**Case study-1**

The Hindustan heavy engineering ltd. requires 4000 units of a particular raw material per year. At the beginning of the current the purchase department excepts the purchase price @ 90 per unit while the Accounting department estimated the incremented cost processing. an order is 135 and the cost of storage is estimated to be 12 per unit. but the costing department is against the incremental processing cost of 135 per unit rather according to it, this should have been 80. At the commencement the supplier offers 4000 units @ 86 per unit.

 The material will be delivered immediately and placed in a store. One of the directors of the company saw that ‘due to present communication system the incremental cost of placing an order is zero but the accounting department’s original estimate of 135 for placing an order for economic batch is correct. After a series of discussion of the department heads company reached to the decision not to buy 4000 units at a time.

Required:

(a)Do you agree with the company’s decision? why?

(b)What is the total cost, when incremental cost process on order is 135 per unit?

(c)What is the total cost, when incremental cost processing an order is 86?

**CASE ANALYSIS REPORT:**

TITLE: Strategic Decision Making in Procurement: A case Study of Hindustan Heavy Engineering Ltd.

Introduction:

In today's dynamic business environment, efficient procurement management plays a crucial role in the success of organizations. Hindustan Heavy Engineering Ltd. (HHEL) faces the challenge of optimizing its procurement strategy for a particular raw material needed in its operations. With a requirement of 4000 units per year, the company's departments are at odds regarding the most cost-effective approach.

The purchase department initially accepted a purchase price of $90 per unit, while the accounting department estimated an incremental processing cost of $135 per unit for placing orders. However, the costing department argues for a lower incremental processing cost of $80 per unit. Additionally, the cost of storage is estimated at $12 per unit.

As the company commences its procurement process, a supplier offers 4000 units of the required raw material at a price of $86 per unit, with immediate delivery. Amidst this scenario, the company's director recognizes the impact of communication systems on order processing costs, noting that the incremental cost of placing an order is effectively zero. Despite this, the accounting department maintains the validity of its original estimate for an economic batch order.

Following extensive discussions among department heads, HHEL reaches a decision not to purchase the entire requirement of 4000 units at once. This case study delves into the factors influencing HHEL's procurement decision-making process and explores the implications of their chosen strategy on cost efficiency and operational effectiveness.

**Problem Identification:**

1. Disagreement on Incremental Processing Cost: The company faces internal disagreement regarding the appropriate incremental processing cost for placing orders. While the purchase department accepts $135 per unit, the costing department argues for a lower cost of $80 per unit.
2. Supplier Offer and Purchase Price: Despite the initial acceptance of a purchase price of $90 per unit, the supplier offers the required 4000 units at a lower price of $86 per unit. This presents a potential cost-saving opportunity for the company.
3. Cost of Storage: The estimated cost of storage for the raw material is $12 per unit, which adds to the overall procurement cost.
4. Communication System Impact: The company's director highlights the impact of the present communication system on order processing costs, suggesting that the incremental cost of placing an order is effectively zero. This challenges the accounting department's original estimate for an economic batch order.
5. Procurement Strategy Decision: Following discussions among department heads, the company decides not to purchase the entire requirement of 4000 units at once. However, it is essential to evaluate the implications of this decision on cost efficiency and operational effectiveness.solutionsTop of Form

**solutions:**

**(a)** Based on the information provided, it seems like the company's decision not to buy 4000 units at a time could be a reasonable decision. The decision likely hinges on the total cost considerations. By analyzing the various costs associated with purchasing the raw material in different quantities, the company can determine the most cost-effective approach.

**(b)** To calculate the total cost when the incremental cost processing an order is $135 per unit:

Total Cost = Purchase Cost + Ordering Cost + Holding Cost

Purchase Cost = 4000 units \* $86 per unit = $344,000

Ordering Cost = (Total demand / Order quantity) \* Incremental processing cost per order = (4000 / 4000) \* $135 = $135

Holding Cost = Average inventory \* Holding cost per unit = (Order quantity / 2) \* Holding cost per unit = (4000 / 2) \* $12 = $24,000

Total Cost = $344,000 + $135 + $24,000 = $368,135

**(c)** To calculate the total cost when the incremental cost processing an order is $86 per unit:

Total Cost = Purchase Cost + Ordering Cost + Holding Cost

Purchase Cost = 4000 units \* $86 per unit = $344,000

Ordering Cost = (Total demand / Order quantity) \* Incremental processing cost per order = (4000 / 4000) \* $86 = $86

Holding Cost = Average inventory \* Holding cost per unit = (Order quantity / 2) \* Holding cost per unit = (4000 / 2) \* $12 = $24,000

Total Cost = $344,000 + $86 + $24,000 = $368,086

Therefore, the total cost when the incremental cost processing an order is $135 per unit is $368,135, and when the incremental cost processing an order is $86 per unit, the total cost is $368,086. Thus, the decision not to buy 4000 units at a time might still be valid depending on other factors such as cash flow considerations, storage capacity, and supplier reliability.

**Conclusion:**

The decision reached by Hindustan Heavy Engineering Ltd. (HHEL) to not purchase the entire requirement of 4000 units of the raw material at once reflects a strategic consideration aimed at optimizing procurement costs and operational efficiency.

While the initial purchase price offered by the supplier at $86 per unit presents a cost-saving opportunity compared to the accepted price of $90 per unit, other factors such as the disagreement regarding the incremental processing cost and the estimated cost of storage must be carefully evaluated.

The internal disagreement between the purchase department and the costing department regarding the incremental processing cost highlights the importance of accurate cost estimation and the need for alignment among various departments within the organization.

The recognition of the impact of the present communication system on order processing costs, with the director asserting that the incremental cost of placing an order is effectively zero, challenges the traditional estimation methods used by the accounting department.

Ultimately, the decision not to purchase 4000 units at a time demonstrates a proactive approach to procurement management, allowing HHEL to potentially mitigate costs and optimize inventory management. However, ongoing evaluation and adjustment of procurement strategies will be necessary to ensure continued efficiency and competitiveness in the market.

**Prepared by: C.Uma Devi, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**Case study-2**

This case study focuses on the challenges faced by women entrepreneurs in India due to lack of social support and stiff competition. it highlights the example of one real and recent Indian women entrepreneur, Megha Sharma was the founder and CEO of a company called “THE SAFFRON TOUCH”, who faced these challenges and overcame them through innovative strategies such as Crowd funding, Networking, and Digital Marketing. the case study also identifies strategies that women entrepreneurs can adopt to over come these challenges, such as participating in networking events and joining women entrepreneur groups, using digital marketing strategies, and using crowd funding platforms. the case study also underscores the importance of determination and hard work in achieving success as a women entrepreneur. the case study also points out the significance of government and non-government organizations in supporting women entrepreneurs in India.

Case study questions:

1. What are the main challenges faced by women entrepreneurs in India due to lack of social support and stiff competition?
2. How did Megha Sharma overcome the challenges of lack of access to finance and markets for her business?
3. What strategies can women entrepreneurs adopt to overcome the challenges of lack of social support and stiff competition?
4. How important is networking in helping women entrepreneur connect with potential customers and learn about market trends and customer preferences?
5. What role does digital marketing play in reaching a wider audience and increasing customer base for women entrepreneurs?

**Analysis Report:**

**Title:** **Exploring the Challenges of Women Entrepreneurs in India**

**Introduction:**

In the dynamic and competitive landscape of entrepreneurship in India, women entrepreneurs often face unique challenges stemming from societal norms, limited access to resources, and entrenched gender biases. Despite these obstacles, women entrepreneurs like Mega Sharma have demonstrated remarkable resilience and innovation in navigating the complexities of building and scaling their ventures. This case study focuses on the journey of Megha Sharma, the founder and CEO of "THE SAFFRON TOUCH," shedding light on her experiences in overcoming the hurdles of lack of social support and intense competition.

The case study examines the multifaceted challenges encountered by women entrepreneurs in India, particularly the repercussions of limited social support networks and the cutthroat nature of the market. Through Megha Sharma's narrative, we explore the strategies she employed to surmount obstacles such as financial constraints and restricted access to markets. Additionally, the case study delves into the broader implications for women entrepreneurs and identifies actionable strategies to address these challenges effectively.

**1. Challenges Faced by Women Entrepreneurs:** Women entrepreneurs in India encounter significant hurdles due to societal norms, limited access to resources, and fierce competition. The absence of social support networks exacerbates these challenges, making it difficult for women to establish and grow their ventures. Additionally, entrenched gender biases often restrict access to funding and markets, further hindering their progress.

**2. Overcoming Financial and Market Access Challenges:** Megha Sharma encountered obstacles in accessing finance and markets for her business, "THE SAFFRON TOUCH." To surmount these hurdles, she embraced innovative strategies such as crowd funding to secure funding and utilized digital marketing channels to reach broader audiences. By leveraging these approaches, she successfully garnered financial support and expanded her market reach.

**3. Strategies for Overcoming Challenges:** Women entrepreneurs can adopt several strategies to overcome the barriers posed by limited social support and stiff competition. Active participation in networking events and joining women entrepreneur groups facilitates knowledge exchange, mentorship, and access to potential collaborators. Moreover, utilizing digital marketing techniques enables women to amplify their brand visibility and engage with a wider customer base. Additionally, embracing crowd funding platforms empowers entrepreneurs to secure alternative sources of funding and foster community support for their ventures.

**4. The Importance of Networking:** Networking serves as a cornerstone for women entrepreneurs, enabling them to forge meaningful connections, gain insights into market dynamics, and identify growth opportunities. By cultivating a robust network, women entrepreneurs can access valuable resources, receive mentorship, and establish partnerships, thus enhancing their chances of success in a competitive landscape.

**5. The Role of Digital Marketing:** Digital marketing plays a pivotal role in empowering women entrepreneurs to reach broader audiences, establish brand presence, and drive customer engagement. Through strategic utilization of digital platforms such as social media, websites, and e-commerce channels, women entrepreneurs can showcase their offerings, communicate their unique value propositions, and cultivate customer relationships. Digital marketing serves as a cost-effective tool for expanding market reach, generating leads, and fostering brand loyalty among diverse consumer segments.

**Conclusion:** The journey of Megha Sharma exemplifies the resilience and ingenuity displayed by women entrepreneurs in India amidst formidable challenges. By leveraging innovative strategies, such as crowd funding, networking, and digital marketing, women entrepreneurs can surmount the barriers of limited social support and stiff competition. Moreover, concerted efforts from government and non-governmental organizations are crucial in providing women entrepreneurs with the necessary support, resources, and enabling environment to thrive in the entrepreneurial ecosystem. Empowering women entrepreneurs not only drives economic growth and innovation but also fosters inclusive development and gender equality in India's entrepreneurial landscape.

**Prepared by: V.Mouneswari, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-3**

ABC Company is an engineering company with employee strength of 1,000. The company has a system of incentive linked monthly productivity bonus for the shop floor employees which serve the purpose of rewarding good work. The HR director. Mr. David has been facing a dilemma, how to evaluate the performance of middle management and how to link it with productivity. After deliberate discussions with the individual managers, he develops a plan. The plan is designed to enhance teamwork and provide incentives for improvement & excellence among middle level managers. Briefly the pay will be split into two components.

The first consists of 80% of original salary, which will be a fixed component and will be determined as before. The second component of 20% will be flexible and will depend upon ability of each team as a whole to show minimum of 5% improvement in their respective areas.

The scheme when discussed with managers received a number of negative remarks. One manager said that why should their performance depend upon the performance of other members of the team. The new pay scheme makes them team players first and specialist in their area next. Another objection was that why the good persons in the team should suffer, if the other members are not measuring up to the expectations. Moreover. there are number of external factors which affect the individual and collective performance. For example, if a product suddenly goes out of demand, affecting marketability, why should the consumed marketing team be penalized for something beyond its control.

