New Course

The course is designed to be unstructured initially. It will impart analytical skills required in many of the myriad situations that managers face. The course will be totally based on cases. A list of cases/situations are listed below

a. Surveys
1. Survey of market prospects for a product/service
2. Demand forecasting for a product/service
3. Customer satisfaction survey
4. Brand awareness Survey
5. Opinion poll/survey including exit polls
6. Election forecasting [psephology]
7. Organisational climate survey
8. Cluster Resources Survey
9. Feasibility of Revival/Rehabilitation
b. Locating a facility
1. an airport
2. Railway Station
3. Bus station
4. ATM
5. Warehouse/Depot/Godown
6. School/college/University
7. Retail outlets
8. Hotel

c. Layout of a facility
1. Railway Station
2. Railway Yard
3. Railway Platform
4. Airport
5. Bus Station
6. Shopping Mall
7. Factory
8. School/College/University/Educational Campus
9. Messe [An Exposition complex]
10. Township [residential, commercial, industrial]
11. Port facilities
12. Restaurant/cafeteria/Canteen
13. Redesigning traffic patterns to reduce congestion[Commerce College Conundrum]
d. Planning
1. A new Business
2. Product launch
3. Brand Building campaign
4. Communication/Advertising Campaign

5. Planning for Modernisation
6. Planning for Rehabilitation
7. Revamping a township
8. Urban Slum Revival Planning
9. Planning an event: picnic/seminar/marriage/ function/Conference
10. Planning to de-congest a city
11. Planning to populate a township/area [Science City]
12. Planning to increase the foot-fall to a facility
13. Planning for resource mobilisation for any project/activity
    i. An NGO for its ongoing activities
    ii. One-time event
14. Route Planning for a mobile vegetable vendor
15. Route Planning for supplying vegetables/fish/fruits/meat etc to a set of retail outlets.
16. Supply logistics for an ice-cream chain [also for vegetables/fish/fruits/bread/eggs etc]
17. Demand side management in a blood bank
18. Supply side management in a blood bank.
19. Inventory management in various situations[specifically of perishable goods]
20. Cash management for a set of branches of a bank in a city.
21. Route Planning for an airline.
22. Route Planning for a city bus system.
23. Route Planning for supplier of tender coconuts to a set of retail outlets in a city.
24. Customisation vis-à-vis Standardisation of components in an automobile plant.

e. Feasibility Studies
   1. Techno-economic feasibility study of a business
   2. Feasibility of any project
f. Unbundling to increase feasibility
   1. Unbundling of a large project into smaller projects
   2. Phasing of projects
   3. Outsourcing of inputs/facilities/skills/equipments
g. Unlocking the wealth thro privatisation
   1. Telephone Directory
   2. AMTS
   3. PSU Townships
   4. Bus system in Bangalore
   5. Postal System
   6. Railways
   7. Municipalities
   8. Education Infrastructure
h. Break Even Analysis
   1. a single product business entity
   2. a multi-product business entity.

        3. Hotel Grand Bhagawaty
  i. Pricing
        1. Land pricing for Infosys project Kolkata
        2. Airlines ticket pricing
        3. Water pricing [Narmada water in Ahmedabad]
        4. AUDA's land acquisition system
  j. Miscellaneous
        1. IBS admission system

a-8

Assessing Prospects of a Cluster

A prescriptive approach for cluster development will consist of a primary assessment of the ground level situation. After this a detailed study has to be made regarding the scope for growth and development of the cluster. Based on these one can arrive at the critical factors to be addressed for the development of the cluster. This will enable development of a suitable strategy for the cluster.

