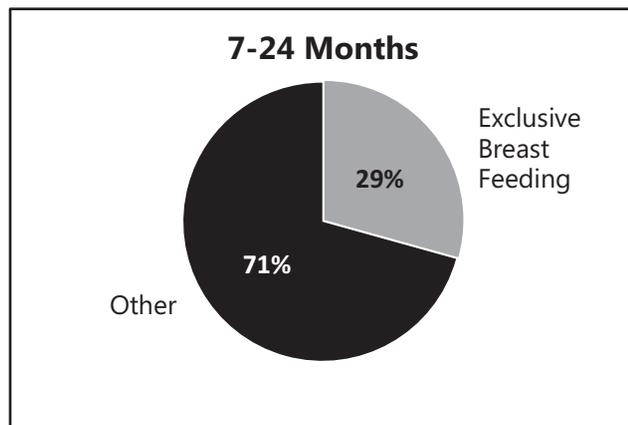
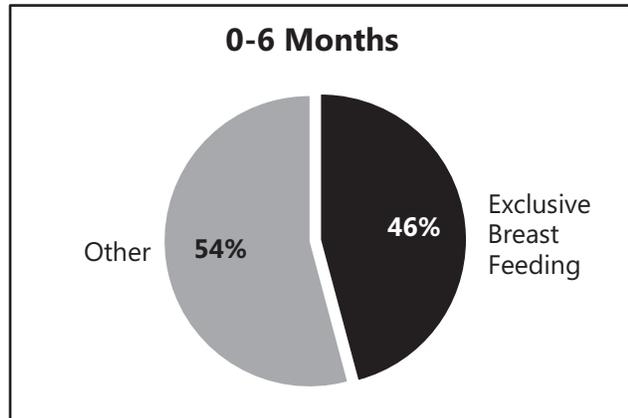
Eating habits of child:

Breast milk is the natural first food for babies, provides all the energy and nutrients that the infant needs for the first months of life, and it continues to provide up to half or more of a child's nutritional needs during the second half of the first year, and up to one-third during the second year of life. Breast milk promotes sensory and cognitive development, and protects the infant against infectious and chronic diseases.

- 54% of 0-2 months of child were not on exclusive breast feeding which affect their health as these age group child should on exclusive breast feeding, out of these 2 cases were exception as their mother were having some problem.

The transition from exclusive breast feeding to family foods - referred to as complementary feeding - typically covers the period from 6-24 months of age. This is a critical period of growth during which nutrient deficiencies and illnesses contribute globally to higher rates of under nutrition among children under five years of age.

- 29% of 7-24 months of child were still on breast feeding but in this age they should start taking other food also.
- In this age group 10% of children were in danger as still they are taking mother's milk, but in mothers should stop giving that. It is also notice here that children are not going to pre-schools as they have to take care of their siblings in absence of their parents specially girls.



Graph 5: Eating habits of children with respective of their age

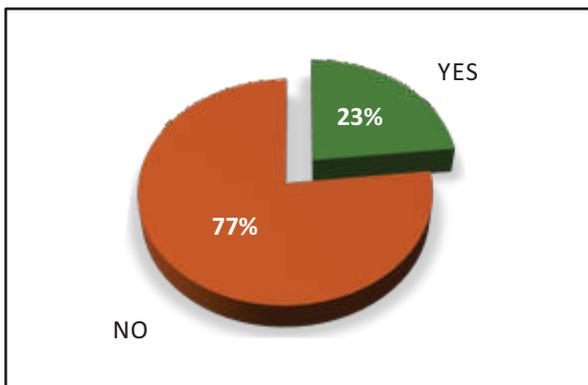
Other food supplements intake: When asked whether the children were taking other food supplements it was found that only 5% children were taking other food supplements (including Bournvita, Horlicks, Cerelac) and other children were just taking only food which they are getting at their homes.



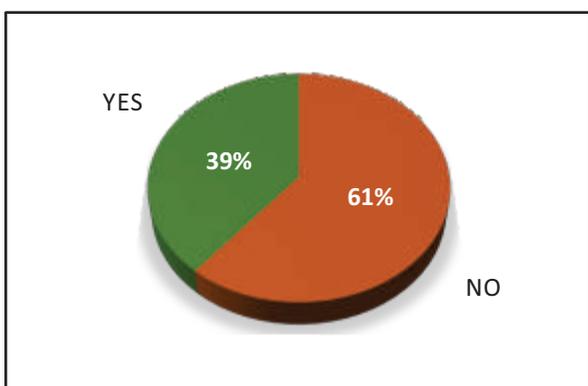
Anganwadi

Availability and enrollment: Out of 11 villages, Anganwadi was available only in 7 villages and in these villages only 61% were enrolled in Anganwadi and out of these 61% only 23% avail facilities from Anganwadi. 39% were not enrolled in Anganwadi. Reasons for not enrolled: 25% belongs to Muslim and 14% belongs to other caste. It was found that in Muslim families of that area women were not allowed to go outside their houses without permission from their husbands therefore it was a concerned issue as they were not aware of Anganwadi facilities because of "parda system".

Another issue found was that out of 77% were not availing Anganwadi facilities: 52% families were not able to avail because of unavailability of Anganwadi in their village, 16% were girl child so their parents were not concerned about their health and in remaining 42% families major reason for not availing facility was the lack of awareness and unavailability of food in Anganwadi on time.



Graph 6: Avail facilities



Graph 7: Enrolled with Anganwadi

Immunization:

A positive point seen there was immunization, 97% of children were immunized regularly and their parents were aware of benefits of immunization so there awareness about malnourishment among mothers can improve the conditions.

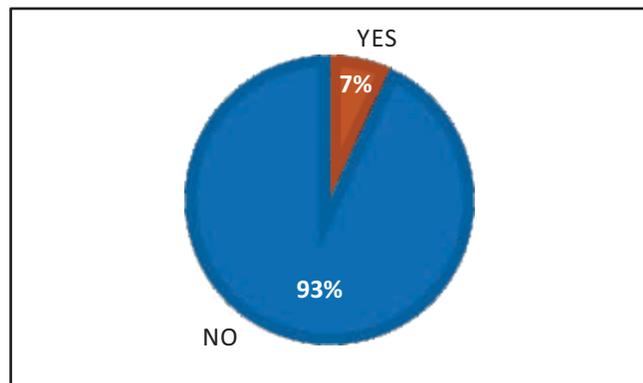


Graph 8: Immunization

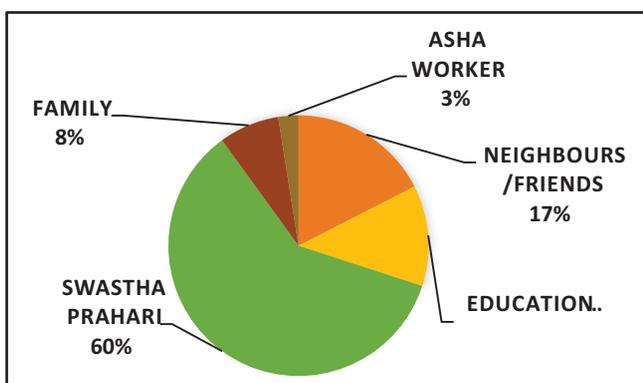
Health status and awareness

Malnutrition awareness:

Only 7% of mother's were aware of malnutrition and main source of awareness is "swasthya prahari", so "swasthya prahari" can be a better source for generating awareness among mother's as they have a good outreach in villages. It is accepted by people also that "swasthya prahari" work is appreciable and they are providing lot of information about which earlie they were not aware and now villagers are taking all the steps as told by "swasthya prahari".



Graph 9: Awareness



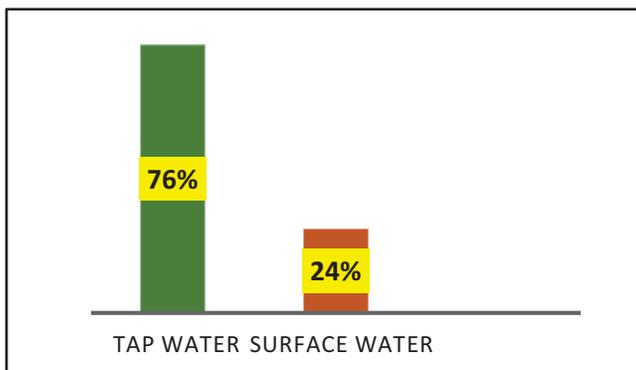
Graph 10: Source of information



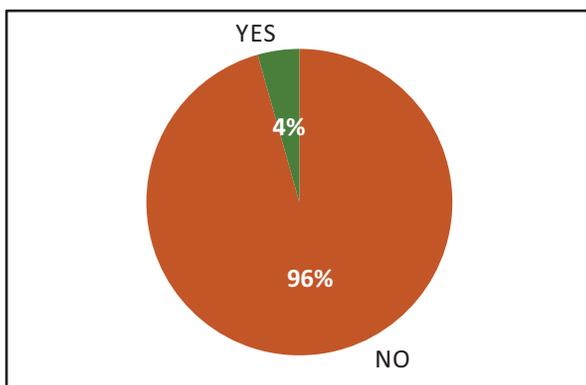
Deworm

Ideally a child should get dewormed six months after birth, since this is when they tend to touch various things and put their hands in their mouth. If what they touch is contaminated, it can cause the worms or their eggs to enter the baby's body and grow inside his/her stomach. It is important for parents to remember that the deworming dose should be repeated once every six months even if the child does not show symptoms of intestinal worms. It was found that 91% of children were never taken any deworming medicine and only 4% were taking in every six months. So here 91% are in danger zone as they are getting deworm and this can lead to many disease and it is also a main cause of malnutrition. It was also found that most of the mothers are not aware about deworming.

Water, Sanitation and Hygiene



Graph 11: Source of drinking water

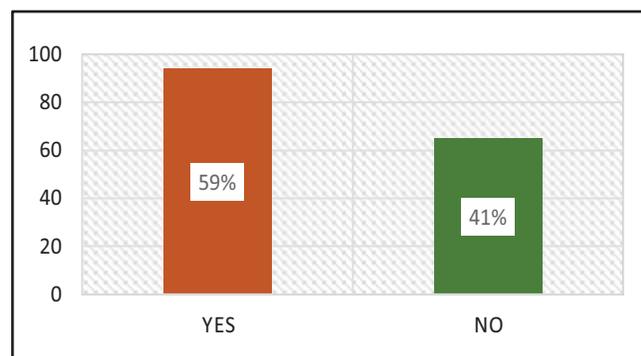


Graph 12: Hand wash

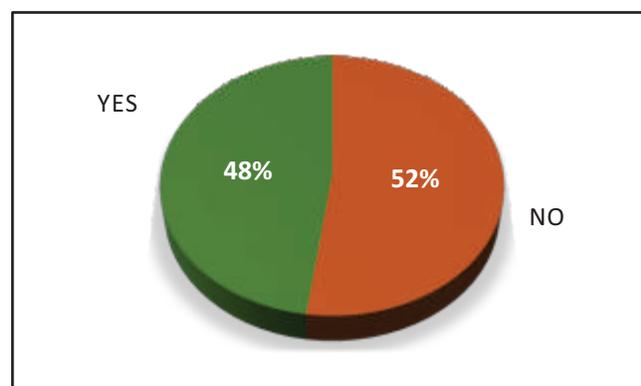
Water and Sanitation: 96% mothers wash their hands before feeding their child. And it has been observed they were also using soaps for hand washing.