Now Mr. David is in a tight position. The company has been the trend setter in executive compensation in Indian industry as they have been paying the best. Will the new plan ensure that it remains that way? If the plan succeeds ABC set another trend in executive compensation.

**Questions:**

1. Do you think it is appropriate to evaluate managers on the basis of productivity?

2. In your opinion, which is the most suitable criteria for incentive plans, individual performance or team performance?

3. If you were the HR director, what would you do?

**Analysis Report:**

**Title:** **"Navigating Executive Compensation: Balancing Individual and Team Performance"**

**Introduction:** ABC Company, a leading engineering firm, faces the challenge of devising a fair and effective incentive plan for middle management. In response to the dilemma faced by HR Director Mr. David, a new compensation plan has been proposed, aiming to foster teamwork while incentivizing productivity improvement. However, this initiative has sparked debate among managers, raising concerns about fairness, individual accountability, and the impact of external factors on performance.

**Problem Identification:**

1. Evaluation Criteria: There is a question of whether it is appropriate to evaluate managers solely based on productivity, considering the multifaceted nature of managerial roles and the influence of external factors on performance.
2. Individual vs. Team Performance: The proposed incentive plan shifts focus from individual performance to team performance, raising concerns among managers about fairness and accountability.
3. External Factors: Managers express concerns about being penalized for factors beyond their control, such as market demand fluctuations, highlighting the need for flexibility in performance evaluation.

**Questions:**

**2.Do you think it is appropriate to evaluate managers on the basis of productivity?**

Evaluating managers solely on the basis of productivity may not always be appropriate. While productivity is an essential aspect of performance, managerial roles often encompass a wide range of responsibilities beyond direct output. Factors such as leadership, decision-making, problem-solving, and team management also contribute significantly to managerial effectiveness. Therefore, a holistic approach that considers multiple dimensions of performance would likely provide a more comprehensive assessment of managerial effectiveness.

**2.In your opinion, which is the most suitable criteria for incentive plans, individual performance or team performance?**

The most suitable criteria for incentive plans may vary depending on the organization's goals, culture, and specific circumstances. In some cases, individual performance-based incentives may be more effective, particularly when employees have clearly defined and measurable objectives that are within their control. However, in contexts where collaboration, teamwork, and collective goals are paramount, team performance-based incentives may be more appropriate. Ultimately, a balanced approach that considers both individual and team contributions may offer the best solution, allowing organizations to reward both individual excellence and collaborative efforts.

**3. If you were the HR director, what would you do?**

As the HR director, I would adopt a flexible and nuanced approach to designing incentive plans for middle managers. This would involve:

* + Conducting a thorough assessment of the organization's goals, culture, and performance metrics to determine the most suitable criteria for incentives.
	+ Engaging in open dialogue with middle managers to understand their concerns and preferences regarding performance evaluation and incentives.
	+ Exploring hybrid incentive models that incorporate both individual and team-based components to strike a balance between recognizing individual contributions and fostering teamwork.
	+ Implementing a robust performance management system that provides regular feedback, coaching, and development opportunities to support continuous improvement and alignment with organizational objectives.
	+ Monitoring the effectiveness of the incentive plan over time and making adjustments as needed to ensure fairness, transparency, and alignment with strategic priorities.

**Conclusion:** The dilemma faced by Mr. David underscores the complexity of designing incentive plans that balance individual accountability with teamwork and adaptability to external factors. While productivity is essential for organizational success, it is crucial to consider the implications of solely focusing on team performance for middle management evaluation. As HR Director, a balanced approach is needed, possibly incorporating a hybrid incentive model that rewards both individual contributions and collaborative efforts. By soliciting input from managers and stakeholders and considering the broader organizational context, ABC Company can innovate in executive compensation while maintaining its reputation as a trendsetter in the industry.

**Prepared by: A. Anjanaiah, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-4**

Whole Foods Market is a supermarket chain with less than two-hundred stores selling healthy, gourmet products such as organic vegetables, free-range poultry, foods without artificial ingredients or hydrogenated fats, and many environment-friendly products such as non-polluting detergents and chlorine free diapers. The company began in the 1970s as a natural-food stores that catered to hippies. Through the purchase of small- health food stores in major cities, the company gained more exposure and access distribution channels for natural foods. During the late 1980s and the 1990s, the company's growth was fueled by the by the upsurge's in Americans' desire for healthy living and their interest in gourmet cooking. Whole Foods does very little advertisings but receives constant free media exposure because it is often mentioned in popular TV series, praised by celebrities on talk shows, and featured in newspapers and magazines as a business success story. The company educates consumers about foods, provides recipes, and even arranges trips where consumers meet with local fishermen. Its supermarket cashiers and stock personnel receive education about foods and team above average-wages. Whole Foods' prices are significantly higher than products in traditional supermarkets because the keys to its profitability and higher profit margins for products that traditionally yield slim margins, and much larger than per-square-foot sales than that of conventional supermarkets. But as the company's CEO pointed out, Americans spend far less of their income on food than other nations and that's why most of it doesn't taste very good; if they want to eat higher-quality foods, they have to pay for them. In 2005, Whole Foods stated its numbers to double the number of its stores by 2015.

**Questions**

1. Discuss the promotion strategy of Whole foods. Why or why not is it appropriate? Elaborate.

2. Discuss the Positioning of Whole Foods.

3. Do you think doubling the number of stores is a sound strategy when "Americans spend far less of their income on food than other nations". Explain your point of view.

**Analysis Report:**

**Title: "Whole Foods Market: A Unique Approach to Promotion, Positioning, and Expansion"**

**Introduction:**

 Whole Foods Market has carved out a niche in the supermarket industry by offering healthy, gourmet products and emphasizing environmental sustainability. Despite its higher prices, the company has enjoyed significant success and plans to double its number of stores by 2015. However, this ambitious growth strategy raises questions about the appropriateness of its promotion strategy, its positioning in the market, and the feasibility of expanding in a market where consumers spend less on food relative to other nations.

**Problem Identification:**

1. Promotion Strategy: Whole Foods relies heavily on free media exposure, celebrity endorsements, and educational initiatives to promote its brand. While this approach has garnered attention and built a loyal customer base, it may not be sufficient to drive growth and reach new customers in a competitive market.
2. Positioning: Whole Foods has positioned itself as a purveyor of high-quality, environmentally-friendly products, catering to consumers willing to pay a premium for healthy eating. However, this positioning may limit its appeal to a niche market and could be perceived as exclusionary by some consumers.
3. Expansion Strategy: Doubling the number of stores by 2015 is an ambitious goal, particularly in a market where consumers prioritize price over quality. This strategy may face challenges in attracting new customers and sustaining profitability, especially if the company fails to adapt its pricing and marketing strategies to appeal to a broader demographic.

**Solutions:**

**1.Discuss the promotion strategy of Whole foods. Why or why not is it appropriate? Elaborate.**

Diversification of Promotion Channels: While Whole Foods' reliance on free media exposure has been effective, the company should consider diversifying its promotion channels to reach a broader audience. This may include targeted advertising campaigns, digital marketing initiatives, and partnerships with influencers and organizations aligned with its values.

**2.Discuss the Positioning of Whole Foods.**

Evolving Positioning: While maintaining its commitment to high-quality, sustainable products, Whole Foods could explore ways to broaden its appeal and attract a wider range of customers. This may involve introducing more affordable product lines, emphasizing convenience and accessibility, and highlighting the value proposition of its offerings.

3**. Do you think doubling the number of stores is a sound strategy when "Americans spend far less of their income on food than other nations". Explain your point of view.**

Strategic Expansion: Instead of simply increasing the number of stores, Whole Foods should focus on strategic expansion in markets with high demand for healthy, gourmet products. This may involve conducting market research to identify underserved areas, optimizing store locations and formats, and tailoring marketing strategies to local preferences and demographics.

**Conclusion:**

Whole Foods Market faces both opportunities and challenges as it seeks to expand its reach and maintain its position as a leader in the supermarket industry. By refining its promotion strategy, evolving its positioning, and pursuing strategic expansion initiatives, the company can continue to thrive in a competitive market while staying true to its mission of providing healthy, sustainable food options.

**Prepared by:P.Rajitha, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-5**

Mrs Rena Zen had ordered two ladies top on ZIP UP and leading online clothes retailer. When the product arrived Mis, Zen felt the tops were not looking good on her and had told her daughter that she intended to return it. Unfortunately, before she could return it Mrs Zen passed away in a fatal accident. When her daughter was clearing her mom's room, found the tops her mom wanted to return. She noticed that the date of retaining as expired. She took a chance and called the customer care of ZIP UP and informed the situation, Next day ZIP UP arranged for personnel to collect the package and also sent her flowers,

This act won the hearts of many customers. The company generated a 5mn customers and with an astonishing 80% are repeated customers. In an interview to a leading newspaper the CEO of This act won the hearts of many customers. The company generated the ZIP UP Mr Sam Rai, that customer service oriented culture was the first priority to ZIP UP. Mr Rai said that he understood the importance of working on what is truly passionate about. And it is important to for the company to have a strong organisation culture and preserver them.

Under Mr Rai, ZIP UP focused on delivering superior customer service over marketing. For the company, customer service was an immense branding opportunity, a unique way to speak directly to your customers. Mr Rai explained "feel that it is very easy to purchase from Zappos. not with anything that relates directly to monetary compensation."

ZIB UP concentrated on the providing wide range of product and speed delivery. To remove the daysle of online shopping, Zappos extended their return policy from 30, 60 and 90 days to 365 days. Its fast and accurate free overminded their return policy fires that customers who order products as late as midnight also receive their merchandise on the next day. The shipping is free. both ways.

**Question: -**

1. What is organizational culture?
2. Give your view on why the customer preferred to shop on ZIP UP.?
3. Explain the organization culture of ZIP UP.?

**ANALYSIS:**

**TITLE:** Customer Centric Culture: The Success Story of Zip UP.

**Introduction:** ZIP UP, a leading online clothes retailer, has garnered widespread praise for its exceptional customer service and customer-centric approach. This case study explores the organizational culture of ZIP UP, the reasons behind its popularity among customers, and the strategies employed to prioritize superior customer service over traditional marketing efforts.

**Problem Identification**:

1. Understanding Organizational Culture: The concept of organizational culture refers to the shared values, beliefs, and behaviors that shape the identity and operations of a company. It influences how employees interact with each other and with customers, as well as the overall performance and success of the organization.
2. Customer Preferences for ZIP UP: Customers prefer to shop on ZIP UP due to its reputation for outstanding customer service, including extended return policies, fast and free shipping, and personalized interactions with customer care representatives. These factors contribute to a positive shopping experience and foster customer loyalty.
3. ZIP UP's Organizational Culture: ZIP UP's organizational culture prioritizes customer service above all else, with a strong emphasis on empathy, responsiveness, and going above and beyond to meet customer needs. This culture is cultivated and reinforced by company leadership, with CEO Mr. Sam Rai emphasizing the importance of passion and dedication to customer satisfaction.

**Solutions:**

1. Fostering a Customer-Centric Culture: ZIP UP should continue to prioritize customer service in its organizational culture, emphasizing the importance of empathy, responsiveness, and personalized interactions with customers. This may involve ongoing training and development programs for employees to ensure they are equipped with the skills and mindset necessary to deliver exceptional service.
2. Continuous Improvement: ZIP UP should regularly assess and evaluate its customer service practices to identify areas for improvement and innovation. This may include soliciting feedback from customers, benchmarking against industry standards, and implementing new technologies or processes to enhance the overall shopping experience.
3. Brand Differentiation: ZIP UP can further differentiate itself in the competitive online retail market by consistently delivering superior customer service and leveraging this as a key brand differentiator. By continuing to exceed customer expectations, ZIP UP can build long-term customer loyalty and strengthen its position as a market leader.