a. Cluster Resources Survey

- *Is it a cluster?* Identify the nature and definition of the cluster in terms of product [auto components] or skills [Foundry] or inputs [plastics] or outputs [garments, jewellery].
- *Size of the cluster:* No. of member entities; volume of output etc leading to an assessment of the critical mass of the cluster.
- *Supplies/Inputs:* Sources and availability, price, quality and quantity etc over short-term and long-term.
- *Conversion processes:* technology and process employed; skills and equipments; sources and supply situation; How does the process/technology compare on a national/global levels?
- *Infrastructure:* Transportation[roads, rail head, airport, port]; power, water and other utilities; land and built-up space; communication facilities[posts, telephones, couriers etc]; access to urban facilities; residential facilities; educational facilities; scope for expansion and growth;
- *Output/Demand side:* Quantity and quality of output; cost of production and its comparison with national/global sources; Proximity and access to customers and markets; characteristics of the customers.
- *People Aspects: Labour:* sources and supply of quantity and quality; skill levels and training facilities; ethnic, cultural and attitude aspects; trade unionism and the tradition of conflict resolution.
- *People Aspects: Entrepreneurs:* Ethnicity; single/multi ethnic and characteristic therein; Education experience and exposure levels; Culture and traditions relating to labour management, succession management, corporatisation, etc [attitude to

change]; Aspiration levels; resource mobilisation levels; achievement motivation etc.

- *Facilitators:* Presence of Banks and their experiences; Presence of Consultants and their experiences; Presence of NGOs, Educational Institutions, Govt Agencies and their experiences etc.
- *External Environment:* General Law and Order situation; Crime situation and presence of criminals/criminal-groups; Quality of law enforcement; presence of political parties, politically influenced trade unions, and their impact on work culture; history of man-days lost in a year; traditions of dispute resolution etc.

b. Scope for Growth and Development of the Cluster
A clear assessment of the prospects of development of the Cluster will have to be made with specific reference to the following aspects
        a. Industry analysis of the Cluster
                * Is the industry/segment in the sunrise or sunset sector
                * Structural analysis of the industry similar to Porter analysis
        b. Future prospects of the sector and hence that of the cluster
        c. Assessment of competitive advantage of the Cluster.

c. Critical factors for development of the Cluster
The earlier analysis would lead to a clear assessment of SWOT analysis and an understanding of the critical factors that need to be addressed. This would form the basis to evaluate the feasibility of developing the cluster; which essentially is an evaluation whether the critical factors can be nurtured and how.

h-3
Sisiphus Paradise is a new wave convention Center where seminars, conferences, gala get-togethers, marriage parties etc can be held. This property was created in the year 2000 at a capital investment of Rs 12 crores. The management expect to recover this investment in 6 years. While organizing events various types of variable inputs are to be provided; like food and beverages, special facilities like banners, curtains, stationery, multimedia projection systems etc. These expenses are estimated at Rs 125 per person attending the event. The center can be converted into halls of different capacities; and the occupancy rates also differ. For budgetary purposes it is considered reasonable to presume that each event will be attended by 400 persons. The facilities are offered to event organizers at a price of Rs 400 per person attending.

    a.   What is the minimum number of events that needs to be held in a year to recover the annual quota of the capital investments [Rs 2 cores]?

b. If holding 250 events is considered feasible in a year what must be the minimum price [quoted in terms of Rs per person] that will ensure the recovery of the Rs 2 crores per year.
c. Formulate an equation that gives the breakeven analysis for the convention center incorporating Fixed Costs, variable costs, price, occupancy ratio, hall capacity etc.

i-1.

Infosys logs out of Bengal, rues high land price.

Times of India, Ahmedabad Edition, 31.5.07,
Kolkata: Infosys has finally backed out of West Bengal. The IT giant has found the price of land quoted by the government exorbitant. And it also expressed its apprehensions about "frequent political disruptions and unionized ambience in the state."

> - The IT giant has found the price of land quoted by the government exorbitant.
> - West Bengal Industrial Development Corporation [WBIDC] would have acquired the 800 acres in front of Vedic Village at New Town [Rajarhat] to accommodate companies like Infosys and Wipro.
> - Government had initially offered Infosys some land belonging to Hidco at Rs 2.16 crores an acre. Infosys had then said that the price was absurd because elsewhere in the country, they had been purchasing land at anything between Rs 20 lacs to Rs 50 lacs an acre.

The message from N R Narayana Murthy, Chairman, Infosys Technologies has been conveyed to the Industries Dept bosses here. IT minister Debesh Das is also in the know. He said, "Now there is no denying that we could not get the Infosys project."