A proper functioning toilet system is a good socioeconomic indicator on one hand and can be an indicator of better hygiene practices. 59% of households were having toilets at their home out of that only 52% use toilets others go for open defecation. Poor sanitation is a better predictor of malnutrition than nutrients intake. Faeces contain germs, exposure to these germs can cause diarrhea among children, but over the long term, also can cause changes in the tissues of their intestines that prevent the absorption and effect of nutrients in food. So there is need for awareness among mothers about sanitation.

The main source of drinking water is ground water i.e. 76% which includes hand pumps also and 24% depend upon surface water however the same water was not tested for its bio-chemical quality. The same water was being used for cooking, washing and bathing purpose.



Graph 13: Toilets



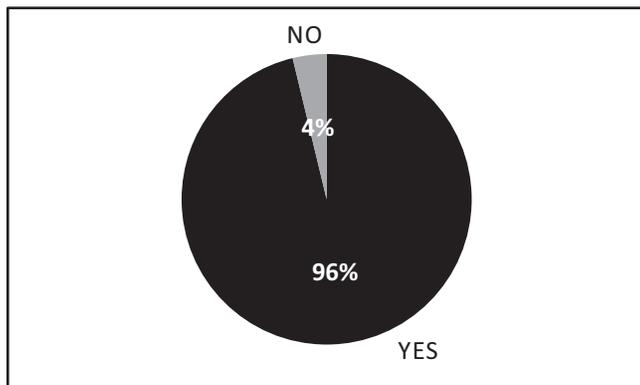
Graph 14: Use of Toilets

MNP (Multi-nutrient Powder)

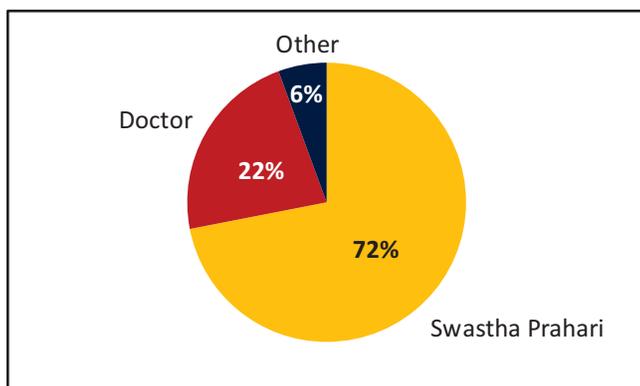
When asked to respondents whether they will prefer to buy any other food supplement to give their child proper nutrients. 96% said yes they will buy if it will be at low cost. Jubilant's idea of subsidized Multi-nutrient



Powder was also discussed with them. They agreed to buy that and it is also being accepted that 72% of them will prefer to buy it from "Swasthya Prahari" as these are the most trusted one.



Graph 15: Prefer buying



Graph 16: From where

Conclusion

From the research done on 160 children it was found that 93% of parents were not aware of malnutrition which may weaken the immune system of their and can also lead to pneumonia, diarrhoea, malaria and many other diseases. One way to tackle this problem is to teach mothers about the nutrition intake of their children.

91% of children has never taken any deworming medicine, deworming being one of the medical solution to tackle with malnutrition need to consider.

Swasthya prahari is a good initiative of jubilant and they were the main source of information to the villagers and also the reason for immunization of 97% of children.

Unavailability of proper Anganwadi infrastructure and facilities showing the weakness of government system.

Open defecation is also a major reason for malnutrition, there were proper functioning toilets in 59% of households but only 52% were using and other opt for open defecation.

96% parents of these children were ready to buy Multi-nutrient Powder (if available in the market) to improve the condition of their children.

So there is need to aware families specially mothers to make India malnutrition free. Mothers need to focus on the nutrition intake of their children as well as their own health.

Recommendations

1. Strengthening the government institutions:
 - Discussion with higher authorities for better advocacy
 - For improvement in mid-day meal and working of Anganwadi workers
2. Strengthening the Knowledge
 - Improving the level of knowledge of government acts and schemes such as RTE (Right to education), and ICDS.
3. Health:
 - For malnutrition in Gajraula ('wall paintings, SHG (Self Help Group) as a channel and most important Swasthya prahari'
 - Breastfeeding and dietary counselling that is nutritionally sound by "Swasthya Prahari" in Gajraula.
4. Awareness:
 - Awareness about malnutrition through wall paintings, documentary videos.
 - Meetings with mothers by "Swasthya Prahari" to aware them about the reasons of malnutrition and necessary steps to be taken.

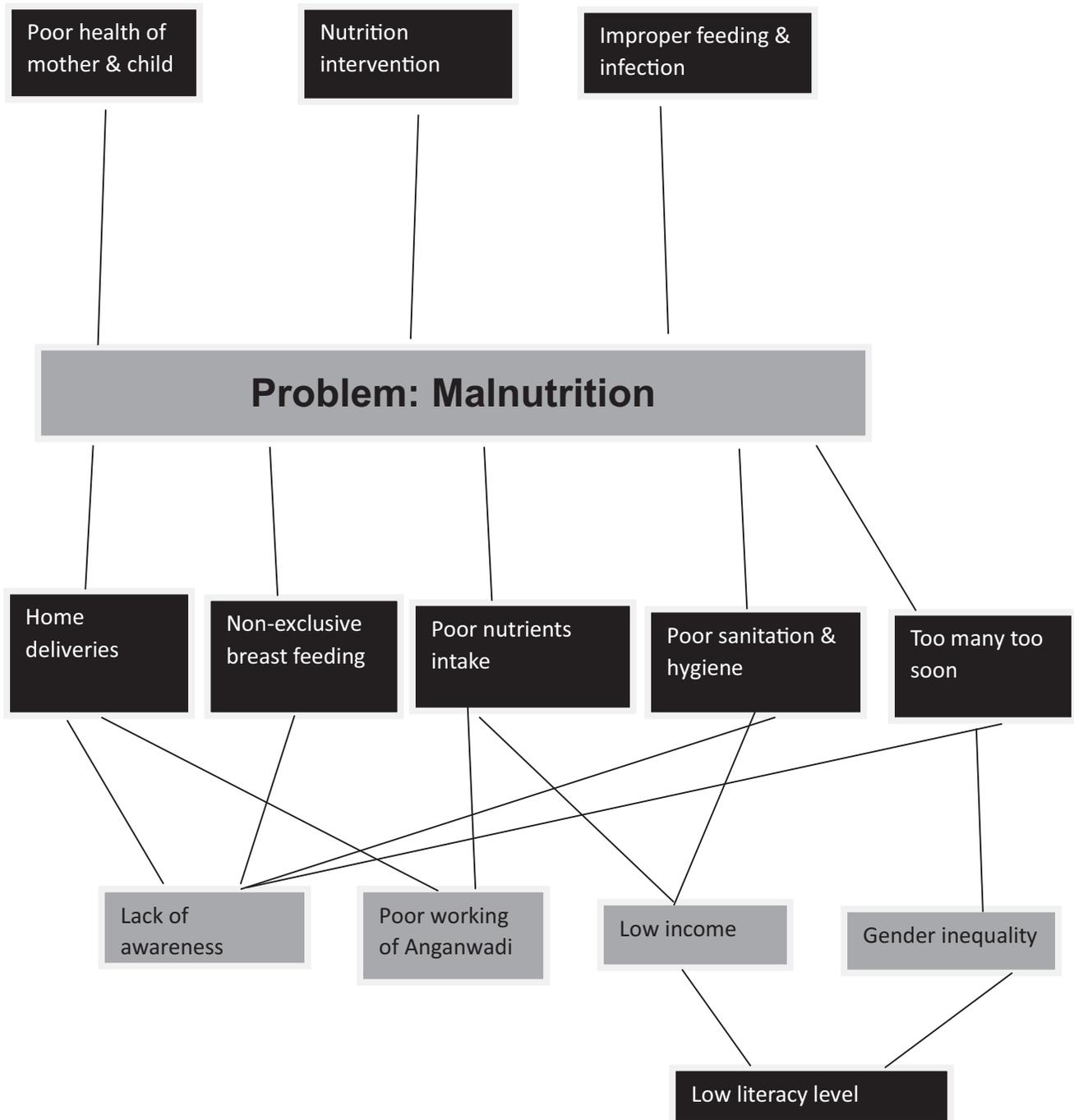
References

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2. *Jubilant Bhartia Foundation annual report 2012-13*
3. *WHO, UNICEF site for malnutrition overview* (<http://www.who.int/nutrition/topics/malnutrition/en/>, http://www.who.int/nutrition/topics/moderate_malnutrition_consultation_programmaticaspects_MM_report.pdf)
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Annexures:

Problem Tree



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An Assessment of impact of Free trade Agreements

- Parul Bajaj

With the proliferation of Free Trade Agreements around the globe, the impact assessment studies of these have gained prominence. There are multiple ways by which impact can be measured, the focus being on the variable of interest. In the present analysis our focus is basically on the sectoral impact analysis of the FTA. The sectoral impact studies gain prominence because the policy makers wish to maximize their gains from the agreement. These studies are classified into two parts one is ex ante that is knowing the potential of a free trade agreement which is under consideration and the ex post evaluation of an FTA. In case of ex-post evaluations we study the impact of the FTA in trade, the variables could be the balance of trade, changes in exports or imports of commodities. Firstly we discuss few important yet relatively simpler indexes which form the foundation of the sectoral identification-

- 1. The RCA index:** One of the starting points of trade analysis given by Balassa (1965). This index is relatively simple to calculate. It measures whether a country possesses a comparative advantage in production of a commodity in relation to the others. The numerator is the country's share of the commodity in the country's total exports divided by the share of world exports of the commodity in total world exports. The measurement of the index can specify where it will be beneficial for the countries to trade in FTA gets beneficial when there are trading partners whose RCA is much higher and there are others whose RCA is much lower in similar commodities (sectors). If there exists greater differences between the RCA index of the countries, the FTA arrangement can be successful.
- 2. Export complementarity index:** This index gives a relation between the export pattern of one country to the import pattern of a region. The value of the index lies between 0 and 1. If the value is 0 then there is an indication of no overlap and 1 is reflective of a perfect match in the import-export pattern. If the degree of complementarities are high then

favourable trade can be observed in that category of goods and there exists favourable prospects for a successful trade arrangement.