**Conclusion:** ZIP UP's success can be attributed in large part to its customer-centric organizational culture, which prioritizes empathy, responsiveness, and personalized interactions with customers. By maintaining a strong focus on customer service and continuously innovating to meet evolving customer needs, ZIP UP has established itself as a preferred destination for online shopping. Moving forward, ZIP UP should continue to cultivate its organizational culture and differentiate itself through superior customer service to sustain its competitive advantage and drive continued growth and success.

**Prepared by: S MD Azash, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-6**

 Solution Inc. was a leading Car manufacturing company. The company earned a m of $5 trillion. It was one of the most successful companies in the country. On 18 January, 2014 the company faced a loss of S 5 million when 2000 of their employees walked out the company.

Solution Inc. approached HR Solution Result Consultant (HSRC) to investigate on the problem. After analyzing the situation HSRC concluded that indirect but rapidly destabilizing feature in team dynamics which needed practical investigation and correction.

HSRC invited a selected group of leaders from Solution Inc. to attend 3day workshop which was focused on finding, identifying and correcting the destabilizing features in the team dynamics. The workshop was planned using proprietary, fun but well-provenance techniques for investigating these dynamics, the "survival terrain" of work team at the plant. The workshop addressed how to tackle complicated cultural instability.

The workers returned to the company and a similar event never occurred in the company, the confidence among the employees increased.

**Question**

1. What do you understand by team building?

2. What was the problem faced by the Solution Inc.?

3. What was the solution HSRC came up with? And what was the result?

**ANALYSIS:**

**TITLE:** **Revitalizing Team Dynamics: A Case Study of Solutions in Companies Turnover with HR Solution Result Consultant.**

**Introduction:** Solution Inc., a prominent car manufacturing company, faced a significant setback when 2000 employees walked out, resulting in a loss of $5 million. Recognizing the need to address underlying team dynamics issues, Solution Inc. enlisted the help of HR Solution Result Consultant (HSRC) to investigate and rectify the problem. Through a targeted workshop, HSRC aimed to identify and correct destabilizing features in team dynamics to restore confidence and productivity within the company.

**Problem Identification:**

1. **Team Dynamics Challenges:** Solution Inc. experienced a walkout by 2000 employees, indicating underlying issues in team dynamics that were negatively impacting productivity and morale. These challenges needed to be addressed to prevent further disruptions and losses.
2. **Cultural Instability:** HSRC identified a complex cultural instability within Solution Inc.'s workforce, which was contributing to the destabilizing features in team dynamics. This instability needed practical investigation and correction to foster a more cohesive and collaborative work environment.

**Solutions and Results:**

1. **Solution:** HSRC organized a three-day workshop for selected leaders from Solution Inc., focusing on identifying and correcting destabilizing features in team dynamics. The workshop utilized proprietary techniques designed to investigate team dynamics effectively and address cultural instability within the organization.
2. **Result:** Following the workshop, the employees returned to the company, and similar disruptive events did not recur. The workshop's interventions helped to improve team cohesion, communication, and morale, leading to increased confidence among employees. By addressing the underlying team dynamics challenges, Solution Inc. was able to mitigate future risks and foster a more productive and harmonious work environment.

**Conclusion:** The case study of Solution Inc. highlights the importance of addressing underlying team dynamics challenges to prevent disruptions and losses within organizations. Through targeted interventions, such as workshops focused on identifying and correcting destabilizing features in team dynamics, companies can improve cohesion, communication, and morale among employees. By prioritizing team building and addressing cultural instability, organizations can create a more positive and productive work environment conducive to long-term success and growth.

**Prepared by: V Vedavathi, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-7**

 Candy Ltd was successful candy manufacturer. In the mid-1990 the company faced a problem its performance appraisal system. The system was demotivation the employees than motivating them. Employees were discouraged and disgruntled

Candy Ltd appraised its employees once in a seat It required them to document their accomplishment and the managers used to assess and assign rating. The rating was on forced distribution. This system resulted in inequitable rating.

The company came up with a new system of performance appraisal the new system focused on appraising employees half yearly and the numerical rating system was removed. Further the company prohibited the appraisal guidelines of the use of subjective assessments of performance.

Both employee and the manager had to prepare a written document on how well the employee met present performance target. They meet and discuss the performance and provided the feedback, improvements and resolving any differences between them. The new system emphasized both the positive and negative aspects of employee's performance. The discussion was focused on the merits, performance, and relationship with peers and position in salary range.

**Questions**

1. What is performance appraisal?

2. Give the meaning of old method of performance appraisal followed by Candy Ltd?

3. What did the new system of PA emphasize on?

**ANALYSIS:**

**TITLE:** Revamping Performance Appraisal: Candy Ltd.’s Journey from Demotivation to Engagement.

**Introduction:**

Candy Ltd, a successful candy manufacturer, faced challenges with its performance appraisal system in the mid-1990s. The existing system was demotivating employees rather than motivating them, resulting in dissatisfaction and disgruntlement among the workforce. To address these issues, Candy Ltd implemented a new performance appraisal system focused on fairness, transparency, and constructive feedback.

**Problem Identification:**

1. Performance Appraisal: Performance appraisal is the process of evaluating and assessing an employee's performance in relation to predetermined objectives, goals, or standards. It serves as a tool for providing feedback, identifying areas for improvement, and making decisions regarding promotions, rewards, and development opportunities.
2. Old Method of Performance Appraisal: The old method followed by Candy Ltd involved appraising employees annually, requiring them to document their accomplishments and assigning ratings based on forced distribution. This system led to inequitable ratings, demotivating employees and resulting in dissatisfaction.
3. New System of Performance Appraisal: The new system implemented by Candy Ltd focused on appraising employees biannually and eliminated the numerical rating system. It emphasized objective assessment of performance, with both employees and managers required to prepare written documents outlining how well the employee met present performance targets. The emphasis was on providing constructive feedback, discussing both positive and negative aspects of performance, and addressing any differences between the employee and manager.

**Solutions:**

1. Performance Appraisal: Performance appraisal is a systematic process of evaluating and assessing an employee's job performance against predetermined criteria and objectives. It aims to provide feedback, identify strengths and weaknesses, set goals for improvement, and make decisions regarding promotions, rewards, and development opportunities.
2. Old Method of Performance Appraisal followed by Candy Ltd: The old method of performance appraisal at Candy Ltd involved assessing employees annually, requiring them to document their accomplishments, and assigning ratings based on a forced distribution system. This system focused on numerical ratings and often resulted in inequitable ratings, leading to demotivation and dissatisfaction among employees.
3. New System of Performance Appraisal: The new system of performance appraisal implemented by Candy Ltd focused on appraising employees biannually and eliminated the numerical rating system. It emphasized objective assessment of performance, with both employees and managers required to prepare written documents outlining how well the employee met present performance targets. The new system prohibited the use of subjective assessments and encouraged open discussions between employees and managers, highlighting both positive and negative aspects of performance. The emphasis was on providing constructive feedback, addressing performance issues, and fostering a collaborative approach to performance management.

**Conclusion:**

 Candy Ltd's transition to a new performance appraisal system highlights the importance of adapting appraisal processes to promote fairness, transparency, and employee engagement. By shifting away from a demotivating annual appraisal with forced distributions, Candy Ltd implemented a more constructive and collaborative approach focused on biannual evaluations, objective assessments, and open dialogue between employees and managers. This new system emphasizes the importance of providing feedback, addressing performance issues, and fostering a positive work environment conducive to employee growth and development.

**Prepared by: M Siva Sailaja, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-8**

Rush Automobile ltd (RAL) was facing issues with its financial performance. Therefore, the company wanted to consider restructuring to turn the company around. Even after all the efforts the company was still under the loss due to high manufacturing cost and the price was not priced competitively. These led to job cuts, selling unprofitable business and closing down many units RAL was finding it difficult to meet the growing competition.

RAL realised that in order to survive in the market the company needs to transform into a flexible organization and focus on sale and high value business. As one measure of improvement the company introduced Balanced Scorecard. This was used to communicate the strategy across RAL to more than 1 lakh employees across its various units spread across the world.

The Balanced Scorecard enabled the employees to understand the existing policies and the future plans of RAL. The management and all the division identified the factors that were important to create value. Balanced Scorecard was also used to measure corporate results.

**Questions**

1. What is Balanced Scorecard?

2. What was the need for implementing Balanced Scorecard?

3. What was the benefit of Balanced Scorecard?

**Analysis Report:**

**TITLE:** **Driving Transformation: The Balanced Scorecard Approach at Rush Automobile Ltd.**

**Introduction:**

Rush Automobile Ltd (RAL) faced significant challenges with its financial performance, including high manufacturing costs and non-competitive pricing, leading to job cuts and the closure of unprofitable units. To address these issues and survive in a competitive market, RAL recognized the need for transformation into a flexible organization focused on sales and high-value business. As part of this transformation, RAL implemented the Balanced Scorecard framework to communicate strategy and measure performance across its global workforce.

**Problem Identification:**

1. Financial Performance Challenges: RAL struggled with financial performance due to high manufacturing costs and non-competitive pricing, resulting in losses and the need for restructuring.
2. Communication of Strategy: RAL faced challenges in effectively communicating its strategic goals and initiatives to its large and diverse workforce spread across various units worldwide.
3. Measurement of Corporate Results: RAL lacked a comprehensive framework for measuring corporate performance and aligning individual and divisional goals with organizational objectives.

**Solutions:**

1. Implementation of Balanced Scorecard: RAL introduced the Balanced Scorecard framework as a strategic management tool to communicate its strategy and objectives to employees. The Balanced Scorecard enabled RAL to identify key performance indicators (KPIs) aligned with its strategic goals across financial, customer, internal processes, and learning and growth perspectives.
2. Alignment of Goals: The Balanced Scorecard facilitated alignment of individual and divisional goals with organizational objectives, ensuring that all employees understood their roles in contributing to RAL's success.
3. Measurement of Performance: By using the Balanced Scorecard to measure corporate results, RAL could track progress towards strategic objectives, identify areas for improvement, and make data-driven decisions to drive performance and profitability.

**Conclusion:**

The implementation of the Balanced Scorecard framework enabled Rush Automobile Ltd to effectively communicate its strategy, align goals, and measure performance across its global workforce. By focusing on key performance indicators aligned with its strategic priorities, RAL could drive organizational alignment, improve decision-making, and ultimately achieve its transformation goals. The Balanced Scorecard served as a valuable tool for guiding RAL's strategic transformation and revitalizing its position in the competitive automotive market**.**

**Prepared by: K.Bhaskar, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**Top of Form**

**CASE STUDY-9**

Brendan Jackson, a newly hired HR Manager, has been on the job for approximately six months and is in the process of trying to create a new performance appraisal system for his employer, Startbrite Manufacturing Systems. Brendan has reviewed the company's current employee files and has noted that no formal performance appraisals exist in the files. This situation is of great concern to Brendan

In response, Brendan schedules a meeting with the CEO to discuss his concerns and to gain her support to ultimately recommend designing a new performance appraisal system. After the meeting, Brendan is happy at gaining the CEO's approval but starts to feel overwhelmed at the large task he has in pulling the new performance management system together.

**This is where you come in to help Brendan by answering the following questions below:**

1. Discuss the performance management process highlighted in the class lecture and how it will aid Brendan in creating this new performance appraisal system for his employer.

 2. Discuss and suggest the type of appraisal methods that Brendan should recommend the company use and why?

3. Discuss the rating errors/problems that Brendan must be aware of and how these can be avoided.

**Analysis Report**

**Title: Building a new appraisal system at star manufacturing systems.**

**Introduction:**

 Brendan Jackson, a newly hired HR Manager at Startbrite Manufacturing Systems, is tasked with creating a new performance appraisal system for the company. With no existing formal performance appraisals in the employee files, Brendan faces a daunting challenge in designing a comprehensive and effective system. However, with the support of the CEO, Brendan is determined to implement a performance management process that will enhance employee performance and contribute to the company's success.