By March 2007, Das's dept was supposed to handover 100 acres of land at Rajarhat for the Infosys software development centre. The West Bengal Industrial Development Corporation [WBIDC] would have acquired the 100 acres in front of Vedic Village at New Town [Rajarhat] to accommodate companies like Infosys and Wipro. Two months after the deadline, Murthy's company has let the state government know that they are not interested any more.

Murthy had met the Chief Minister Buddhadeb Bhattacharjee in early 2006. The proposed unit would have employed 5000 IT professionals over two years. The Chief Minister has been trying hard to woo Infosys to the state since 2003, quoting the Hewitt Associates' finding s that West Bengal will be one of the top three IT destinations by 2010. The Chief Minister also projected Kolkata as the country's fifth preferred ITeS destination – as per Nasscom study.

The entire effort has come to naught.But the state IT dept has been trying hard to have the Infosys project implemented and trying out various options. Industry dept sources said that the government hadinitially offered Infosys some land belonging to Hidco at rs Rs 2.16 crores an acre. "Infosys had then said that the price was absurd because elsewhere in the country, they had been purchasing land at anything between Rs 20 lacs to Rs 50 lacs an acre," said an official.

In a somewhat similar situation in 2001, when India School of Business[ISB] was looking for land to set up its campus, Chandra Babu Naidu, Chief Minister of Andhra Pradesh, decided to offer 100 acres of land free of cost to ISB at the outskirts of Hyderabad. His considerations were the socio-economic benefits and brand image that will accrue to the city with the establishment of the campus. There was also the secondary effect of the land prices in the adjoining areas going up immediately after the campus comes up.

This breakthrough offer of the Chief Minister of Andhra Pradesh clinched the decision for ISB who was negotiating with the states of Maharashtra and Karnataka. Government of Maharashtra was keen to have certain seats to be reserved for residents of Maharashtra which was not acceptable to ISB. Government of Karnataka was quoting a price for the land which was not prima facie acceptable to ISB.

Options before the West Bengal Government

- Give land free to Infosys. Such offers can be made to few limited firms that set up campuses first. The state must look at the value addition to the GSDP each year; the employment generated etc. Such a move will trigger more investments into the state by breaking down the apprehensions of he investors.
- Give the land on long lease [say 99 years] with rentals that remain attractive to the lessee. This has the benefit of assuring revenue to the state for a long period.
- Split the cost of the land into two parts.

  - An initial part to be payable immediately; this can be negotiated with the buyer to make it attractive.
  - The second part may be collected over a specified period of time [say 10 or 20 years] linked to the turnover of the company or the number of persons employed etc. This must be easy on the company to make it attractive. The period of such rentals must be negotiated to cover the cost of the land. The state has the benefit of assured revenue over a period.

In Search of a Method

Though this be madness, There is method in it.
Macbeth, Shakespeare.

The Icfai Business School [IBS]
The IBS system emerged as a result of a private initiative to provide high-quality management education to a large number of aspiring students and thereby create the large pool of professional managers required for the growth of the economy. Icfai [Institute of Chartered Financial Analysts of India] came into existence in 1984 with the objective of offering professional education in finance. This was initiated by a group of academicians and the first step they did was to introduce the program of Chartered Financial Analyst [CFA] in the lines of such a professional program prevalent in some of the developed countries. Ten years into this initiative the founding fathers of Icfai felt that the country needed much more managerial talent than it was producing till then and hence they felt an initiative to impart quality management education was necessary. The result was the genesis of Icfai Business School launched in seven cities in 1995.

IBS was created with a strong central nucleus to formulate policies and a number of campuses scattered across the country to perform the academic delivery. Very often it is referred to as the hub-and-spoke system. The central nucleus took care of the admission process and the policy making for all the academic processes in which each campus took part actively; the nucleus provided the back office support of record keeping and the certification process. In 1995 when the IBS was initiated even the examination processes were centralized primarily to ensure that quality is maintained across the campuses. Gradually various academic activities were decentralized to enable each campus to achieve self-sustaining growth. By 2007, the system had 18 campuses but the admission process continued to be managed centrally. It was believed that centralized admission process ensured economies of scale and unified communication to the target audience; it also ensured that the aspirants needed to make a single application to a network of business schools scattered across the country.