- 3. Export similarity index:** This index captures the similarity of exports between countries. The value of the index lies between 0 and 1. If the index approaches 1 there is less likelihood of success of FTA arrangement as their exports to the rest of the world are quite similar.
- 4. Intra-Industry Trade index:** These indexes become important when we are interested in analysing the sectors of a free trade agreement. This is when both countries simultaneously export and import in the same sector of the economy. This is further classified into two types-vertical- When the goods exchanged are in different stages of processing in the same sector we call it vertical IIT and when they are at the same stage we call it horizontal. The second term equals unity if the country is either an exporter or importer, this indicates absence of intra industry trade.
- 4. Gravitational model:** The horse of the international trade theory remains the Gravity Model proposed by Tinbergen in 1962 which is closely based on the gravitational law. This makes use of econometric analysis and is helpful in the evaluation of ex post analysis. Till today this model is being extensively and widely used with various modifications. The simplest gravity model states that the trade between two countries is directly proportional to the product of the GDP between them and inversely proportional to the trade costs between the two countries. This model can have several extensions. There could be additions in the model by adding variables or proxies to the trade costs such as language, culture, whether the countries share a common border, migration, colony, tariff barriers to name a few. These variables could either facilitate or hinder trade. The model initially was not based on any theoretical



foundations. This then becomes the augmented gravity model based on the simple OLS regression. This is a very popular model as it is intuitively appealing, based on availability of secondary data set and the basic OLS equation can be modified based on the factors of interest. Thus while studying the potential between countries with the formation of an FTA, we could add the FTA dummy to the standard gravity model equation to see the potential impact of an FTA which is but one of the several applications of the gravity model. Some notable contributions came from Helpman et al (2008). According to Bergstrand (1985) the direct implication of Gravity model was implied by the model of monopolistic competition developed by Krugman (1980) The fixed effect dummy was introduced to gravity modelling by Anderson and Van Wincoop (2003).

There is a wealth of data available which the researcher can make use of while evaluating the gravity model. Gravity model can be applied for a sectoral analysis of disaggregated data at commodity level which is not a straightforward approach. One of the major advantages of using Gravity model is that it can isolate the effects of other variables such that the effect of the impact of the free trade agreement is focussed upon. Though an extensively popular tool for measuring trade analysis, it is subject to certain limitations, for example gravity model doesn't analyse welfare, there are problems relating to endogeneity in the model and those relating with zero trade flows. Few problems faced in advanced gravity issues could be dealing with zero trade flows. There is wealth of data available to approach Gravity modelling, Few of data sources for variables used are WITS, UNCOMTRADE, IMF statistics etc.

WITS (World Integrated / SMART simulation

Applying gravity models to sectoral flows is not a straightforward approach. For sectoral or product based flows and simulation of agreements WITS is a tool of analysis. This is based on a partial equilibrium. The software is provided jointly by the world Bank and the UNCTAD. It is known as SMART (Software for market analysis and restrictions on trade) an ex ante approach for evaluation of trade. The focus of the SMART model is on the changes in imports in markets as a result of trade policy changes which could be the formation of an FTA. The SMART model is based on the armington assumption which means that products are imperfect substitutes for one another, thus even when an FTA takes place the import demand doesn't change to a

source within the FTA. There are basically two stages in which this model works. First stage is allocating spending on a commodity based on the changes in the price index whose determinant is the import demand elasticity, the second stage is allocating expenditure on the different variety of the same good which is given by the substitution elasticity. The SMART model stimulates the changes in volume of imports into a market once a tariff reduction takes place. The export supply elasticity is given by the way the exporters react to changes in price. By default the export supply elasticity in the SMART model is taken as infinite i.e the exporting firms are price takers but if the importer quantity is large enough to have changes in exporters price, then the model works with finite export supply elasticity. The substitution in the model happens in a perfect manner such that the imported quantity is not changed but the imports are now divided between the partner country and the countries not a part of agreement., the importing country in the SMART model experiences an increase in imports, the export partners of the FTA will witness an increase in exports which will also be negative for those who aren't part of the agreement. The model is highly sensitive to elasticity.

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Direct Marketing by Insurance Companies- Indian perspective

- Mohan Rawat

Introduction

Insurance sector in India is divided in two sub-sectors, one Life Insurance having 24 companies and the other is Non-life insurance sector with 27 companies. The insurance market expanded from US \$ 14.4 billion in the year 2003 to US\$ 72 billion in the year 2012 (IRDA-Annual Reports). For each sector there are different set of companies operating with their own distribution channels. There is also one Regulator, Insurance Regulatory and Development Authority of India (IRDA) who is a supervising and controlling authority in insurance affairs of India. In regard to distribution of insurance, it is observed that there is coexistence of Traditional channels and alternate channels including new emerging technology based channels. Traditional channels comprised of agents and brokers and alternate channels are Banks, NBFCs; Partners, Call centers; Direct marketing by Branches, and technology based channels like internet, mobiles, etc.

After a decade of strong growth, the Indian insurance industry is currently grappling with slowed- down growth, rising costs, deteriorating distribution structure and margins evaporated. With enhanced competition and changes in customers' behavior, Insurers need to have a consolidated view of customers' preferences and expectations across all channels. As the economics of all traditional distribution models being challenged, the insurance industry today has begun to focus on operating expenses management and attempting to build a lean operating model. The industry has also continuously clamored for greater flexibility by relaxing outsourcing guidelines to improve their performance. But much can be done by realigning the operating model to access different segments of customers using existing infrastructure.

Despite having built customer relationship databases, the insurers failed to mine or track the data to increase the positive interactions with the customers. This has resulted in lower persistency levels (poor customer loyalty) and even resulted in customers avoiding face-to-face interactions with insurance agents. Consequently there has been decline in the share of premium contribution by the traditional agency channel. However, with the growth slowing down, focus on retention of policies and cost effective distribution has gained focus. Explosion of technology, backed with the increase in use of internet and digital media, provides a low-cost opportunity as now insurers can leverage some of the success of online banking and e-commerce to build an online product bouquet that engages the customer and enables him/her to buy insurance products. Although the direct distribution channel has made significant progress in the insurance sector, there is an urgent need to take initiatives to push the direct channel by taking advantage of digital technology and ever increasing number of internet savvy customers.

Direct Marketing - Branch Channel

Direct selling is normally done by the Branches/Divisions of the Insurance company through executives, an inside sales force of the insurer. For dealing with a senior manager of a corporate client, a competent and responsible representative of the insurer is required and therefore Insurer had employed sales executives, Branch Managers, Divisional Managers, Regional/Zonal Managers to transact business deals with the corporate. As the traditional agents' work primarily on part time basis and did not enjoy a professional image in their commitment towards the customers, the insurance organizations started looking at the direct sales channel and also reduce their dependence on the agents. This channel (direct) was



found to be more useful for corporate sales (group insurance business) and even for catering to the High Net-worth Individuals (HNIs). Direct distribution channel including internet online selling, contributed around 30% in the annual premium of 2012-13 (Annexure) which indicates the efforts made by insurance sector to understand and interact directly with the customers with minimum cost. In a corporate sale, it is not enough for the company executives to just know their customers but they, by use digital media, must better understand their customers' needs. Only then company executives could interact with the customers where and when they are most receptive to the business discussions. A deeper insight into customers' behavior and preferences needed to be gathered to engage them in productive or fruitful interactions.

As part of corporate sales, worksite selling has been in vogue for years under such names as salary savings; payroll deduction in life insurance sector, and project insurance in non-life sector. Today, corporate sale is a major growth area despite the challenges of cost effectiveness, product customization and efficient post-sales servicing that determine regular business. The public sector insurance companies are well established in direct selling with their vast network of Branch offices all over India. However, the private sector companies have been successful in luring the marketing executives away of the public sector to hire them at a high price with incentives to capture the market share at the earliest. However, the penetration to new markets by the private sector has been very slow.

Digital Marketing

In simple terms, digital marketing is a broad term that describes a set of marketing processes that use all forms of electronic media to promote products or services. It is a new approach to direct marketing with consumer data base and better understanding of consumer behavior. While internet is the heart of digital marketing, the others include SMS, WTM, RSS, mobile apps, podcasts, electronic billboards, digital television, etc. The channels and methods used in digital marketing also enable an organization to analyze and measure its marketing performance.

Banks, Insurance companies and alternate channels are using digital channel for various purposes, including sales and marketing, consumer service and CRM. The

digital world offers insurers not only many ways to reach the customers but to understand their needs and serve them better. It provides wonderful opportunities for innovations and increase in the number of devices to grow a culture of coordination within the organization and interaction with the customers. Digital marketing is emphatically an insurer's most flexible, efficient and scalable marketing model in time to come.

Digital media is so prevalent that consumers can have an access to any information at any time and at any place they need it. Now the customers are not contended with the information provided by the insurance companies through advertisement or web sites about their brand, products or services as the same comprised of only what they wanted the customers to know. Thanks to digital media for generating awareness; policy comparison sites, online shopping, consumer grievance sites and social media interactions for making the consumers better informed to make their own assessments and decisions. Now people are not likely to be swayed by the sugar coated promises made by the agents. Customers want the brands they can trust, insurers that understand them, communicate with them, develop personalized customer relationships and offer products and services tailored to their needs.

Internet- Online direct insurance

Internet Marketing is a part of digital marketing and not something different. It makes use of e-mail, Web site, search engine, SEO, smart-phones, mobiles, online banner advertising and Social Media. Online direct insurance, wherein insurance is sold without the help of intermediaries (agents or brokers), is an innovative channel of distribution based on technological evolution. Further, direct mail marketing activities can be hidden from competitors, a great benefit in the highly competitive insurance industry where companies may battle for new customers. Also there is enough evidence from developed markets that internet penetration and usage have a positive correlation with the performance and activities of insurance companies at various levels - lesser customer acquisition costs, enhanced access to information, product innovation that cater to the needs of the customers and better convenience. In North America and Europe, consumers are increasingly using the Web as the primary channel to purchase auto insurance. Due to price transparency and convenience on the internet, the market share of direct and comparison Web sites is increasing at the loss of the traditional agent-based insurers. Agents find



themselves insecure by the growing investment insurers are having in the e-Business channel.

India has joined the fast growing breed of internet users and accordingly use of net for transactions has been catching up fast. Banks today already provide online banking, but usage is limited to small segment, say net or smart-phone users. The insecurity associated with transactions over the net is still an inhibiting factor. At present most of the insurance companies do sell limited products like, Term life insurance and Auto insurance online, otherwise they have product information and/or illustrative tools on their web sites. In the Indian market, where insurance sale is pushed or persuaded, even after face-to-face selling, the penetration level is very poor, around 4% in 2012 (IRDA Annual Report, 2012-13). A Large scale selling of insurance is possible over the net but it needs confidence and initiation by the clients, which may take some more time. What needed are simple and standardized products where auto-underwriting is possible. Also, despite the availability of the technology, bandwidth and infrastructure are inadequate and need improvement.

India has only 150 million internet users as of February 2013 with a penetration of 12 percent making it one of the least internets penetrated among BRIC nations. However, there has been a surge in volume and value of retail transactions in the last decade that reflects the comfort of the internet users to conduct financial transactions online. As per Price Water House Coopers, 'the average transaction carried out by a financial services company can cost half when conducted over the telephone instead over the branch network and one tenth when it is conducted over the Internet'. All that reductions in the cost are significant for insurance companies in their efforts to survive in some very price-sensitive markets like motor insurance. The price war, in a competitive market, has reduced profit margins worldwide.

Mobile-based insurance model

There are over 865 million mobile users in India as of December 2012 of which around 535 million are urban users while 330 million are rural users. This means that it has become a necessity that there is a proposition to be offered to the mobile customers. The exceptional growth and usage of smart-phones and tablets has established mobile as an important and widely accepted channel of digital marketing. Extending the business

capabilities to mobile devices has quickly become a fundamental requirement for commercial organizations. Customers increasingly expect it and business partners and employees have become more comfortable with communicating and sharing information anywhere, through a mobile.