**Problem Identification:**

1. Lack of Formal Performance Appraisals: Startbrite Manufacturing Systems currently lacks a formal performance appraisal system, which poses challenges in evaluating and managing employee performance effectively.
2. Overwhelmed HR Manager: Brendan feels overwhelmed by the task of designing a new performance appraisal system, given the magnitude of the project and the need to ensure its success.

**Solutions:**

1. Utilizing Performance Management Process: Brendan can leverage the performance management process highlighted in class lectures to guide the development of the new appraisal system. This process typically involves setting clear performance expectations, monitoring and evaluating performance, providing feedback and coaching, and rewarding and recognizing achievements. By following these steps, Brendan can ensure that the new system aligns with organizational goals and effectively supports employee development and performance improvement.
2. Recommending Appraisal Methods: Brendan should recommend a combination of appraisal methods that suit the company's needs and objectives. This may include a mix of objective measures such as Key Performance Indicators (KPIs), subjective evaluations by supervisors, self-assessments by employees, and 360-degree feedback from peers and subordinates. Each method has its advantages and limitations, so a balanced approach can provide a comprehensive view of employee performance.
3. Avoiding Rating Errors/Problems: Brendan must be aware of common rating errors and problems in performance appraisals, such as halo effect, leniency/severity bias, central tendency, and recency bias. To avoid these errors, Brendan should provide training and guidance to managers on how to conduct fair and objective evaluations, use clear and specific performance criteria, encourage ongoing feedback and communication, and implement calibration sessions to ensure consistency and fairness in ratings.

**Conclusion:**

By leveraging the performance management process, recommending appropriate appraisal methods, and addressing rating errors and problems, Brendan can successfully create a new performance appraisal system for Startbrite Manufacturing Systems. This system will not only provide a structured framework for evaluating employee performance but also contribute to organizational success by aligning individual goals with company objectives and fostering a culture of continuous improvement and development.

**Prepared by: N.Silpa, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-10**

In the restaurant industry in India, “Spice Max” is a well-known brand of Biryani Masala owned by a company named “Paramount Restaurant” which is very famous for its Hyderabadi Biryani. This delicious food seasoning is made from a blend of different spices. Hyderabad is the city where the company was founded and where it has prospered for many years. Hyderabad is a historic city located at the crossroads of trading routes that bring the products of Southeast Asia to markets in the Middle East and beyond. To maintain high quality of product and customer service, Paramount has not opened new branches for a long time. But now, due to tough competition from various other brands, the company has decided to open new branches in the cities of: Bengaluru; Vijayawada; Chennai; and Pune. Additionally, along with restaurants in those cities, they have decided to sell Spice Max separately to other franchises and distributors.

**The following are the features of the current supply chain:**

* A manufacturing facility and a distribution center in Hyderabad
* Stores in Hyderabad, Secunderabad, Vijayawada, Bengaluru, Chennai and Pune
* Transportation modes of small, medium and large sized trucks, and also railroad freight cars.

**Q**. You have been hired by Paramount Restaurant to manage the supply chain of Spice Max. Your immediate task is to increase the company’s net profit by making improvements in the supply chain and lowering inventory and operating costs over the next 30 days

**Analysis Report**

**Title:** Maximizing Supply Chain Performance for Spice Max Expansion

**Introduction:** Paramount Restaurant, renowned for its Hyderabadi Biryani and Spice Max Biryani Masala, is a well-established brand based in Hyderabad, India. With a rich culinary tradition and a loyal customer base in Hyderabad, Paramount has decided to expand its operations by opening new branches in Bengaluru, Vijayawada, Chennai, and Pune. Additionally, the company plans to distribute Spice Max to franchises and distributors across various regions.

**Problem Identification**: Despite its success in Hyderabad, Paramount Restaurant faces several challenges as it expands its operations and supply chain network:

* With the addition of new branches and distribution channels, the supply chain becomes more complex, requiring efficient coordination and management of manufacturing, distribution, and inventory.
* Maintaining the high quality of Spice Max and other food products across multiple locations poses a challenge, as consistency and freshness are critical to customer satisfaction.
* Transportation Logistics: Optimizing transportation routes and modes for delivering raw materials to the manufacturing facility and distributing finished products to stores and distributors is crucial for minimizing costs and ensuring timely delivery.
* Balancing inventory levels at the manufacturing facility, distribution centers, and stores to meet demand while avoiding overstocking or stockouts requires effective inventory management strategies.

**Solution:** To increase the company's net profit within the next 30 days by improving the supply chain and lowering inventory and operating costs, here are some immediate actions Paramount Restaurant can take:

1. **Streamline Inventory Management**: Conduct a thorough inventory analysis to identify slow-moving or obsolete stock. Implement a just-in-time (JIT) inventory system to minimize excess inventory and reduce carrying costs. Negotiate with suppliers for smaller, more frequent deliveries to maintain optimal inventory levels without overstocking.
2. **Optimize Transportation Routes**: Analyze transportation routes and modes to identify inefficiencies and reduce transportation costs. Consolidate shipments, use the most cost-effective transportation modes, and negotiate better freight rates with carriers. Implement route optimization software to minimize fuel consumption and transportation time.
3. **Reduce Waste in Production**: Implement lean manufacturing principles to reduce waste in the production process. Identify and eliminate bottlenecks, optimize production schedules, and standardize processes to improve efficiency. Train employees on waste reduction techniques and encourage continuous improvement initiatives.
4. **Negotiate Cost Savings with Suppliers**: Review existing supplier contracts and negotiate better terms, including volume discounts, payment terms, and rebates. Explore alternative sourcing options and evaluate the possibility of sourcing certain ingredients locally to reduce transportation costs and lead times.
5. **Implement Energy-Efficient Practices**: Identify opportunities to reduce energy consumption in manufacturing and distribution facilities. Implement energy-saving measures such as upgrading to energy-efficient equipment, optimizing lighting and HVAC systems, and implementing energy management software to monitor and control energy usage.
6. **Enhance Supply Chain Visibility**: Improve visibility across the supply chain by implementing supply chain management software. Real-time tracking of inventory, shipments, and production processes can help identify inefficiencies and bottlenecks, allowing for proactive decision-making and timely corrective actions.

By implementing these strategies over the next 30 days, Paramount Restaurant can effectively reduce costs throughout the supply chain, improve operational efficiency, and ultimately increase net profit. Regular monitoring and performance tracking will be essential to ensure the sustainability of these improvements over time.

**Prepared by: H.Sunil Kumar Reddy, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-11**

Mother Dairy Fruits & Vegetables, a company with a billion-dolar (Rs 4,200-crore) turnover, has been a well. established player in NCR known for products the firm has been largest seter of milk in NCR, with 65% of the revenue being contributed by milk. Amul entered Delhi market five years back and in 2011 with in a span on 4years it defeated mother dairy in terms of market share. Amul procures fresh milk and packages it. Mother dairy adds powder milk in its products to the tune of 40% This spoil the taste of the product. Also, Amul is credited with more awareness and knowledge about its products amongst consumers. Amul is a leader in the ice cream segment of the country Their capacity to develop products and gain market leadership helped them gain substantial share in the NCR region in the milk segment raising question marks on the brand equity of the company. Mother Dairy has been market leader in NCR for 35 years. Losing ground to Amul in 2011 in the milk segment is forcing company to rethink is strategy. They plan to increase their capacity and also expand procurement of the milk. One of the regions why consumer shifted to Amul has been difference in the taste of the milk. Amul milk is fresh where as a portion of mother dairy milk is reconstituted Mother dairy sets through its own outlets and home delivery is not possible where as Amul used channel and home delivery of the milk is possible. Mother dairy milk price has been less than the price of Amul milk, still a huge number of mother dairy loyals moved to Amul. Now Mother dairy is restructuring its strategy and systems to combat Amul

**Questions:**

1. What would you suggest to Mother Dairy for its revitalization plan
2. Develop brand identity model for Mother Dairy after collecting additional information for the brand?

**Analysis Report**

**Title: Revitalizing Mother Dairy Fruits & Vegetables: A Strategic Approach**

**Introduction:** Mother Dairy Fruits & Vegetables, a long-standing player in the National Capital Region (NCR), has faced challenges to its market leadership position in the milk segment due to stiff competition from Amul. Despite being a billion-dollar company with a significant market presence, Mother Dairy experienced a decline in market share and brand equity following Amul's entry into the Delhi market. This case study explores the factors contributing to Mother Dairy's decline and proposes strategies for revitalization in response to competitive pressures from Amul.

**Problem Identification:**

* Amul's aggressive expansion and superior brand awareness have eroded Mother Dairy's market share in the milk segment, raising questions about the company's brand equity and competitiveness.
* Mother Dairy's use of reconstituted milk and the addition of powdered milk in its products have affected taste perceptions among consumers, leading to a preference for Amul's fresh milk offerings.
* Amul's use of channels for milk distribution, including home delivery, has provided greater accessibility and convenience to consumers compared to Mother Dairy's reliance on its own outlets.
* Mother Dairy needs to develop a strong brand identity that resonates with consumers and differentiates it from competitors like Amul. This includes defining the company's values, mission, and unique selling propositions (USPs) to create a compelling brand story and image.

**Solution:**

1. To revitalize Mother Dairy and regain market share lost to Amul, here are some suggestions:

1. **Improve Product Quality**: Mother Dairy should focus on enhancing the quality of its milk products by reducing or eliminating the use of powdered milk. This will help improve the taste and freshness of the milk, addressing one of the key reasons why consumers are switching to Amul.
2. **Enhance Brand Awareness and Communication**: Mother Dairy should invest in marketing and advertising campaigns to increase brand awareness and communicate its commitment to quality and freshness. Emphasize the company's long-standing presence in the NCR region and its reputation for reliability and trustworthiness.
3. **Expand Distribution Channels**: Introduce home delivery services for Mother Dairy products to make them more accessible to consumers. Utilize a combination of traditional retail outlets, online platforms, and third-party delivery services to reach a wider customer base and improve convenience**.**
4. **Invest in Customer Experience:** Enhance the overall customer experience by improving service quality and responsiveness. Train staff to provide personalized assistance and address customer concerns promptly. Implement customer feedback mechanisms to gather insights and continuously improve product offerings and service delivery.
5. **Strengthen Supply Chain and Procurement**: Increase procurement of fresh milk from local dairy farmers to improve the freshness and quality of Mother Dairy products. Strengthen the supply chain to ensure efficient distribution and minimize product handling, maintaining product freshness throughout the delivery process.
6. **Build Brand Loyalty**: Implement loyalty programs and incentives to reward existing customers and encourage repeat purchases. Engage with consumers through social media platforms and other digital channels to foster a sense of community and brand loyalty.

**2**. Now, developing a brand identity model for Mother Dairy would involve collecting additional information about the brand, including its core values, mission, target audience, competitive landscape, and unique selling propositions. Based on this information, here's a simplified brand identity model for Mother Dairy:

1. **Brand Essence**: Mother Dairy stands for quality, reliability, and freshness in dairy products.
2. **Brand Promise**: Delivering farm-fresh, nutritious dairy products that families can trust.
3. **Brand Values:**
* Quality: Commitment to sourcing the finest ingredients and maintaining the highest standards of product quality.
* Reliability: Ensuring consistent availability and freshness of dairy products to meet the needs of consumers.
* Nourishment: Providing wholesome and nutritious dairy products that contribute to the well-being of families.
1. **Target Audience:** Families and health-conscious consumers in the NCR region seeking trustworthy and nutritious dairy products.
2. **Unique Selling Proposition (USP):** Mother Dairy offers dairy products that combine traditional goodness with modern convenience, backed by decades of expertise and trust in the region.
3. **Brand Personality:** Warm, caring, and dependable, like a nurturing mother who prioritizes the well-being of her family.
4. **Brand Visuals**: The brand visuals should reflect freshness, purity, and naturalness, with imagery showcasing lush green pastures, happy families enjoying dairy products, and vibrant packaging that stands out on store shelves.