The Admission Process
IBS admission system is characterized by size and logistics on one dimension, customer-friendliness on another dimension as well as speed and agility on a third dimension. To facilitate the admission process in a very systematic and professional manner, a separate department has been created – Campus Programs Admission Department [CPAD]. CPAD has established offices in all major cities to effectively communicate to the target segment and to mobilize maximum number of candidates to the admission process.

The admission process is carried out in two stages of screening: The first stage is a written test with questions in the multiple choice format covering logic, numerical ability, data analysis and comprehension. This is conducted in the third Sunday of every December. Candidates selected from the first stage are called for the second stage consisting of a

micro-presentation and a personal interview held in the first fortnight of the subsequent February. For the micro-presentation, the candidate can select a topic, from a large set of topics given in advance, prepare well and make a presentation for not more than seven minutes. Marks are assigned to each component of the selection process. Generally 50 marks are assigned to the written test, 20 marks to the micro-presentation and 30 marks to the personal interview. By adding up the marks obtained by a candidate in each of the components, a composite score is created out of 100. This composite score is used as the basis for admission of the candidate to the IBS system.

There is more than one campus for the candidate to choose from and each candidate would have a variety of factors to consider in making the choice. The simple logic would be to let the candidate with higher composite-score make the prior choice. When you have large number of candidates seeking admission and each of them has a number of campuses to choose from the situation becomes a bit complex. One practical solution would be to prepare a rank-list based on the composite-scores and candidates' choice of a campus can be decided from top rank downwards. This would mean that the results can be announced only after completing the screening of the entire population of candidates and the rank-list is ready.

In the second stage of screening, normally held at Hyderabad, there are much more candidates than can be handled on a day. In the recent years almost 700 to 800 candidates are handled a day. For instance, in 2007, the second stage of screening was held from 5th February to 19th February – a clear 15 day schedule - with candidates on each day ranging from 650 to 800. The IBS system has created and followed the legacy of announcing the results on the same day, though a bit late in the evening, of the second stage of screening. The candidates wait till the results are announced and the selected ones go home with the admission letter. The admission letter would congratulate the candidate for getting selected, would highlight the campus he or she has been allotted, would give details of the date of joining and the fee schedule for the entire course.

For the second stage of selection, the candidates are called on random basis, not on the basis of their performance in the first. This ensures that every day of the second stage of selection, the chances of getting selected remain the same. The Admission Committee uses the specific cut-off marks for each campus available for choice. These cut-off marks are generated on the basis of the current demand from the candidates for each campus, the pattern of demand in the previous years, the maximum number of students each campus can accommodate and similar other factors. These cut-off marks must remain same for all the days of the selection process to ensure fairness and equity. Neither the composite-marks nor the cut-off marks are made known to the candidates or to anybody else; these remain exclusive with the Admission Committee.

Can there be a better Method?
Many aspirants, and their accompanying parents, used to wonder and ask in bewilderment, whether the system was taking care of equitable allocation of the campuses in the absence of a declared rank-list. They used to wonder, and many continue to believe, that your chances of getting a campus of your choice were better if you came for selection in the

earlier days of selection. Over the years, the patterns of selection have given some conviction to the aspirants that the selection process was generally fair; but the doubts and apprehensions continue to linger and nag, especially with those who did not get their choices.

The Common Admission Test [CAT] conducted by the IIMs and accepted by a large number of management schools in the country for admission is the biggest admission test, in terms of the number of applicants in a year, for post graduate management education in the country. In recent years CAT has started making available the scores obtained by the candidate in the written test, the first stage of screening. The scores are given in the form of absolute scores as well as percentile scores. Most of the applicants to the IBS system are applicants to the CAT also. They would be a lot more comfortable if the IBS system also offered the test scores in absolute values and percentile scores.

Required: a scientific system of admission process that offers transparency and removes all apprehensions of fairness and equity.