In a recent IBM Insurance Global CIO study, it was found that there is huge potential to leverage the mobile platform for investments. In the same manner in which banks had taken to mobile banking applications a few years back and offering a mobile proposition, insurers might have to do the same. Till date, insurers have restricted themselves to creating applications for quote generation and simple affinity-based product sales. However, with the growth in mobile applications and smart phone usage, applications to assist in the sales process for agents/brokers are being developed.

Several insurance companies in India have pilot tested the use of smart phones for the initial product information and filling of application forms to reduce policy issuance time. Further, applications are being developed for agents to access their training modules and their performance to date on the smart phones. As mobile users are already KYC compliant, and with 'Aadhaar'-enabled bank accounts, piggy-backing on the mobile wallet, mobile banking platform to offer insurance solutions is a cost-effective method to tap a large market.

Conclusion

Today it is important to manage complex customer relationships across a variety of channels- traditional and alternate including direct/digital. Direct marketing ensure to have active customer interactions, collection and analysis of the data to take better decisions faster. The clients are smarter and want to use the mobiles or smart phones at any time, anywhere. It is the client who has to decide the distribution channel to purchase insurance. In a competitive environment clients would like to have quality products at lower prices out of variety of products, Brand Company, easy access and instant response. Digital marketing and its associated channels are therefore relevant - but not to the exclusion of all else. It is important that a consolidated view of customer preferences and expectations is gathered by exploring the feedback and digital media, which can be used across channels. The objective is to



integrate all the marketing channels- traditional and others to maximize business and ROI on the investments.

Budgeted allocations for spending on marketing and measuring ROI on it are of paramount importance to any business. Business managers need real-time statistics to demonstrate the value of marketing initiatives. Consequently, direct marketing including digital marketing, has become an integral component of a company's marketing strategy.

The need of the hour is convergence of traditional marketing channels and alternate channels with digital

marketing methods. In time to come with the widespread use of digital media by all, the traditional marketing may transform into completely digital marketing formats.

Notes

- IRDA, Annual Reports, 2001 -13
- IRDA, Insurance market.2012-13.
(http://www.policyholder.gov.in/Indian_Insurance_Market.aspx)

Annexures:

Table 1: Channel wise share in New Business Premium (Individual & Group) of Life insurance premium: Share - Percentage %

Insurer	Individual Agents	Banks	Others*	Brokers	Direct Selling	Total Ind. & Group New Business	Referrals
2007-08	72.17	7.28	3.74	1.61	16.81	100	6.96
2008-09	65.45	8.41	4.04	0.99	21.11	100	3.14
2009-10	60.91	8.46	3.56	1.34	25.73	100	2.37
2010-11	53.9	9.81	2.59	1.33	32.36	100	0.69
2011-12	46.64	11.25	2.04	1.28	38.78	100	0.03
2012-13	46.40	11.33	1.54	1.20	39.52	100	0.02

*Corporate agents other than banks.

Note:

- 1) New business premium includes first year premium and single premium.
- 2) The leads obtained through referral arrangements have been included in the respective channels.

Source: Compiled from various IRDA Annual Reports (2007-08 to 2012-13)

Table 2: Channel wise share in Non - Life insurance business: Share-Percentage %

Channel wise Gross Direct premium of Non-Life Business								
year	Individual agents	Corporate agents	Banks	Brokers	Referral	Direct Business	Others	Total
2009-10	35.7	7.3	8.4	14.7	1.4	31.06	1.45	100
2010-11	31.34	6.06	8.9	19.85	1.26	30.66	1.92	100
2011-12	36.09	2.14	5.64	17.11	0.33	32.01	6.67	100
2012-13	35.74	6.09	2.6	21.39	0.05	28.51	5.61	100

Source: Compiled from various IRDA Annual Reports (2009-10 to 2012-13)

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Turning Intentions Into Implementations in Manufacturing Industry

- Syed Rizwan Naqvi

People always find it easy to buy books rather than reading them. In our day to day life think a lot to do lot of charities, lot of good work but don't implement finally. These all day to day experiences are known as "knowing doing gap". In the same way, many organizations, also, make intentions but implementation takes place at slow pace or not done at all, so for sustained success of organization, implementation of planned strategy is the core competence of organization.

For competitiveness of organization, organizations have to improve in terms of cost, quality, flexibility or delivery. If the organization plans to improve the above said parameters, it need to emphasize the following eight principles-

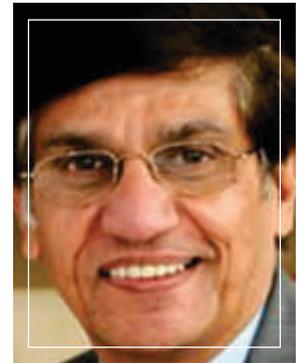
- 1. Never stop asking the question:** Process can be divided into two modes ---one is 'discovery mode' in which plans are left to managers for implementation purpose and another is 'idea imposition mode' in which plans are made by superiors and these ideas are to be implemented by group. 'Discovery mode' yields better decisions. Nobody is sure that it will be foolproof, so nobody should discourage the team members from asking questions. 'Getting things achieved by doing' and 'learn by doing': both the phenomenon will take place during discovery mode.
- 2. Prepare a plan of action:** In the preliminary stage itself, plan of action need to drawn strongly through clear guidelines putting individual team members to be accountable for specific task.
- 3. Surface the 'force for effective implementation':** The force for effective implementation is nothing but what to implement, why to implement and how to implement. Detailed strategy need to be chalked out during planning of implementation so that each team member is crystal clear about what/why/how of implementation.

- 4. Use the 'force for effective implementation':** Manager has to ensure that each stakeholder is evoking right attitude towards implementation and nobody should evoke negative energy. The supporting behaviour of all and negative behaviour of none will ensure the degree of success for the implementation of the task.
- 5. Have 'dual organisation' capability:** By 'Dual Organization' capability we mean that one capability is for routine jobs in order to meet day-to-day tasks and another capability to manage additional tasks assigned for improvement of the tasks. In order to implement the task, each team member should be released from day-to-day assigned jobs on part time or on full time basis.
- 6. Take the 'first small simple steps':** Each task is required to be divided into simple parts and each simple part need to be done in the beginning, other parts need to be proceeded subsequently. After completion of small simple part of the task, individual feels motivated and inspired to complete rest of the task.
- 7. Lead like a relentless but reflective bulldozer driver:** Team leader has to be thoughtful, patient and at the same time demanding in nature with the fact keeping in mind that if leader is not able to execute the task, his leadership skills are of no use.
- 8. Create a fault-tolerant environment for the above 7 points to flourish:** For the task to be executed successfully, team manager has to create/facilitate fault tolerant environment for team members at each and every stage of journey from intention to implementation.

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Management Thought



Pradeep Kashyap
Founder and CEO,
MART

Started in 1993, MART has emerged as a leading knowledge based consulting firm on emerging market. They work with global businesses, governments and donor agencies to help them take right directions in these ever so growing markets. We had discussion with Pradeep Kashyap, Founder and CEO of MART on various business issue related to India. Edited excerpts:

Q. What was the driving force to start MART?

Ans. I have worked in multinational sector for about 20 years in three different countries. I was tired to that kind of multinational culture where one continuously asks 'What's in it for me' rather than 'What can I do for others.' So this was one of the motivating factors.

Second was that I felt that there is lot of creativity in me which was not finding its expression to come out in a multinational. As all strategically decisions are taken at global level so I was hardly involved in taking any decision. So I felt that I do not want to die with that creativity without giving an expression to it. So I thought that I should opt out of multinational and do some more worthwhile.

Q. Any person who had tremendous impact on you as a leader? How this person influenced your life?

Ans. There is only one person who made impact on my life and he is my spiritual guru. I met him in 1980 much before I left the corporate sector. It was through my interaction with him where in I kept asking this question that what is the purpose of life. And he made me realize the purpose of life has to be beyond you. So as at that time I was already equipped with marketing skill, so I

decided that I should opt out of corporate sector and do something in marketing domain using my expertise.

Q. MART is known for its consultancy in rural marketing. What are innovating solutions from MART in rural business area?

Ans. First is that we believe the solution lies within the problem. So the most important thing that we focused on is to understand the problem in its totality. Because if you understand the problem in its totality then solution emerges out of problem. For that we have very deep and close interactions with our client and when we do research we insist our client team to travel with us because they have an understanding of their problem. So they help us to understand problem fully and then solution naturally emerges from that.

Also the fact that whatever research we do is from a solution perspective and not by focusing on methodology. We are so well known in industry because client approach us with their problem and we provide them the solution through our research. Whereas most agency give report with lot of data and statistical input but it does not give solution. We provide practical solution to our client here at MART.

Q. According to you, how rural business can help in increasing the GDP of India?

Ans. In 1991 when economy was liberalized growth came from urban area because infrastructure was in place in urban India. Rural areas were remote so naturally growth could not come through them in beginning. Different products in different



categories were made available in urban India which boosted the economical growth. Because GDP started growing in urban area, so the purchasing power of urban Indians' increased.

The same thing has now begin to happen in rural India from the last 8 to 10 years. Today road connectivity has much improved to rural areas. Almost 75% villages are connected to nearby urban area through roads. And these 75% of villages account for 95% of rural wealth. So that means almost all of rural wealth is connected by road.

Now mobile connectivity has changed things dramatically. So now infrastructure is building up in rural India and that's why we have seen that GDP growth in rural India is higher than urban. And this will continue to happen till next 10-15 years till rural comes to level of urban which what Prime Minister calls as "Rurban" where rural and urban both having same kind of infrastructure.

Q. At Mart how do you encourage creative thinking within employees?

Ans. First by rewarding for failures. Most of us are hesitant in creative thinking because we worry that we will fail. So at MART we don't penalize anybody to fail.

Secondly we don't worry about methodology. We are focused on solution. Hence employees always keep thinking out of the box. They look to the problem with a complete different perspective and not just to follow a conventional thinking approach. Many times following out of box approach might look ridiculous but at the end it helps in bringing solution from a different perspective.

Q. What is most important for you Vision, Mission or Values and why?

Ans. For me most important is Values. Because values are the building blocks for your vision and mission. If my values are not right and strong then it is like trying to build house with weak quality bricks. Whatever may be your architecture of house but if quality of bricks is poor then you can't build long lasting house. So values are actually building block which leads to vision and mission.

Q. How do you impart those core values and spread it across the organization at MART?

Ans. It's only through leading by example. You can keep lecturing to people but it hardly makes any difference. People have to see that what you are saying, you are practicing it yourself. Then only people will listen to you.

Q. What is that one characteristic that you think every leader should possess?

Ans. I think "humility" is most important characteristic. Because if you are humble knowledge flows to you as there are no artificial barriers in receiving knowledge. If you are humble then people will respect you. Where arrogance can take people away from you it is humility that will attract people towards you. If you look at history, Gandhi one of the greatest leader ever born in this world was full with humility.

Q. What is the biggest challenge that leaders are facing in India. Why Indian brands are not able to scale up to global level?