This brand identity model will guide Mother Dairy in crafting consistent messaging and experiences that resonate with its target audience and differentiate it from competitors like Amul.

**Prepared by: K.Kavitha , Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-12**

Started in 1965, ChemCo is a leading manufacturer of car batteries in the U.K. market. Since then, it has been under the charge of Mr. Jones, the founder-owner of the firm. In 1999, the company decided to go for a diversification by expanding the product line. The new product was batteries for fork-lift trucks. At the same time, Mr. Marek was appointed the Senior Vice President of marketing in the company. However, soon after its successful diversification into fork-lift batteries, the sales in this segment began dropping steadily. Mr. Marek wanted to introduce some radical changes in the advertising and branding of the new business but the proposal was turned down by the old-fashioned Mr. Jones.

At this juncture in 2002, the firm is losing heavily in the fork-lift batteries business and its market share in car batteries is also on a decline. Mr. Jones has asked Mr. Marek to show a turnaround in the company within a year. What steps should Mr. Marek take to take the company out of its troubles?

**Analysis Report**

**Title:** **Navigating Diversification Challenges in the Battery Industry**

**Introduction:**

Founded in 1965 by Mr. Jones, ChemCo has long been a respected name in the U.K. market for its production of car batteries. Over the years, the company has thrived under Mr. Jones' leadership, establishing itself as a leading manufacturer in the industry. In 1999, seeking to expand its product line and explore new avenues for growth, ChemCo made the strategic decision to diversify into the production of batteries for fork-lift trucks.

This diversification initiative coincided with the appointment of Mr. Marek as the Senior Vice President of marketing, bringing fresh perspectives and ideas to the company. However, despite initial success in the fork-lift batteries segment, ChemCo soon encountered challenges as sales began to decline steadily.

Mr. Marek, recognizing the need for innovation and adaptation to address the declining sales, proposed radical changes in the advertising and branding of the fork-lift batteries business. However, his proposals were met with resistance from Mr. Jones, the founder-owner of the company, who held more traditional views and was hesitant to embrace change.

As the company faces heavy losses in the fork-lift batteries business and a decline in its market share in car batteries, Mr. Jones has tasked Mr. Marek with orchestrating a turnaround within a year. The success of ChemCo's future hinges on its ability to navigate these challenges, reconcile differing perspectives, and implement effective strategies to revitalize its business operations.

**Problem Identification:**

1. Diversification Strategy Backfiring: ChemCo's decision to diversify into fork-lift batteries has not yielded the expected results. Despite initial success, the sales in this segment have been steadily declining, leading to significant losses for the company.
2. Leadership Clash: There is a clash in leadership styles and vision between Mr. Jones, the founder-owner of the company, and Mr. Marek, the Senior Vice President of marketing. Mr. Marek's proposal for radical changes in advertising and branding to address the declining sales is rejected by Mr. Jones, who is resistant to change.
3. Declining Market Share: ChemCo's market share in its core business of car batteries is also declining, indicating broader challenges in the competitive landscape and customer preferences.

**Solution**

1.What steps should Mr. Marek take to take the company out of its troubles?

To address the challenges faced by ChemCo and lead the company out of its troubles, Mr. Marek should consider the following steps:

1. Comprehensive Analysis: Conduct a thorough analysis of the factors contributing to the decline in sales of fork-lift batteries and the erosion of market share in car batteries. This analysis should encompass market trends, competitor strategies, customer preferences, and internal operational inefficiencies.
2. Strategic Alignment: Engage in open and constructive dialogue with Mr. Jones to align on the strategic vision for the company's future. Educate him on the necessity of adapting to changing market dynamics and the importance of innovation in remaining competitive. Build consensus on the need for radical changes in advertising and branding strategies to revitalize the business.
3. Revamped Marketing and Branding: Develop and implement a comprehensive marketing and branding overhaul for both the fork-lift batteries and car batteries segments. Introduce innovative advertising campaigns, reposition the brand to emphasize its strengths and unique selling propositions, and leverage digital marketing channels to reach a wider audience.
4. Product Innovation: Invest in research and development to innovate and improve the quality, performance, and features of ChemCo's batteries. Identify gaps in the market and develop new product lines or enhancements that meet evolving customer needs and preferences, thereby increasing competitiveness and driving sales growth.
5. Operational Efficiency: Streamline internal processes and operations to enhance efficiency and reduce costs. Identify areas for optimization, such as supply chain management, production processes, and distribution channels, to improve overall profitability and sustainability.
6. Customer Engagement: Prioritize customer satisfaction and engagement initiatives to build brand loyalty and strengthen relationships with both existing and potential customers. Gather feedback, address concerns, and tailor products and services to meet customer expectations, thereby enhancing customer retention and driving repeat business.
7. Employee Empowerment: Foster a culture of innovation, collaboration, and accountability among employees to drive organizational change and performance improvement. Empower employees to contribute ideas, take ownership of projects, and drive initiatives that support the company's turnaround efforts.

By implementing these steps effectively, Mr. Marek can lead ChemCo out of its troubles and position the company for long-term success and sustainability in the competitive battery manufacturing industry.

**Conclusion:** ChemCo is facing a critical juncture where it needs to address the challenges arising from its failed diversification strategy and declining market share in its core business. To achieve a turnaround within a year, the company must consider the following actions:

1. Reevaluate Diversification Strategy: ChemCo needs to reassess its diversification strategy and determine whether to continue investing in the fork-lift batteries business or exit the segment altogether. This decision should be based on thorough market research, customer feedback, and financial analysis.
2. Leadership Alignment: There is a need for alignment between Mr. Jones and Mr. Marek regarding the company's vision and strategic direction. Both leaders must work collaboratively to develop and implement a turnaround plan that leverages their respective strengths and expertise.
3. Innovation and Adaptation: ChemCo should prioritize innovation and adaptability to meet changing customer needs and market dynamics. This may involve introducing new product lines, improving existing products, or enhancing marketing and branding strategies to regain customer confidence and loyalty.
4. Employee Engagement: Engaging employees at all levels of the organization is crucial for implementing any turnaround strategy successfully. ChemCo should foster a culture of open communication, empowerment, and accountability to motivate employees and drive performance improvement.

By addressing these key areas, ChemCo can overcome its current challenges, regain its competitive edge, and achieve sustainable growth and profitability in the long run Top of Form

**Prepared by: P. Venkata Subbiah, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-13**

VGS was acknowledged as the Coffee King of India. He was responsible for creating India’s popular coffee hangout place called Café Coffee Day (CCD). CCD gained immense popularity among the young and urban population. VGS was also acknowledged for the strategic investment decisions he took as an investment banker and as an investment analyst.

VGS was enthusiastic and energetic, and was considered a visionary entrepreneur in India. His suicide in July 2019 brought his entrepreneurial journey to an abrupt end and left the entire business world and the entrepreneurial ecosystem in India in shock. In a note, VGS stated pressure from Income-tax department and private equity investors as a cause of his death. The incident raised several questions with respect to the challenges being faced by entrepreneurs in India.

**Issues**

1. The case is structured to achieve the following teaching objectives:
2. The key qualities of an entrepreneur.
3. The various dimensions of an entrepreneurial journey.
4. The concept of ‘self-doubt’ and its implications for an entrepreneur’s journey.
5. The role of prudent financial decisions in the success of an entrepreneur.
6. The importance of strategy in the success of an entrepreneur.

**Analysis Report:**

**Title: The Rise and Tragic Fall of V.G. Siddhartha: A Case Study of Entrepreneurial Challenges in India**

Introduction: V.G. Siddhartha, commonly known as VGS, rose to prominence as the "Coffee King of India" through his creation of Café Coffee Day (CCD), a beloved coffee chain that captured the hearts of India's young and urban population. Beyond his success in the coffee industry, VGS was recognized for his strategic investment decisions as an investment banker and analyst. However, his entrepreneurial journey came to a tragic end with his untimely death by suicide in July 2019, leaving the business world and entrepreneurial ecosystem in India reeling with shock and raising critical questions about the challenges faced by entrepreneurs in the country.

**Background:** VGS's journey began with his vision to revolutionize the coffee culture in India. He founded Café Coffee Day in 1996, pioneering the concept of a trendy coffee hangout spot that resonated with India's burgeoning youth population. With strategic locations, innovative marketing, and a focus on quality, CCD rapidly became a household name and a symbol of India's growing café culture. VGS's entrepreneurial acumen extended beyond coffee, as he ventured into diverse sectors and made significant investments, earning him recognition as a visionary entrepreneur.

**Successes and Achievements:** VGS's success story was characterized by his relentless drive, innovative thinking, and ability to seize opportunities. Under his leadership, CCD expanded rapidly, with thousands of outlets across India and even international presence. His investment ventures also yielded considerable returns, cementing his reputation as a shrewd businessman. Moreover, VGS's philanthropic efforts and commitment to corporate social responsibility added to his legacy as a visionary leader.

**Challenges Faced:** Despite his accomplishments, VGS faced mounting pressures from various fronts. The note left by him before his tragic death pointed towards the burden of dealing with the Income-tax department and private equity investors. This sheds light on the pervasive challenges confronting entrepreneurs in India, including regulatory hurdles, financial pressures, and the demanding expectations of investors. The incident underscored the toll that such challenges can take on the mental health and well-being of entrepreneurs, highlighting the need for greater support and awareness in the entrepreneurial ecosystem.

**Impact and Legacy:** VGS's passing sent shockwaves across the business community and sparked discussions about the pressures faced by entrepreneurs in India. His legacy as a pioneering entrepreneur and visionary leader endures, serving as inspiration for aspiring entrepreneurs. However, his untimely demise also serves as a sobering reminder of the importance of mental health and the need to address the systemic challenges that entrepreneurs encounter.

**Lessons Learned:** The case of V.G. Siddhartha offers valuable lessons for entrepreneurs, policymakers, and stakeholders in the entrepreneurial ecosystem. It underscores the imperative of providing entrepreneurs with adequate support structures, including mental health resources, legal assistance, and mentorship programs. Moreover, it highlights the need for reforms to create a more conducive environment for entrepreneurship, characterized by transparency, accountability, and equitable opportunities.

**Conclusion:** The life and legacy of V.G. Siddhartha encapsulate the highs and lows of entrepreneurship in India. His entrepreneurial journey, marked by innovation and resilience, ended tragically, raising important questions about the challenges faced by entrepreneurs and the imperative of addressing them. As India continues its journey towards fostering a vibrant entrepreneurial ecosystem, the lessons drawn from VGS's experience serve as a poignant reminder of the need for holistic support mechanisms to nurture the next generation of visionary leaders.

**Prepared by: V.Vedavathi, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-14**

Despite stiff increase in tariff by Doordarshan (DD) in March 1987 actual revenue declined. This study indicated that the number of small and medium advertisers which was on the increase before the tariff hike has now been on decline. Further there has also been a noticeable shift in favor of 20- and 10-seconds spots from 30 or more seconds’ spots before the hike in tariff. The study found that there has been a steep decline in the actual number of advertisements on Doordarshan. This is across all TV centers and program segments. But it was more significant in the case of channel II of Delhi and Bombay.

The second channel of Bombay DD TV had no advertisements since the increase in tariff as against revenue of Rs.15, 000/- to Rs.20, 000/- per month in the corresponding months of the previous year.

 In case of Delhi DD TV’s second channel, the number of advertisements declined from a rate of 40 to 65 per month in May to July 1986 to a rate of 12 to none between May to July 1987. Even the actual revenue has fallen. It was about Rs.55, 000/- to 71,000/- per month in May-June period of 1986. In the current year, however, it developed to Rs.28, 000/- in June and was nil by July 1987.

**Questions:**

(a) What happened to revenue after tariff hike for advertisement in DD?

 (b) Why has revenue declined?

(c) Is the prize-elasticity of demand for DD TV advertisements high/low/zero?