Ans. I think there are many factors to it. First is historical and cultural issues. Indians were ruled by invaders over centuries. So we never had very adventurous spirit. You look at England; a tiny island ended up controlling most half of the world. So that's one thing that as we were slaves we never had free spirit. And an entrepreneur must have a free spirit to grow.

Second is that we are non violent and peace loving country. We are one of the countries in the world which has never occupied over any other country throughout its history. Therefore we never had global vision because we never had global aspiration that we want to conquer the world.

But Indians have become leader of global companies like Indira Nooyi, CEO Pepsi. So Indians have become global leader or leading global brands but those brands were actually created outside India. Because it was culture of those countries that helped in developing that kind of brand. If you look at TATA our home grown brand of India- Tata Sons have grown to more \$ 100 billion company but I don't think they have created a their brand globally. This is something deep enrooted in our culture that we don't like



limelight. Steve jobs loved the limelight that's why he was able to build Apple into a global brand. It is those iconic CEOs who build global brands.

Again I would go to same thing that we were slave for a long time and hence we forgot to have our independent voice in full swing on global platform which kept restricting us in formation of global brands.

Q. How does social networking can affect the rural marketing and business in India?

Ans. Social media is becoming very important and powerful because smart phones are increasing in rural India. Now we have 300 million handsets in rural India and there are 175 million families in rural India. So on an average almost every family has handset. So now you can reach to large mass in rural India. So social media is now an important platform for marketing in rural India.

Q. How can we bridge the gap between the academics and actual business sector of India?

Ans. Companies in business sector need necessary skills to survive. So as it is a question of survival

they somehow acquire those skills. As they are busy trying to survive therefore I would say that responsibility to take initiative lies with academic world. Because the academic world needs to learn about the real world that is the business world. Because whatever is taught in MBA program; the ultimate objective is to make those students capable to move in real world.

Students will be able to learn to face new world only when academicians has got experience about real world. Therefore academic world should open up a dialogue on a serious note with the business world. Academicians should come and spend more time in business world. The problem in academic world is that professors believe that they know more that students which is true to an extent. But when professors come to business world they should change their mode to the learning mode and not just teaching mode. And that's what some professor find very difficult to do. So that is what I think needs to me done.



Restructuring of a Publishing Outsourcing Company: ADS-NPS Ltd.

Case Study

- Amit Kumar Jha

Abstract

This case study discusses the restructuring of a publishing outsourcing company ADS-NPS Ltd., subsidiary of a leading global Publishing giant, Newstar Publishing. The company was not doing well post 2009 due to multiple factors including recessionary conditions in major markets, bankruptcy filing by clients in the US and change in global business dynamics. The company underwent restructuring post acquisition by a Noida based ADS BPO. Mr. Nishant Singh Arora, the owner-promoter of ADS-BPO was the key person behind this restructuring. Mr. Arora consolidated company's operation at all locations and shifted key base to low cost city, Dehradun, which helped company to increase their profitability by optimising overall cost. The company developed various operational methods to reduce cost and increase efficiency. The process was automated and comprehensive products and solution were developed with increased business development efforts to cater to changing needs of customers and new geography. Soon the acquisition turned out to be best fit and ADS BPO business got well integrated with NPS to create publishing powerhouse ADS-NPS. However Mr. Arora was not just satisfied with the present status and was wondering what further restructuring is required to achieve higher growth in changing global business dynamics.

CASE LEAD/Protocol

Case Title:

Restructuring of Publishing Outsourcing Company:
ADS-NPS Ltd.

Name of organization studied:

ADS-NPS Ltd.

Theme of the Case:

Restructuring Strategy

Beneficiary of the case:

PGDM/ MBA level students

Subject to which it Belongs:

Corporate Strategy

Session in which to be taught:

Restructuring of a Company

Protagonist (s):

Mr. Nishant Singh Arora, CMD (ADS-NPS Ltd.)

It was April, 2011. **Mr. Nishant Singh Arora** an avid reader, was reading a poetry "The Burial of the Dead" by T.S. Eliot while sitting in his ADS-BPO office in Dehradun contemplating about a recent investment opportunity, which came to his knowledge through one of the close friends in publishing fraternity. Mr. Arora, who was a satisfied man with successful corporate career and long entrepreneurial journey and was profitably running his BPO, He was the founder of **Indian Typesetting and Composition (now renamed Glymph)**, provider of publishing services to US based publishers as well as co-founder of **ADS Media**, a leading B2B magazine publisher. He was, however, in a dilemma whether to make this strategic investment for which the time was running out.

Mr. Arora's plans were to take his ADS-BPO, catering to Telecom and DTH sector, to next level of growth trajectory. He was not new to publishing sector and was well aware that publishing outsourcing is highly dynamic and volatile industry where the content and medium was constantly changing the rules of the game. He had to decide whether to take a majority stake in NPS which was not doing well even after getting restructured many a times. He called a board meeting to discuss this opportunity but the board members had divergent view



and no conclusion could be arrived. Mr. Arora took internal call and in early winters of 2011, ADS BPO acquired NPS Ltd. which went further restructuring post acquisition.

About the company: Newstar Publishing

The Indian publishing fraternity consists of over more than 10,000 publishers but major and organized players are only a few. **Newstar Publishing** ranked as one among top few players. Newstar's role had been pivotal in the field of education. It was one of the oldest publishing companies (in domestic publishing business for more than 100 years) in the country providing high-quality educational books to generations of Indians. The products and services of Newstar covered the entire **author-to-reader publishing process** with initial focus on School publishing. Their traditional **publishing business** covered printing, publishing as well as selling of books catering to domestic market whereas publishing services business were primarily **information processing business** that included all IT-enabled products such as typesetting and data digitization and were mainly exports. Their **eBusiness** was about outsourcing activities which involved website development. The Company had been regularly winning Top Export Award from CAPEXIL for maintaining highest exports level in their category of products continuously for last 30 years. The stated strategy of the company was as under:

"To emerge as a global leader increasing the size as well as techno-commercial advantage of its business as a global value-added IT-Enabled services provider for publishing outsourcing. The Company's mission is to play a major role on India's contribution of IT & ITES in the coming years capitalising and harnessing India's skills, demographic dividend and cost-advantage"

The Structure of Newstar Publishing

The ownership of the Newstar Publishing had changed due to restructuring many a times. The initial subsidiaries of the Company as on 2007 were **Krent Tec Limited, NPS Technologies Limited, NCC Newstar Inc., USA, NCC India Private Limited and Newstar NCC Publishing Solutions Private Limited. Big Brothers & Co** was another subsidiary which Newstar India Limited had acquired in December 2007 to help

them to achieve the leadership position in national curriculum educational market.

The subsidiaries, **Krent Tec Limited, NCC India Private Limited, Newstar NCC Publishing Solutions Private Limited and NCC Newstar Inc., USA**, provided services relating to typesetting of books & journals and developing software products. **NPS Technologies Limited** provided fulfillment services, project management for its overseas customers and electronic book services. In order to carry out the mobile content business, **NPS Mobile Inc., USA**, was incorporated as a 100 % subsidiary of NCC Newstar Inc., USA. During the year 2008, the Company's subsidiary NCC Newstar Inc, USA acquired the assets of **Compass Inc.** (located in Beverly, Massachusetts) a full-service graphics and composition firm. The firm with developmental and production expertise in elementary-high school & professional textbooks and professional journals had potential to help NPS build significant onshore project management capacity.

In year 2008, Newstar Publishing in order to restructure their business held their meeting and approved a Scheme of Arrangement involving the Amalgamation of Krent Tec Limited and Newstar NCC Publishing Solutions Private Limited with **Newstar India Limited-NIL**. Newstar India Limited solely comprised of the publishing services business which was 100% export oriented activity and it got rebranded as **Newstar Publishing Solutions-NPS**. A new branch named **NPS North America** was opened in United States of America during the year to focus on the sales with a new company.

The domestic publishing business was demerged from **Newstar India Limited-NIL** and its transfer into unlisted company Newstar Publishers India Limited (NPIL), whose prime focus was domestic publishing operation. As per the Scheme, the existing shareholders in Newstar India Limited –NIL were allotted shares of Newstar Publishers India Limited (NPIL), in the ratio of 1:1.

*In 2009, the fulfillment services arm of NPS Technologies and the e-business part of the Newstar India Limited were both fully integrated with the management and administration of the publishing services division to create a bigger firm **Newstar Publishing Service-NPS Ltd**. Post merger and de-merger, other subsidiaries of the Company were **NPS Content Services Inc** (Formerly NCC Newstar Inc) and its subsidiary **NPS Content***



Services India Pvt Limited (Formerly NCC India Pvt Ltd). All onshore activities got streamlined under **NPS Content Service Inc.**

Later in 2009 the Scheme of Amalgamation of wholly owned subsidiaries of the Company, NPS Technologies Ltd. and NPS Content Services Inc. and its wholly owned subsidiary NPS Content Services (India) Pvt. Ltd. was done with the parent company, NPS Limited, and it was approved by their respective Board of Directors. (See **Exhibit 1 for Ownership structure and subsidiaries of NPS**).

While the company was undergoing amalgamation and demerger, the new wave of outsourcing was driving publishing sector across the globe. In addition to their traditional business which was their core competence, company capitalised on outsourcing wave and did well in information services and e-publishing business. *The domestic publishing operation and the offshoring business required totally different strategies due to differing cashflow requirements, investment profiles and risks associated. Subsequently, a formal separation of the domestic publishing operations from publishing services business (formerly known as the Information Processing Division) took place for accelerated growth. This strategy helped company to focus on new initiatives under publishing service.*

The real growth story of Newstar Publishing began when company created an umbrella branding - **Newstar Publishing Service-NPS Ltd, as a one-stop shop for publishers.** The company primarily provided high value pre-press services which included number of services related to production of books, journals and Yellow Page directories. The higher value services offered by NPS were copy editing, typesetting, art origination, art processing, issue management, project management, editorial proof reading, indexing, data loading on customer CMS, ad-designing for print and internet. They continued to provide data conversion, digitizing and electronic warehousing services to their clients.

Hence as a result of demerger and restructuring, company focused on consolidating its key service offerings and building on its reputation under the umbrella Brand-NPS. The company's rebranding as NPS Ltd. helped to cross-sell its services to all new as well as existing clients positioning it as a one-stop-solutions provider.

Post Demerger and restructuring

The change of times and commoditization of business products necessitated the development of services higher up in the value chain, and a strong focus towards optimization of automation. It was also important for the company to diversify in less crowded areas of content processing and management services and the build up of the Ad design business. In fact, the Ad designing markets at that time started realising the potential cost savings that existed in outsourcing. NPS Ltd. was all geared up to take the "first mover" advantage and grab a large share. On the editorial side, they were tapping the Indexing and Abstracting market as well as developing resources for quick restructuring editing for aggregators of content in various industry domains.

NPS limited comprised of business units focused on book and journal production services, digital conversion, subscription management & fulfilment, e-learning, multimedia services and advertisement & creative design services. *Recent and ongoing high value additions to the Company's service portfolio were indexing and abstracting, editing for content aggregation, courseware development, catalogue designing and high-end art services.*

The company also established itself as a reputed service provider in the area of fulfilment and subscription management, and started back office telecalling processes for publishers. Various new products for the publishing market, such as an **online book hosting platform and usage report software**, were well received in the market. Another highlight in the line of new services was the **high- end Ad and magazine design** which started earlier in the year 2008 and had already won business from several high profile clients.

With the global financial crisis and growing recession, the company's main clients in the US and UK resorted to cost-cutting measures which resulted into more work and processes being sent offshore, resulting in an increase in company's business from mid 2009 onwards. NPS Limited positioned itself carefully in order to take advantage of this opportunity and focus more on editorial and design services. The growing acceptability and popularity of ebooks and other digital content products represented a big opportunity for **digital and mobile content conversion and distribution**, as publishers rushed to digitise and disseminate material.



To combat the threats, the company invested heavily in new technology and continued with their automation to stay ahead in the game. **NPS Mobile Inc**, a subsidiary of NPS Content Services (formerly NCC Newstar Inc, USA) was dissolved in 2009 as the company could not commence business.

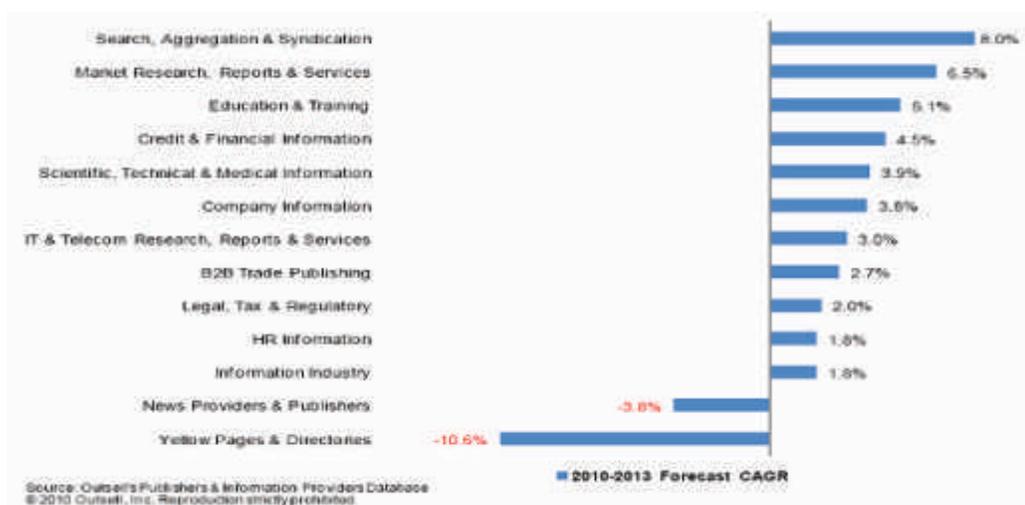
The sales of the NPS Ltd. in year 2009 in respect of publishing service were Rs 140 crores as against 122 crores (previous year Rs. 40 crores from publishing entity demerged from company was eliminated). In 2010, however the sales were Rs 127.42 crores. The loss after tax was Rs. 8.81 crores. *“The reason for lower profitability were continued recessionary conditions in key markets, pricing pressures, continuing commoditization of the core journals and books services markets, strengthening of the Indian Rupee versus the US dollar and higher debtors provisioning due to bankruptcy filing by US clients”, said Mr. Arora. It was also due to investment in Ad Composition and book typesetting businesses, increased spend of company on R & D and increased focus on technology adaptation and innovation”.*

The recessionary trend in market had forced publishers and buyers to consider publishing their content in digital formats and online. Other opportunities opened up as **school publishers demanded value added services like online learning & assessment** and related services. In year 2010, the company's two direct subsidiaries NPS Technologies Limited and NPS Content Service Inc. (formerly NCC Newstar Inc, USA) had **“Content Store”**, the online digital bookstore and **“NPS-Insight”**, the counter compliant reporting tool for publishers and libraries. All onshore activities were

streamlined under **“NPS Content Service India Private Limited”** (Formely NCC India Pvt. Ltd and NPS Content Service Inc.).The company continued to reinforce the strong links with parent company Newstar Publishing with referring itself as Newstar Company. The company positioned itself as provider of comprehensive suit of services than seller of stand alone services.

The publishing industry was changing rapidly with the rapid change in consumer reading preferences and their preference for digital platform. According to AAP (The Association of American Publishers), eBooks now account for 23% of the US book Market, This was up by 44% in 2012, compared to the previous year. Interestingly, a survey from other agencies by OnlineUniversities.com reveals that Digital readers read more; the average eBook reader reads 24 books a year in comparison to 15 books by a print reader. Accordingly, NPS increased focus on digitization and technological services along with sustained marketing efforts to take advantage of the new opportunities offered by these market trends. The company had also developed capabilities in future technologies like **EPUB3 and HTML5** which would drive the publishing industry's growth in the coming years. The company focused on End to End project management for book production along with establishing key differentiator as **CreativeStudio** for artwork and graphic design and Content transformation and conversion service including EPUB3 and HTML5.

Outsell's 2010 report on the industry suggested that all of the major sectors that NPS served saw growth rate of 2%–5% in the next two years, except for the directory sector, as below.



Source: Outsellinc.com (downloaded on 15th November, 2014)



Indian Publishing outsourcing Industry: Market & Trend

Indian e-Publishing outsourcing industry is estimated to be **US \$1.2 billion in 2012-13 of US \$ 1.5 billion** all over world. India is the leader in publishing outsourcing services, commanding *about 80 per cent of the pie, while the Philippines hold about 20 per cent of it.* **Publishing outsourcing** primarily includes *premedia services, which includes all of the services which are before distribution - such as editing, design & layout and indexing.*

In India, there are over 140 players in the publishing outsourcing industry, employing 75,000 people with key centres being Chennai, Pondicherry, Delhi, Gurgaon, Noida, Bangalore, Coimbatore, and Mumbai. The key International publishing houses outsourcing to India include **Elsevier, Springer, McGraw Hill, John Wiley & Sons, Taylor & Francis and many other small publishers.** Major publishing outsourcers in India are **Aptara, Office Tiger (RR Donnelley), Integra Software, Newstar (its print set-up was sold to Repro India, but this remains an in-house activity), Datamatics, KGL etc.** India is considered to be in the vanguard in terms of preferred destinations for publishing outsourcing which has been evident from 2012 survey conducted by a research firm Valuenotes Database among 237 publishers and service providers (largely from the US and UK), which revealed that 66% of respondent voted in favour of India followed by the US with 30%, the Philippines 18%, UK and China 16%, Vietnam 8% and Australia 5%, with the remaining 18% in favour of other upcoming destinations.

NPS Ltd. Acquisition by ADS-BPO Services Limited: ADS-NPS

ADS BPO Services was incorporated in 2006 by Nitish Arora (an IIM Ahmadabad and HBS alumnus) with 2,000 seat facility in Dehradun with a 400 seat infrastructure in Noida.

PM Publishers Holdings Limited, UK, (PMPHL) an erstwhile promoter of the NPS Ltd., was looking to sell its entire shareholding. It was an opportunity for Mr. Arora, whose firm ADS BPO was looking to strengthen its base and grow inorganically in outsourcing sector. ADS BPO through phase wise open offer and in *accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997* consequently owned 76.27% of the NPS capital. The ownership interest of the subsidiary companies is mentioned in **Exhibit 1.**

The acquisition of NPS Ltd by ADS BPO was best fit, as NPS Ltd was well equipped for fulfilling various BPO solutions out of which priority was given to customer services. Moreover, NPS Ltd also had well experienced and talented workforce who could provide the readers best standard of customer services and help in content aggregation and data mining. ADS BPO got renamed as ADS-NPS.

Restructuring of ADS-NPS post acquisition

Post acquisition, ADS BPO integrated its business with that of NPS in order to consolidate and balance its domestic and international business. NPS operations were merged with the former which was operating from Dehradun. Mr. Arora disclosed, "*When NPS Limited was acquired by ADS BPO, commitment was made to NPS clients & other stakeholders that the new management will continue to invest for expansion of its reach and widening of services depth. The new facility at Dehradun is proof of our commitment. Our vision is to make NPS a publishing services powerhouse through helping publishers to prepare for the changing industry dynamics.*"

Naman Tripathi, COO, NPS Limited opined, "*In India, tier II and tier III cities have massive pool of talent and are getting increasingly attractive for the BPO and other outsourcing industry. As a part of NPS strategic plan, it has been closely monitoring the developments in these cities. The new facility at Dehradun will enable NPS Limited to tap into such pool of talent and hence nicely fits into our strategy to leverage the resources present there.*"

NPS, post acquisition, performed better than many of its peer companies. Amidst global recessionary situations. Outsell's forecasted the trend the industry was going to witness. It opined that India will remain top outsourcing destination though the work would be shifting to smaller cities due to cost pressures. (Courtsey: Outsellinc.com/IDPF & BISG).



(Courtesy: Outsellinc.com/ IDPF & BISG, downloaded on 15th November, 2014)

The landscape of information industry was witnessing several technological and cultural changes due to change in consumer preference for digital content and lower technological & entry barriers. To remain competitive, **ADS-NPS** developed proprietary automation tools, more efficient processes, comprehensive solution portfolios and packages for commoditized services with value-adds which provided the company with a competitive edge. It helped shorten the production times while keeping costs low.

While North America and EMEA were still the major buyers of outsourcing services, Asia and Latin America was fast becoming important publishing centres. **ADS-NPS** initiated its business development efforts for these markets through participation in trade fair and worked with the Asian divisions of some of the largest Global publishers. The Company was strongly marketing itself as a technology service provider. Publishers started looking at service providers as partners in developing the right workflows and strongly favoured those who were capable of providing a complete bouquet of services ranging from *traditional prepress to mobile application development*.

As a result, the financials improved drastically. Sales for 15- month period (2011-12) were 191.00 crores as against 127.42 crores for previous year. The Profit after Tax was 10.87 crores giving an EPS of Rs 6.46 per share as against a Loss of 8.81 crores and an EPS of (Rs. 5.24) per share in the previous period of 12 months. (See Exhibit 4 and 5). When asked about poor plight of NPS before acquisition, **Mr. Arora said**, "the root causes of crisis was revenue downturn caused by a weak economy, poor strategic choice in past, poor execution of good

strategy, high operating cost and inadequate financial control.

In order to capitalise on the cost advantage, the company focused on expanding in tier II cities. It served as viable and profitable alternative for many services currently being catered through the existing service centers. The **location strategy** was framed in order that the new facilities will get technological and training support from existing facilities at Bangalore and Noida. The new facilities had advantage in terms of 30-40% lower cost and lower attrition risk; hence some roles in the books division were shifted to new facilities at Dehradun. ADS-NPS further planned to use these new centres as R & D for improved workflow methodologies and bringing new tools & technologies to improve its processes and prepare itself for future growth. The existing facilities in Bangalore and Chennai were restructured leading to saving in both rentals and the other administrative cost. Company closed its UK operations, ensuring that it doesn't create any adverse affect on business and relationships with the existing clients remaining connected to the company's delivery units. In US company continued its effort with strong focus on on-shore operations through cost reduction and outsourcing non value added items.