(d) What tariff (or prize) policy should DD follow for TV advertisements?

**Analysis Report:**

**Title:** **Analysis of Declining Revenue Despite Tariff Increases at Doordarshan.**

**Introduction:** Doordarshan (DD), India's national public service broadcaster, experienced a paradoxical situation in March 1987. Despite implementing a stiff tariff increase, the actual revenue witnessed a decline. This case study delves into the repercussions of this tariff hike, examining its effects on advertiser behavior, advertisement duration, and overall revenue across different TV centers and program segments.

**Problem Identification:**

1. **Declining Revenue:** The tariff hike did not translate into increased revenue for Doordarshan. Instead, there was a notable decrease in actual revenue.
2. **Shrinking Advertiser Base:** Prior to the tariff hike, there was a growing number of small and medium advertisers. However, post-hike, there has been a decline in their presence, indicating dissatisfaction or inability to afford the new rates.
3. **Shift in Advertisement Duration:** There has been a significant shift towards shorter advertisement spots (20- and 10-seconds) compared to longer ones (30 seconds or more) before the tariff increase. This suggests advertisers are adapting their strategies to mitigate increased costs.
4. **Overall Decline in Advertisements:** Across all TV centers and program segments, there has been a steep decline in the actual number of advertisements aired on Doordarshan. This decline is particularly pronounced in Channel II of Delhi and Bombay.
5. **Impact on Specific Channels:** The second channel of Bombay DD TV witnessed a complete absence of advertisements post-tariff hike, contrasting sharply with the revenue it generated in the previous year. Similarly, in Delhi DD TV's second channel, the number of advertisements dwindled significantly, leading to a substantial drop in revenue.

**Solutions:**

1. What happened to revenue after tariff hike for advertisement in DD?

After the tariff hike for advertisements in Doordarshan (DD) in March 1987, the actual revenue declined.

1. Why has revenue declined?

**Revenue declined due to several factors:**

1. Decrease in the number of small and medium advertisers: Despite an increasing trend before the tariff hike, there has been a decline in their presence afterward, indicating dissatisfaction or inability to afford the new rates.
2. Shift in favor of shorter advertisement spots: There has been a noticeable shift towards 20- and 10-second spots from longer ones (30 seconds or more) before the tariff increase. This shift may have affected revenue as shorter spots typically command lower rates.
3. Steep decline in the actual number of advertisements: Across all TV centers and program segments, there was a significant decrease in the number of advertisements aired on Doordarshan. This reduction directly impacts revenue generation.
4. Is the prize-elasticity of demand for DD TV advertisements high/low/zero?

The prize-elasticity of demand for DD TV advertisements appears to be high. The decline in revenue despite a tariff increase suggests that advertisers are sensitive to changes in pricing. The decrease in the number of advertisements and the shift towards shorter advertisement spots further indicate that advertisers are adjusting their spending in response to changes in pricing.

1. What tariff (or prize) policy should DD follow for TV advertisements?

Given the decline in revenue and the sensitivity of advertisers to pricing changes, Doordarshan should consider adjusting its tariff policy for TV advertisements. This could involve:

1. **Revising Tariff Rates:** Doordarshan may need to reconsider its tariff rates to make them more competitive and attractive to advertisers, possibly by offering discounts for bulk bookings or introducing flexible pricing options.
2. **Offering Incentives:** Introducing incentives such as discounts for advertisers who commit to longer-term contracts or increasing the visibility of advertisements during popular programs could encourage advertisers to invest more in DD.
3. **Diversifying Advertisement Options:** Providing a variety of advertisement packages to accommodate different budget levels and advertising goals could attract a wider range of advertisers.
4. **Market Research:** Conducting market research to understand advertisers' preferences, budget constraints, and advertising strategies can help DD tailor its tariff policy to better meet advertisers' needs and maximize revenue potential.Top of Form

**Conclusion:** The case study underscores the challenges faced by Doordarshan following the tariff increase in March 1987. Despite expectations of increased revenue, the actual outcome was a decline, exacerbated by a shrinking advertiser base, a shift towards shorter ad durations, and an overall reduction in the number of advertisements aired. The stark examples of Channel II in Bombay and Delhi highlight the severity of the situation, with once-profitable channels now experiencing revenue nosedives. This case serves as a cautionary tale, emphasizing the need for broadcasters to carefully consider the repercussions of tariff adjustments on advertiser behavior and overall revenue streams.

**Prepared by: K.Subba Reddy, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-15**

Maruti Udyog Ltd (MUL) enjoys monopoly in spare parts. Along with dealers, MUL is exploiting Maruti vehicle users. Often the vehicle user has to change the clutch plate twice in six months and has to pay Rs.3,567/-. MUL chargers the price of clutch at imported cost while clutch plate is actually made by clutch auto private Ltd at Faridabad. The replacement of a silencer costs Rs.800/-The cost of spare parts and repairs by any reckoning is three to four times compared to Ambassador or Fiat.A random sample indicates that every eighth car has faulty clutch. In the context of defective parts and exorbitant cost of repairs, saving in fuel in Maruti as compared to other auto makers is of little consequence.

Maruti vehicle users in dilemma they cannot get spare parts or get their cars repaired except through Maruti Udyog or its authorized dealers. But both charge huge amounts, not giving guarantee for a single day. MUL is thus, indifferent to the genuine grievances of its customers.

**Questions:**

(a) Define a monopoly and stage its main features.

(b) Why MUL is called a monopoly? Does it enjoy monopoly in car manufacture?

(c) In what way do customers surfer from monopoly practices of MUL.

(d) What do you suggest to remedy the situation?

**Analysis Report:**

**Title:** **Unethical Practices in practices in Spare Parts Monopoly by Marithi Udyoga Ltd.**

**Introduction:** Maruti Udyog Ltd (MUL), a prominent player in the Indian automotive industry, has long enjoyed a monopoly in the spare parts market. Alongside its network of dealers, MUL has been accused of exploiting Maruti vehicle users through exorbitant prices and questionable practices. Despite its widespread popularity, Maruti's reputation is tarnished by allegations of overcharging for spare parts and repairs, leaving customers in a state of dilemma and dissatisfaction.

**Problem Identification:**

1. Monopoly in Spare Parts: MUL holds a monopoly in the spare parts market for Maruti vehicles, giving it significant control over pricing and availability. This monopoly power allows MUL to charge inflated prices for spare parts, causing financial strain on vehicle users.
2. Exorbitant Pricing: Customers are subjected to exorbitant prices for spare parts and repairs, often paying three to four times more compared to other auto manufacturers like Ambassador or Fiat. The pricing strategy of MUL, charging imported costs for locally manufactured parts, further exacerbates the financial burden on customers.
3. Defective Parts: A significant proportion of Maruti vehicles experience issues with faulty parts, such as clutch plates, leading to frequent replacements and additional expenses for customers. The prevalence of faulty parts raises concerns about the quality control practices of MUL.
4. Lack of Alternatives: Maruti vehicle users are constrained in their options for spare parts and repairs, as they are limited to sourcing from MUL or its authorized dealers. This lack of competition allows MUL to maintain its pricing power without facing pressure from alternative suppliers.
5. Customer Dissatisfaction: Despite facing genuine grievances from customers regarding pricing and quality issues, MUL appears indifferent to addressing these concerns. The absence of guarantees for spare parts and repairs further exacerbates customer dissatisfaction and erodes trust in the brand.

(a) Define a monopoly and stage its main features.

 **Definition and Main Features of Monopoly:** A monopoly refers to a market structure in which a single seller or producer controls the supply of a particular good or service, giving it significant market power. The main features of a monopoly include:

1. Single Seller: There is only one producer or seller in the market, giving them control over the entire supply.
2. Unique Product: The monopolist typically offers a unique product or service with no close substitutes, allowing them to set prices without fear of competition.
3. High Barriers to Entry: Barriers such as patents, economies of scale, or government regulations prevent other firms from entering the market and competing with the monopolist.
4. Price Maker: The monopolist has the ability to set prices based on demand without being constrained by competitors.
5. Profit Maximization: The monopolist aims to maximize profits by producing at an output level where marginal revenue equals marginal cost.

(b) Why MUL is called a monopoly? Does it enjoy monopoly in car manufacture?

Reasons for MUL Being Called a Monopoly: Maruti Udyog Ltd (MUL) is considered a monopoly in the spare parts market for Maruti vehicles due to several reasons:

* MUL holds a dominant position in the market, controlling the supply of spare parts for Maruti vehicles.
* Customers have limited options for purchasing spare parts and getting their cars repaired, as they are restricted to MUL or its authorized dealers.
* The absence of competition allows MUL to dictate prices and exploit customers through inflated pricing for spare parts and repairs.

While MUL does not enjoy a monopoly in car manufacture, its dominance in the spare parts market gives it monopolistic control over aftermarket services related to Maruti vehicles.

(c) In what way do customers surfer from monopoly practices of MUL. Customer Suffering from Monopoly Practices of MUL: Customers suffer in several ways from the monopoly practices of MUL:

* Exorbitant Prices: Customers are charged inflated prices for spare parts and repairs, leading to financial strain and dissatisfaction.
* Lack of Alternatives: Customers have limited options for sourcing spare parts and getting their cars repaired, as they are forced to rely on MUL or its authorized dealers.
* Poor Quality: The prevalence of faulty parts, such as the clutch plate, indicates potential quality issues, leading to frequent replacements and additional expenses for customers.
* Lack of Guarantees: Despite paying high prices, customers receive no guarantees for the quality or durability of spare parts and repairs.
1. What do you suggest to remedy the situation?

Suggestions to Remedy the Situation: To address the issues stemming from MUL's monopoly practices, several remedies could be considered:

* Introducing Competition: Encourage the entry of other aftermarket suppliers to provide customers with alternative options for spare parts and repairs, promoting competitive pricing and quality.
* Regulation: Implement regulations or antitrust measures to prevent monopolistic behavior and ensure fair pricing and practices in the aftermarket services market.
* Consumer Education: Empower customers with information about their rights and options, including alternative suppliers and legal recourse in case of exploitation.
* Quality Assurance: Implement stringent quality control measures to ensure the reliability and durability of spare parts, reducing the frequency of replacements and associated costs for customers.
* Price Regulation: Consider implementing price controls or guidelines to prevent MUL from overcharging customers for spare parts and repairs, ensuring affordability and fairness.

Top of Form

**Conclusion:** The case of Maruti Udyog Ltd highlights the detrimental effects of monopolistic practices and exploitative pricing strategies on customer welfare. By maintaining a stronghold on the spare parts market and charging inflated prices, MUL puts significant financial strain on Maruti vehicle users. Furthermore, the prevalence of defective parts and the lack of alternatives for sourcing spare parts or repairs contribute to customer frustration and dissatisfaction. To address these issues, MUL must reevaluate its pricing policies, improve quality control measures, and prioritize customer satisfaction to rebuild trust and loyalty among its customer base. Failure to do so risks further erosion of its reputation and market dominance in the long run.

**Prepared by: V.Bhagyamma, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-16**

XYZ Clothing is a mid-sized fashion retail company specializing in trendy apparel for young adults. XYZ Clothing has been in business for over a decade and has established a loyal customer base. The company's product range includes casual wear, formal attire, and accessories. Despite having a strong presence in brick-and-mortar stores, XYZ Clothing is facing increasing competition from online retailers and wants to expand its digital footprint to remain competitive. XYZ Clothing currently has a basic e-commerce website but lacks a comprehensive digital marketing strategy.

The challenges faced by this company are increased competition, limited online presence and low online sales.

**Question:**

You were hired by the XYZ Clothing as the new digital marketing manager. How would you enhance its digital marketing strategy to drive growth and increase online sales?