Mr. Ramesh Arora, son of Mr. Nishant Arora was appointed as Chief Marketing officer who also looked after the company's business in USA and Canada. He was made responsible for expanding business there. The marketing operations in USA was restructured with focus on new business. The proximity with customer helped company to aggressively gain high volume from business and thus, price pressure on sales was hedged.



NPS went for overhaul of in sales team in the US by reducing the number of sales people, leading to lowering selling cost. They cut their marketing arrangement with HPI leading to saving of Rs. 30-40 mn per annum. Global sales were driven from ADS-NPS Portland, Oregon facility where key marketing and strategy management personnel were stationed. There was aggressive focus on the Marketing Mission - **“Relentless Pursuit of Customer Delight”**. Intent behind this mission was to differentiate NPS in a crowded market where growth often comes at the cost of a competitor.

Another strategy was regarding the operation of a centre which needed different set of people than convent educated breed at Metropolitan cities. Hence Mr. Arora roped in well-rounded team of veterans for Dehradun facility which included Lt Col. (Retd) Rajeev Shah as Dehradun centre head, having vast years of experience in Administrative roles, Ajay Sharma as Head of Operations having 10 years of experience in operational roles in the publishing industry, Manish Bharadwaj as head of Quality and Training with experience in key MNC ITES companies such as GE Capital.

ADS-NPS primarily focused on establishing a seamless delivery mechanism through improving *efficiencies, monitoring and controlling costs through better reporting and accountability and automating processes. This drive started showing results and led to higher productivity and closer customer interface for volume growth*, ultimately helping the company to efficiently cater to a variety of demands of its key clients.

Research conducted by Bowker Market Research on behalf of the US Federal Government's Book Industry Strategy Group (BISG) revealed that consumers are increasingly inclined towards e-book format and most of the book purchase was happening

online. These buyers had reduced their patronage of brick and mortar bookstores by about 29-35%. “Against this backdrop, our company’s strategy to focus on our content management and distribution platforms were well-timed”, stated Mr. Arora.

With the explosion in content and data available online, the demand for aggregation, abstracting, and indexing services continued to see growth from STM (Science, Technology & Medical) and professional database publishers. Semantic search capabilities were required to make such databases more relevant to users. This kept the demand for Metadata services ticking. With their existing client base and proven technological edge, ADS-NPS cashed on new content/ medium (tablets and mobiles) opportunity to become a market leader in providing enhanced ebooks through EPUB3 and HTML5 services.

*Company entered into Membership Interest Purchase Agreement on May 2013 with **M/s Element LLC** (full service editorial, design and production company with expertise in developing turn-key solution for print and online educational products) for acquiring 100% ownership of Elementary, a Limited Liability Company Located in Florida, USA for an aggregate consideration of approximately INR 1000 lacs (USD 1.8 Millions).*

The company's improvement continued bearing good results. ADS-NPS turned around due to continuous efforts of Mr. Nishant Arora (See Exhibit 2 & 3) and his team and was on growth trajectory. The PAT was Rs. 31.89 Crores with EPS of Rs 18.96 per share compared to the previous 15 months (ended 31st March 2012), when the company had profit of Rs 10.87 crore and an EPS of Rs 6.46 per share.

Operation expenditure comes down in FY2012 in comparison to previous year of 2009 & 2010

% of sales	FY09	FY10	FY12
Operating Expenditure	93.2%	109.0%	87.9%
Staff Costs	57.3%	65.9%	55.9%
Other Expenditure	33.9%	26.1%	22.7%
EBITDA	8.9%	-1.8%	15.1%

Opex as % of revenues comes down in FY12

Source: Compiled from Annual report of last 3 years



Profitability improves further in 1HFY13 in comparison to previous years

Particulars (Rs mn)	FY12 (15 Months)	1HFY12	1H FY13
Operating income	1,910.1	772.6	803.8
Operating Income Growth			4%
Total Income	1,977.3	793.6	823.9
EBITDA	299.2	104.3	205.9
EBITDA Margin (on total income)	15.1%	13.1%	25.0%
PAT	108.7	42.5	149.3
PAT Margin	5.5%	5.4%	18.1%

Operating margin now a healthy 25% in 1HFY13

Source: Compiled from Annual report of last 3 years

EBITDA margin improved to 15.1% in FY12. In 1HFY13, EBITDA margin improved to 25%. PAT margin of 5.5%. PAT margin improves to over 18% in 1HFY13.

Operating margin now a healthy 25% in 1HFY13:Q4 FY 13 margins significantly up

In Rs Mn	Q4FY12	Q4FY13	Growth YoY
Total Operating Income	365.8	401.9	9.9%
EBITDA	47.1	119.3	153.3%
EBITDA %	12.9%	29.7%	-
PAT	57.2	73.6	28.7%
PAT %	15.6%	18.3%	-
Basic & Diluted EPS (Rs.)	3.40	4.38	28.7%

Source: Compiled from Annual report of last 3 years

Looking Ahead

The company was on track with good profitability through implementation of various strategic and operational restructuring strategies. His announcement of dividend had made shareholders happy who developed faith in the company. Nishant was, however, not satisfied with present state of affairs; was wondering what further restructuring can be done, keeping in view fast changing trends in the publishing industry, to achieve higher growth rate and increase the market share. He was, however, not yet satisfied as he wanted a higher growth trajectory which was not limited to cost rationalisation but included aggressive revenue growth

through differentiation as well. He wondered which new further restructuring needs to be done keeping in view fast changing trend in the publishing industry.

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Exhibit 1

Ownership Structure of the Firm : Subsidiaries			
As on 2007	As on 2008	As on 2010	As on 2013
Krent Tec Limited	Newstar-NCC Publishing Solutions Pvt Ltd (NNPS) and Krent Tec Ltd (Krent) demerged into Newstar India Limited-NIL	Newstar India Limited-NIL	Newstar India Limited-NIL
NPS Technologies Limited	NPS Technologies Limited	Amalgamated into NPS Limited	ADS-NPS
Newstar NCC Publishing Solutions Private Ltd	Newstar-NCC Publishing Solutions Pvt Ltd (NNPS) and Krent Tec Ltd (Krent) demerged into Newstar India Limited-NIL	Newstar India Limited-NIL	Newstar India Limited-NIL
NCC Newstar, Inc., USA	NCC Newstar Inc. USA (NPS Content Service Inc)	Amalgamated into NPS Limited	ADS-NPS
NCC India Private Limited (Subsidiary of NCC Newstar, Inc., USA)	NCC India Private Limited (Subsidiary of NCC Newstar Inc. USA, known as NPS Content Services (India) Pvt. Ltd	Amalgamated into NPS Limited	ADS-NPS
*Big Brothers & Co. (Publishers) Ltd	It was demerged in May 2008		
	Compass Inc**-New Acquisition		
			***Element LLC new acquisition
<p><i>*Newstar India Limited acquired 80% of Share Capital (2000 shares of Rs.1000 each) of Frank Brothers & Co. (Publishers) Limited effective from December 1, 2007 for a consideration of Rs.3, 287 lacs, which will help them to achieve the leadership position in national curriculum educational market. Consequently, Big Brothers & Co. (Publishers) Limited has become a subsidiary of the Company.</i></p>			
<p><i>**During the year 2008, the Company's subsidiary NCC Newstar Inc, USA acquired the assets of Compass Inc. (located in Beverly, Massachusetts) a full-service graphics and composition firm with developmental and production expertise in elementary-high school textbooks, higher education, medical reference books, academic and university titles, trade books, and professional journals. Compass Inc.,</i></p>			
<p><i>***Subsequent to year end of 2013, company entered into Membership Intrest Purchase Agreement on May 2013 with M/s Element LLC for acquiring 100% ownership of Elementary, a Limited Liability Company Located in Florida, USA for an aggregate consideration of approximately INR 1000 lacs (USD 1.8 Millions).The company provides full – service editorial, design and production service to the educational publishing market with expertise in developing turn-key solution for print and online products.</i></p>			



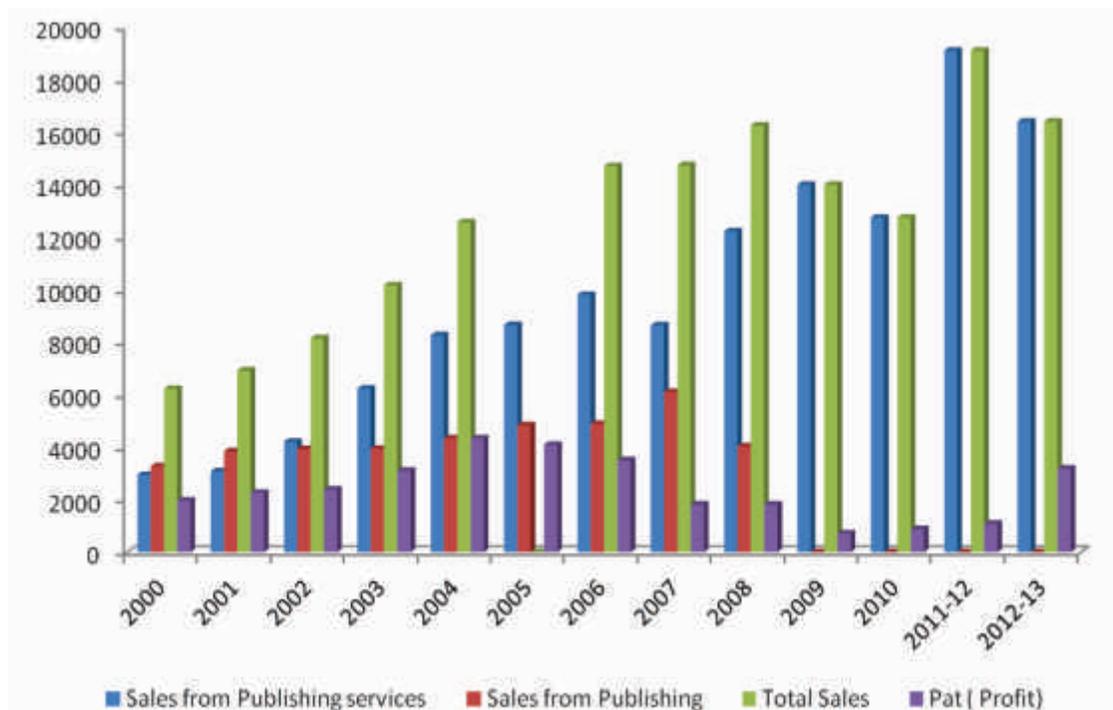
Exhibit 2

Sale of ADS-NPS Ltd. (Rs. Lacs) Year wise				
Year	Sales from Publishing services-NPS Ltd	Sales from Domestic Publishing	Total Sales	PAT(Profit)
2000	2946.12	3274.16	6220.28	1972.06
2001	3077.99	3840.41	6918.40	2265.11
2002	4210.41	3935.64	8146.05	2386.88
2003	6231.95	3937.66	10169.61	3105.12
2004	8263.01	4329.85	12565.86	4336.37
2005	8657.34	4832.65	13489.90	4093.53
2006	9806.74	4888.8	14695.54	3502.80
2007	8637.20	6103.14	14740.34	1816.46
2008*	12218.84	4030.98	16249.82	1816.09
2009	13995.28	0	13995.28	712.65
2010	12742.27	0	12742.27	881
2011-12***	19101	0	19101	1087
2012-13				

(i) *Publishing services sales for 2008 also includes the sales of Charon Tec Ltd & Macmillan-ICC Publishing Solutions Pvt Ltd, which were merged effective 31st Dec, 2007 with the Company.