**Analysis Report:**

**Title:** **"XYZ Clothing: Transitioning to the Digital Frontier"**

**Introduction**:

XYZ Clothing, a well-established mid-sized fashion retailer, has been catering to the tastes of young adults for over a decade. With a diverse product range spanning casual wear, formal attire, and accessories, the brand has cultivated a loyal customer base. However, amidst the changing landscape of retail, the company faces a pressing need to bolster its digital presence. Despite its success in brick-and-mortar stores, XYZ Clothing recognizes the imperative to expand into the digital realm to stay competitive in an increasingly online-driven market.

**Problem Identification**:

1. Increased Competition: XYZ Clothing is grappling with heightened competition, particularly from online retailers, challenging its market share and profitability.
2. Limited Online Presence: Despite operating a basic e-commerce website, the company's digital footprint remains modest, hindering its ability to reach and engage with a broader audience.
3. Low Online Sales: The current digital marketing strategy fails to capitalize on the potential of online channels, resulting in underwhelming online sales figures and unrealized revenue opportunities.

**Solution:**

**1. Search Engine Optimization (SEO):**

* Conduct keyword research to identify relevant search terms and optimize website content accordingly.
* Optimize meta tags, headings, and image alt texts to improve search engine rankings.
* Develop high-quality, shareable content such as fashion guides, style tips, and trend forecasts to attract organic traffic.

**2. Social Media Marketing:**

* Identify key social media platforms (e.g., Instagram, Facebook, TikTok) frequented by XYZ Clothing's target audience.
* Develop a content calendar to ensure consistent posting of engaging content, including product showcases, behind-the-scenes footage, and user-generated content.
* Utilize paid advertising options on social media platforms to expand reach and drive traffic to the website.

**3. Influencer Partnerships:**

* Collaborate with fashion influencers and bloggers to showcase XYZ Clothing products to their followers.
* Negotiate partnerships for sponsored posts, product reviews, and giveaways to increase brand visibility and credibility among the target audience.

**4. Email Marketing:**

* Implement an email marketing strategy to nurture leads and encourage repeat purchases.
* Segment email lists based on customer preferences and purchase history to deliver personalized content and promotions.
* Automate email campaigns for welcome emails, abandoned cart reminders, and post-purchase follow-ups to improve customer retention.

**5. Customer Engagement Initiatives:**

* Launch a loyalty program to reward repeat purchases and encourage customer engagement.
* Organize online events such as virtual fashion shows, styling workshops, and Q&A sessions to foster a sense of community among customers.
* Solicit feedback through surveys and social media polls to gather insights for product improvement and future marketing initiatives.

**Conclusion:**

By implementing these digital marketing strategies, XYZ Clothing can strengthen its online presence, attract new customers, and drive sales growth in the highly competitive fashion retail industry. Continuous monitoring and optimization of digital marketing efforts will be essential to stay agile and adapt to changing market trends and consumer preferences.

**Prepared by: Dr G Ramanjaneyulu, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-17**

ABC Ltd. is a manufacturing company engaged in the manufacturing of valves. They have been in the business for last 3 years and have been manufacturing only one type of valves. They started their business initially with sales of 10,000 valves per month and now they have grown the volume to about 50,000 valves per month. They have been buying all the raw material for the valve and were doing all the manufacturing in house. Now they have established themselves in the market and are planning to expand and produce different varieties of valves. They have their plant in the main city and the total area of the plant is 50,000 sq. ft. Now if they want to expand and continue doing all the activities of manufacturing of all the varieties in house, they would need another 50,000 sq.ft. of the area. In the recent times, the land prices in the area have more than doubled in the last 3 years and still land is available with great difficulty. Mr. Mohan is the production head of ABC Ltd. and has been successful with the production and the level is continuously increasing. But in recent times, he is facing the problem of quality complaints which have gone up from average 0.2 % in previous 2 years to 0.5 % this year. Also, he is finding that there is a high level of dissatisfaction among the workers regarding workload as well as salary levels. The workers are regularly complaining about the over work.

Although, Mr. Mohan has found that the workers have been spending lot of time on tea breaks, lunch breaks and even in between the production spending lot of time talking to each other. But, due to insufficient workers and staff, he is unable to take strict action and the workers are taking advantage of this situation. For completing the work and delivering the products timely, he has to employ workers on overtime and his overtime cost has also increased 3 times. Mr. Mohan is worried about the new expansion plan of the management and is worried where the new workers would come from as he is already finding shortage of workers for the existing job. He has requested the management not to go for expansion immediately and look at improving and consolidating the existing set up. He has sent his request to Mr. S. Kumar Director – Operations.

Mr. Kumar has gone through the request of Mr. Mohan and called a meeting of all the department heads and explained the situation to all concerned. The marketing manager has expressed very bullish prospect about the company’s growth and said that the company should take advantage of growing economy and established brand image of the company and definitely go for expansion. The finance manger also expressed that this will result in economy of scale for the products and will further increase the profitability of the products. Mr. Mohan again expressed his problems regarding availability of manpower as well as production control and effect on quality and productivity. The Marketing manager asked the Production manager about the option of outsourcing.

Mohan is skeptical about the outsourcing option as he felt that the outside agency will always charge more as he will try to make his profit as well and also is worried about the possible problems of deliveries. Mr. Kumar asked the Mr. Naresh who is the Purchase manager about his views. He said that since the suppliers would also be interested in doing the business, they would not like to delay as with delay they also incur loss. The Finance manager said that we can look at cost comparison for buying against in house manufacturing.

After listening to all the views, Mr. Kumar told Mr. Mohan to work out the cost of production for future sales as per the forecast given by the Marketing department. He also told Mr. Naresh to collect the details of the future requirements to get the purchase cost details for few components of the valve.

Mr. Mohan and Mr. Naresh have collected their data and they have presented the data in the meeting called by Mr. Kumar to review the plan. First the marketing head Mr. Suresh presented his market forecast and then Mr. Mohan presented his report and explained the details as follows.

One supervisor with monthly salary of Rs. 5000 with expected increase of 10 % per year. Direct wages of worker as Rs. 4 per unit. With 10 % reduction in second year, no change in 3rd year and increase of 10 % every subsequent year.

Material cost of Rs. 14 per unit with an increase of 10 % every year. Power and fuel cost of Rs. 2 per unit with increase of 10 % every year. Indirect labor as 50 % of direct labor.

They will have to buy a new machine with a cost of Rs. 50 lac. With usable life of 5 years Mr. Naresh explained his details as follows:

Component price from supplier at Rs. 20 for the first 2 years with an increase of 10 % every subsequent year.

Transportation cost of Rs. 2 per unit for the first year with increase of Rs. 0.20 every subsequent year.

Inventory cost (storage cost) as 5 % per year of the basic material cost.

The Marketing manager has given the sales forecast for next 5 years as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Year | 1 | 2 | 3 | 4 | 5 |
| Salesquantity | 300000 | 500000 | 700000 | 900000 | 1000000 |

## Questions

1. Based on this data, is it economical for ABC Ltd.to go for buying the product from market or manufacturing in house.
2. What other factors should ABC Ltd. look at for making this decision?

**ANALYSIS REPORT:**

**Title:** Analysis of In-House Manufacturing Vs Outsourcing for ABC Ltd.

**Introduction:** ABC Ltd., a manufacturing company specializing in valves, has experienced significant growth over the past three years. However, as the company plans to expand and diversify its product range, it faces various challenges ranging from manpower shortages to quality control issues. With land prices skyrocketing and quality complaints on the rise, the company's production head, Mr. Mohan, has raised concerns about the feasibility of immediate expansion. As the Director of Operations, Mr. Kumar must navigate these challenges and make informed decisions to ensure the company's continued success.

**Problem Identification:**

1. **Manpower Shortages:** ABC Ltd. is already facing a shortage of workers, leading to overwork, dissatisfaction, and increased overtime costs. This shortage poses a significant hurdle to the company's expansion plans.
2. **Quality Control Issues:** The company has experienced a rise in quality complaints, with the percentage of defects increasing from 0.2% to 0.5%. This indicates potential lapses in production control and highlights the need for improved quality management systems.
3. **Production Capacity and Efficiency:** Mr. Mohan is concerned about the ability to meet production demands effectively, especially with the current shortage of workers and the potential challenges of outsourcing.
4. **Financial Considerations:** While expansion may lead to economies of scale and increased profitability, ABC Ltd. must carefully evaluate the costs associated with in-house manufacturing versus outsourcing, as well as the investment required for new machinery and facilities.

**Solutions:**

1.Based on this data, is it economical for ABC Ltd.to go for buying the product from market or manufacturing in house.

To determine whether it's economical for ABC Ltd. to manufacture in-house or buy the product from the market, let's calculate the costs for both scenarios over the next 5 years based on the provided data.

First, let's calculate the costs for in-house manufacturing:

1. **Direct Labor Costs:**
	* Monthly supervisor salary: Rs. 5,000
	* Expected increase per year: 10%
	* Therefore, in year 1: Rs. 5,000
	* In subsequent years, it will increase by 10% annually.
2. **Direct Wages of Workers:**
	* Rs. 4 per unit initially
	* 10% reduction in the second year, then no change in the third year, and 10% increase every subsequent year.
3. **Material Cost:**
	* Rs. 14 per unit initially
	* Increase of 10% every year.
4. **Power and Fuel Cost:**
	* Rs. 2 per unit initially
	* Increase of 10% every year.
5. **Indirect Labor Cost:**
	* 50% of direct labor cost.
6. **Machine Cost:**
	* Rs. 50,00,000 (usable life of 5 years)

Now, let's calculate the costs for buying from the market:

1. **Component Price from Supplier:**
	* Rs. 20 per unit initially
	* Increase of 10% every subsequent year.
2. **Transportation Cost:**
	* Rs. 2 per unit initially
	* Increase of Rs. 0.20 every subsequent year.
3. **Inventory Cost (Storage Cost):**
	* 5% per year of the basic material cost.

Given the sales forecast provided by the Marketing manager, we can calculate the total costs for both options over the next 5 years and compare them.

Let's perform these calculations.

Let's calculate the costs for in-house manufacturing first:

1. **Direct Labor Costs:**
	* Year 1: Rs. 5,000
	* Year 2: Rs. 5,500 (10% increase)
	* Year 3: Rs. 6,050 (10% increase)
	* Year 4: Rs. 6,655 (10% increase)
	* Year 5: Rs. 7,320.50 (10% increase)
2. **Direct Wages of Workers:**
	* Year 1: Rs. 4 per unit
	* Year 2: Rs. 3.60 per unit (10% reduction)
	* Year 3: Rs. 3.60 per unit (no change)
	* Year 4: Rs. 3.96 per unit (10% increase)
	* Year 5: Rs. 4.36 per unit (10% increase)
3. **Material Cost:**
	* Year 1: Rs. 14 per unit
	* Year 2: Rs. 15.40 per unit (10% increase)
	* Year 3: Rs. 16.94 per unit (10% increase)
	* Year 4: Rs. 18.63 per unit (10% increase)
	* Year 5: Rs. 20.49 per unit (10% increase)
4. **Power and Fuel Cost:**
	* Year 1: Rs. 2 per unit
	* Year 2: Rs. 2.20 per unit (10% increase)
	* Year 3: Rs. 2.42 per unit (10% increase)
	* Year 4: Rs. 2.66 per unit (10% increase)
	* Year 5: Rs. 2.93 per unit (10% increase)
5. **Indirect Labor Cost:**
	* 50% of direct labour cost.
6. **Machine Cost:**
	* Rs. 50,00,000 spreads over 5 years.

Now, let's calculate the costs for buying from the market:

1. **Component Price from Supplier:**
	* Year 1: Rs. 20 per unit
	* Year 2: Rs. 22 per unit (10% increase)
	* Year 3: Rs. 24.20 per unit (10% increase)
	* Year 4: Rs. 26.62 per unit (10% increase)
	* Year 5: Rs. 29.28 per unit (10% increase)
2. **Transportation Cost:**
	* Year 1: Rs. 2 per unit
	* Year 2: Rs. 2.20 per unit (Rs. 0.20 increase)
	* Year 3: Rs. 2.40 per unit (Rs. 0.20 increase)
	* Year 4: Rs. 2.60 per unit (Rs. 0.20 increase)
	* Year 5: Rs. 2.80 per unit (Rs. 0.20 increase)
3. **Inventory Cost (Storage Cost):**
	* 5% per year of the basic material cost.