(ii) **Publishing Sales for 2008 includes only the portion attributable for the period from 01.01.2008 till 11.05.2008 key.

*** For 15 month ending 31 March, 2012.



Sale of ADS-NPS Ltd. (Rs. Lacs) Year wise

Source: Annual Report of last ten year

*Sales figure for 2008 included krentTec Limited and Newstar-NCC Publishing Solution Pvt. Ltd which were merged effecting from 31st December 2007



Exhibit 3

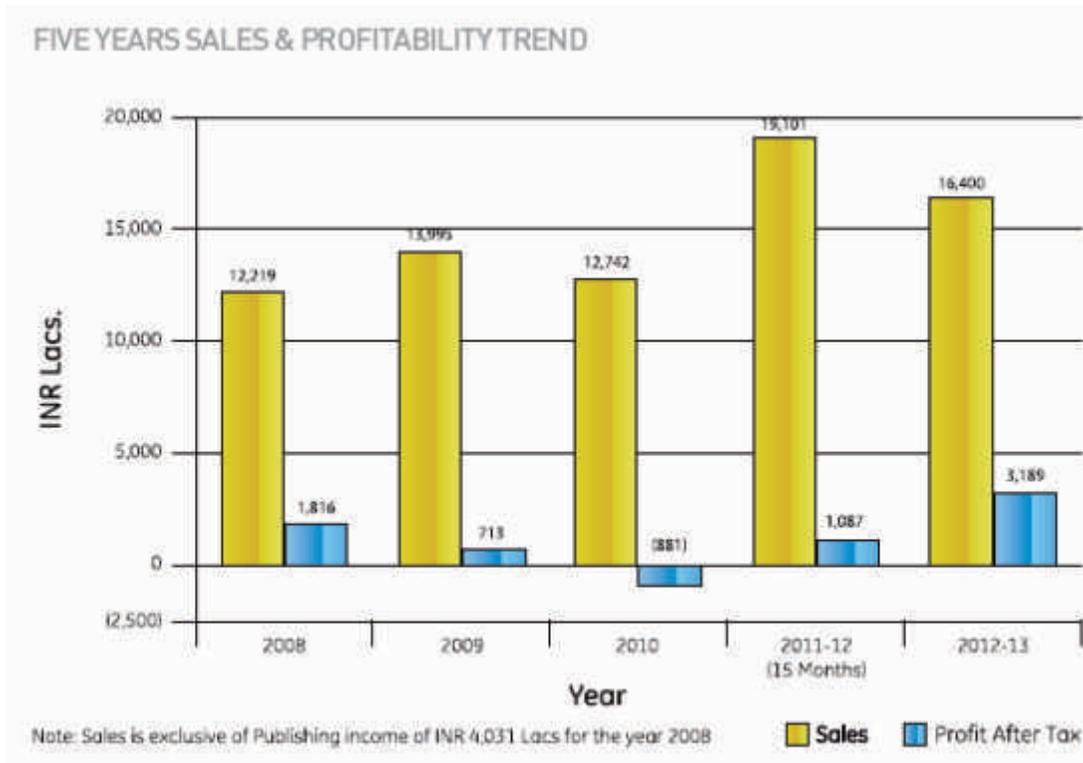


Exhibit 4: Financial Highlights

Particulars	2012-13	Period from 01-01-2011 to 31-03-2012	31.12.2010	31.12.2009	31.12.2008
Net Sales (INR Mn)	1639.96	1,910	1,274	1,635	2,231
EBIDTA (INR Mn)	478.955	265	-25	149	290
Operating Profit Margin (%)	29%	14%	-2%	9%	13%
Net Profit after taxation (INR Mn)	318.9	109	-88	47	125
Net Profit Margin (%)	19%	6%	-7%	3%	6%
Net Worth (INR Mn)	826.46	703	673	854	827
Return on Equity (%)	39%	16%	-13%	6%	15%
EPS (INR)	18.96	6.46	-5.24	2.8	7.44
Dividend per Share (INR)	10	4	-	1	-
Dividend Payout (%)	100%	40%	-	10%	-

Note: The Board of Directors of the Company, at their meeting held on 15-November-2011, approved the change in the Company's financial year from calendar year to financial year April to March. Hence, the results for 2011-12 are for a period of 15 months from 1st January 2011 to 31st March 2012.



Exhibit 5 (Per Share Data)

Year	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	2011-12 31.03.12 (15 months)	2012-13 31.03.13
Net Earnings (Profit)	4336.67	4093.53	3502.8	1816.46	1816.09	712.65	880.7	1,087.13	3189.02
EPS (Rs)	25.78	24.33	20.82	10.8	10.8	4.24	5.24	6.46	18.96
EPS Growth (%)	39.65	5.62	14.43	48.14	NIL		NIL	NIL	
Dividend per share (Rs.)	8	8	8	2.5	NIL	1	NIL	4	10
Dividend payout (%)	80	80	80	25	NIL	10	NIL	71.94	61.3
Book Value per share (Rs)*	91.63	106.22	117.92	125.79	61.42	64.49	39.98	41.79	49.12
Price to Earning	13.86	20.53	16.39	21.77	5.31	15.61	8.62	6.74	6.62
Price to Book Value	3.9	4.7	2.89	1.87	0.93	1.03	1.13	1.04	2.56

**Book share value per share starting from period 31.12.2008 reflected only the value of publishing service business post demerger of domestic publishing business*

**Author is a
Ph.D. scholar at BIMTECH.**



Rethinking the MBA

Book Review

- Shreya Mishra, Reserach Fellow
(BIMTECH)

With their completion of 100 years, Harvard Business School (HBS) decided to introspect themselves and redefine their path towards giving the world better MBA graduates. This wasn't an easy task. Two professors of HBS, Srikant M. Datar and David A. Garvin along with research associate Patrick G. Cullen, decided to walk down this road and rediscover the need of management education in business and academics. As they started their journey, they were applauded by many deans and executives from different colleges and industries. Such a response motivated them to look beyond HBS. And broaden their horizon of research on understanding the scenario of MBAs in the current business world. This process took form of the book, 'Rethinking the MBA - Business Education at a Crossroad' which was published in 2010.

This book is an insight to the current expectations from the B-Schools and its graduating students. This is a well-researched and written book and is very easy to understand. I feel it is a must read for all the Business School faculties and Deans. I would also recommend it to the Graduating students and MBA aspirants. It brings the best practices of colleges that are changing the face of MBA education and trying to give the best to the industry by shunning the ancient ways of teaching as they experiment and adapt new pedagogies to bring out the best potential of its students.

The authors support their suggestions with examples from different B-schools, quotes from deans and executives and Case Studies on the best interventions taken by B-schools that have set benchmarks in business educations.

The book is divided into two parts. Part A gives an overall evaluation of the business school scenario. Where the authors give a brief history of the same and talk about its current condition. They have noticeably

pointed out in every possible occasion about how the industry perceives MBA graduates and what they expect from them. The authors in their quest identify eight specific areas that B-schools need to focus to offer better graduates to the industry.

Part B of the book examines six B-schools on the grounds of their approaches to cater the need of the industry today. Finally, they again emphasise on the same point, that to produce the kind of graduates needed by the industries, B-schools need to change their approach, pedagogy, content and faculty.

The first chapter gives an introduction to how the authors came to write this book. The source of data is empirical and the authors have done their best to get the thoughts and perceptions of deans and business executives to make this book relevant to the audience. In their attempt to give an insight to the whole B-school industry, they majorly focus on three aspects that are required to produce efficient B-schools graduates. These phases are 'Knowing', 'Doing' and 'Being'. The first phase 'Knowing' is basically gaining knowledge and B-schools are doing a fine job at it. But they explain that as the business scenario is changing, 'Knowing' needs to focus on new areas. The second phase that is 'Doing' is about practicing the knowledge gained. B-schools have started realizing that they need be eventually focus on 'Doing' as the authors clearly state that without 'Doing', 'Knowing' is of no use. The final phase of learning i.e. 'Being' reflects the ethical and professional understanding of 'Knowing' and 'Doing'.

The authors during their research identify eight gaps in the courses offered and the expectations from the industry. These needs are: 1) Gaining a global perspective, 2) Developing leadership skills, 3) Honing integration skills, 4) Recognizing organizational realities and implementing effectively, 5) Acting creatively and



innovatively, 6) Thinking critically and communicating clearly, 7) Understanding the role, responsibility and purpose of business and 8) Understanding the limits of models and market. In order to achieve these needs the authors' emphasise that B-schools need to experiment with different pedagogies. And it cannot be ignored. Those who ignore and fail in achieving these needs might as well fall off the race.

Next they point out that MBA education is not necessarily a ticket to high paying jobs any more. Especially after the economic crisis. The following chapter scrutinises the curriculum of B-schools and shows how different pedagogies, architecture and content, when developed according to the need of the industries, can help students get further exposure to the current business scenario. The authors then highlights the loop holes in the curriculum pointed out by business executives and deans. The next two chapters focus on various examples of how some B-schools have changed their course of action to meet the requirements of the industry.

The Second Part of the book have chapters that individually focus to Chicago Booth, INSEAD, The Center for Creative Leadership, Harvard Business School, Yale School of Management and Stanford Graduate School of Business, unfolding their exclusive methodologies towards their curriculum to make it more relevant to today's competitive and complex industrial needs.

I found this book worth reading and highly factual given their well-researched finding. But at the same time it is

focusing only on the creamy layer among the B-schools and thus the creamy layer students. While students around the world still believe that MBA education will get them the job of their dreams. Which clearly is not the case according to this book. So what should be done about those students who are not studying in the top notch B-schools? What interventions can be taken by B class and C class colleges which accommodate the maximum percentage of MBA students? All the interventions that have been talked about in this book are highly expensive and need abundant funds and resources. So does it then follow that students from B and C class colleges do not have a future. I look forward for a book that caters the needs for the not so creamy layer students. May be a lot of government initiatives can be expected in order to standardize premium education in all B-Schools.

Secondly the book majorly focuses on the scenario of the B-Schools and Industries in the United States, to some extent to Europe as well. But the developing countries are neglected. A lot of research needs to be done on this front as well, as the maximum number of people entering into MBA education are in the developing countries like India, China as well African countries. Students from these countries also need to look towards their future if they opt for an MBA education. To what extent are they vulnerable to the non-exposure of the real time industry experience and what can be done to reverse the situation? Or should they just avoid MBA education?

'New Me Everyday'

Yesterday was a different me,
Today I have changed
Can't figure the freshness,
But I feel no more caged

They say every day
Is a step towards your goal,
But I feel as free
As a flying soul

They say, every morning,
Brings new meaning to life
But its' worth looks different,
As into the slumber I dive

No one knows
What next day has in store,
This day I am me, tomorrow
I may transform from the core.

So morrow I wake up,
With regrets on fume;
As I won't be the person,
Everyone posit or presume.

Shreya Mishra
Research Fellow, BIMTECH

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