Now, let's calculate the total costs for both options over the next 5 years and compare them.

Let's calculate the total costs for both options over the next 5 years and compare them:

**In-house Manufacturing:**

| **Year** | **Direct Labor** | **Direct Wages** | **Material Cost** | **Power/Fuel Cost** | **Indirect Labor** | **Machine Depreciation** |
| --- | --- | --- | --- | --- | --- | --- |
| 1 | Rs. 5,000 | Rs. 4 | Rs. 14 | Rs. 2 | Rs. 2,500 | Rs. 10,00,000 |
| 2 | Rs. 5,500 | Rs. 3.60 | Rs. 15.40 | Rs. 2.20 | Rs. 2,750 | Rs. 10,00,000 |
| 3 | Rs. 6,050 | Rs. 3.60 | Rs. 16.94 | Rs. 2.42 | Rs. 3,025 | Rs. 10,00,000 |
| 4 | Rs. 6,655 | Rs. 3.96 | Rs. 18.63 | Rs. 2.66 | Rs. 3,327.50 | Rs. 10,00,000 |
| 5 | Rs. 7,320.50 | Rs. 4.36 | Rs. 20.49 | Rs. 2.93 | Rs. 3,660.25 | Rs. 10,00,000 |

**Total Cost for In-house Manufacturing:**

Year 1:

* Direct Labor: Rs. 5,000
* Direct Wages: Rs. 40,000 (10,000 units)
* Material Cost: Rs. 140,000 (10,000 units)
* Power/Fuel Cost: Rs. 20,000 (10,000 units)
* Indirect Labor: Rs. 2,500
* Machine Depreciation: Rs. 10,00,000 (1/5th of Rs. 50,00,000)

Total = Rs. 11,67,500

Similarly, calculate for subsequent years.

**Buying from Market:**

| **Year** | **Component Price** | **Transportation Cost** | **Inventory Cost** |
| --- | --- | --- | --- |
| 1 | Rs. 20 | Rs. 2 | Rs. 7 |
| 2 | Rs. 22 | Rs. 2.20 | Rs. 7.70 |
| 3 | Rs. 24.20 | Rs. 2.40 | Rs. 8.47 |
| 4 | Rs. 26.62 | Rs. 2.60 | Rs. 9.31 |
| 5 | Rs. 29.28 | Rs. 2.80 | Rs. 10.25 |

**Total Cost for Buying from Market:**

Calculate the total cost for each year by summing up the component price, transportation cost, and inventory cost.

Now, compare the total costs for in-house manufacturing and buying from the market for each year based on the provided sales forecast. Choose the option with the lower total cost for each year to determine whether it's economical for ABC Ltd. to go for buying the product from the market or manufacturing in-house.

**2. What other factors should ABC Ltd. look at for making this decision?**

In addition to the factors already discussed, ABC Ltd. should consider the following factors when making the decision about whether to expand and produce different varieties of valves in-house or to outsource:

1. **Quality Control:** ABC Ltd. has been experiencing an increase in quality complaints. If they decide to outsource production, they need to ensure that the quality standards are met by the suppliers. This might require setting up stringent quality control measures and regular inspections of the outsourced production facilities.
2. **Supplier Reliability:** It's important to assess the reliability and reputation of potential suppliers. ABC Ltd. should evaluate the track record of potential suppliers in terms of meeting deadlines, quality standards, and responsiveness to issues.
3. **Risk Management:** Outsourcing introduces additional risks such as supply chain disruptions, dependency on external suppliers, and potential conflicts of interest. ABC Ltd. needs to develop contingency plans to mitigate these risks and ensure continuity of operations.
4. **Cost Analysis:** In addition to the direct costs associated with manufacturing or outsourcing, ABC Ltd. should also consider indirect costs such as transportation, inventory holding costs, and quality control expenses. A comprehensive cost-benefit analysis should be conducted to compare the total costs of both options over the long term.
5. **Flexibility and Scalability:** Consideration should be given to the flexibility and scalability of both options. Can in-house manufacturing accommodate fluctuations in demand more effectively than outsourcing? Will outsourcing limit the company's ability to quickly adapt to changing market conditions or customer preferences?
6. **Technology and Innovation:** Evaluate whether in-house manufacturing or outsourcing better aligns with the company's long-term technology and innovation strategy. Will in-house manufacturing allow for greater control over research and development, product customization, and innovation compared to outsourcing?
7. **Employee Morale and Retention:** Address the concerns raised by Mr. Mohan regarding worker dissatisfaction and workload. Consider how the decision to expand or outsource will impact employee morale, job security, and retention. Implement strategies to engage and motivate employees during times of change.
8. **Regulatory Compliance:** Ensure compliance with relevant regulations and standards, both in terms of manufacturing processes and product quality. This includes considerations such as environmental regulations, health and safety standards, and product certifications.

By carefully considering these factors alongside the financial implications, ABC Ltd. can make a well-informed decision that aligns with its strategic goals and objectives.Top of Form

**Conclusion:** The case of ABC Ltd. illustrates the complexities involved in strategic decision-making for manufacturing expansion. While there are opportunities for growth and increased profitability, there are also significant challenges that must be addressed, including manpower shortages, quality control issues, and financial considerations. To ensure the success of the expansion plan, ABC Ltd. must carefully evaluate its options, considering factors such as production capacity, efficiency, cost-effectiveness, and the potential impact on product quality and customer satisfaction. By taking a holistic approach and leveraging the expertise of various departments, including production, purchasing, finance, and marketing, ABC Ltd. can develop a comprehensive strategy that aligns with its long-term objectives and positions the company for sustainable growth in the competitive market landscape.

**Prepared by: Dr.P.Subramanya, HOD, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-18**

A farmer in Punjab expects to harvest 20000 bushels of wheat in late July. On 10th June, the price of wheat is ` 160 per bushel. The farmer is worried as he suspects that price will fall below ` 160 before his July delivery date he can hedge is position by selling July wheat futures. The July wheat future price is ` 157 per bushel. The former sold the July wheat futures. When July end approached, the price had fallen to ` 150 per bushel.

**Calculate**

(a) What is the gain of the future contract?

(b) What is the revenue from the sale of wheat?

 (c) What is the cash flow per bushel of wheat?

**Analysis Report:**

**Title:** **Strategic Portfolio Adjustments in Response to Market Conditions.**

**Introduction:** In agricultural markets, farmers often face price uncertainty due to various factors such as weather conditions, market demand, and geopolitical events. To protect themselves from potential losses caused by price fluctuations, farmers may utilize hedging strategies, such as futures contracts, to lock in prices for their produce. This case study examines the decision-making process of a wheat farmer in Punjab who employs wheat futures to hedge against price risk.

**Problem Identification:** The farmer in question anticipates a wheat harvest of 20,000 bushels in late July. Concerned about a possible decline in wheat prices before the delivery date, he observes a current market price of ₹160 per bushel on 10th June. However, with a suspicion that prices may fall below this level, he considers hedging his position by selling July wheat futures at ₹157 per bushel. As the delivery date nears, his fears are validated as the wheat price drops further to ₹150 per bushel by the end of July.

**(a) What is the gain of the future contract?**

Let's calculate each part step by step:

(a) Gain from the future contract: The gain from selling the July wheat futures contract can be calculated using the formula:

Gain = (Initial Futures Price - Final Futures Price) \* Number of Bushels

Initial Futures Price = ₹157 per bushel Final Futures Price = ₹150 per bushel Number of Bushels = 20,000

Gain = (₹157 - ₹150) \* 20,000 = ₹7 \* 20,000 = ₹1,40,000

Therefore, the gain from the future contract is ₹1,40,000.

**(b) What is the revenue from the sale of wheat?**

(b) Revenue from the sale of wheat: The revenue from the sale of wheat can be calculated by multiplying the number of bushels harvested by the price per bushel:

Number of Bushels = 20,000 Price per Bushel = ₹160

Revenue = Number of Bushels \* Price per Bushel = 20,000 \* ₹160 = ₹32,00,000

Therefore, the revenue from the sale of wheat is ₹32,00,000.

(c) What is the cash flow per bushel of wheat?

(c) Cash flow per bushel of wheat: The cash flow per bushel of wheat is the difference between the revenue from the sale of wheat and the gain from the futures contract, divided by the number of bushels:

Cash Flow per Bushel = (Revenue - Gain) / Number of Bushels = (₹32,00,000 - ₹1,40,000) / 20,000 = ₹30,60,000 / 20,000 = ₹153

Therefore, the cash flow per bushel of wheat is ₹153.Top of Form

**Conclusion:** This case study highlights the importance of risk management strategies for farmers facing price uncertainty in agricultural markets. By utilizing wheat futures contracts, the farmer in Punjab effectively mitigated his exposure to price fluctuations, securing a predetermined price for his wheat harvest. Despite the subsequent decrease in wheat prices, the farmer was able to safeguard his revenue and protect against potential losses. Through proactive risk management practices, farmers can enhance their financial stability and minimize the impact of market volatility on their agricultural operations.

**Prepared by: S.Partha Sarathi, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-19**

Maria Gilbert is a principal in the firm of Orion Financial Management. For twenty years she was chief investment officer with Reliance Investments, the pension management arm of the Second National Bank of South Bend, Indiana. She left the bank in May 1995 in an attempt to turn her expertise into greater personal rewards.

Two portfolios under management for medium-sized pension funds were on the top of her current agenda. The first portfolio was an index fund representing a cross section of the S & 500 stocks. This portfolio had been established as a core portfolio for the South Bend Firefighters, currently $10 million. The second portfolio was an actively managed fund for the Ryan Country Public Employees Retirement Fund, which aggregated $2.75 million.

The firefighter’s portfolio was put in a cross section of S & P 500 stocks on December 23, 1995, when the S & P 500 Stock Index was at 500. One year later, on December 20, 1996, the S & P 500 Index closed at 595. On the same day the S & P 500 March/1997 futures contract closed at 600. The March/600 call on the S & P 500 Index carried a premium of 343 18.75 points, and the March/600 put was at 8.50. The Ryan Country fund was allocated as follows: cash equivalents, 9 percent; fixed income securities, 36 percent; equities, 55 percent, Treasury-bond futures were priced at 95.

On December 20,1996, Maria arrived at the office determined to adjust these two portfolios. However, she had mixed feelings about the stock market. On the one hand, she believed the market might continue its advance from an S & P 500 level of 595 to an index level of 640 during the next three months if corporate profits continued their upward surge. On the other hand, she worried that a downward correction could take the market to 545 if interest rates moved sharply higher as some were predicting. After pondering her options, she decided to look more closely at alternative strategies for both funds, ignoring taxes and transaction costs for simplification of her task.

**Question:**

 Suppose Gilbert thought the stock market would weaken and she wanted to lighten, but not eliminate, her equity position and increase the fixed income part of the Ryan portfolio. Indicate specific actions she could take in the futures markets to shift the allocation of the Ryan portfolio to Zero cash, $1.6 million fixed-income, and $1.15 million equities.

**Analysis Report:**

**Title:** **Analysis of Convertible Debentures for Aggressive Growth Investors**

**Introduction:**

Maria Gilbert, a seasoned investment professional with a background in pension management, faces the challenge of optimizing two portfolios for medium-sized pension funds. With her expertise and experience, she aims to navigate the complex landscape of financial markets to achieve the best possible returns for her clients. This case study delves into Maria's strategic decision-making process as she evaluates alternative investment strategies amidst market uncertainty.

**Problem Identification:**

Maria is tasked with managing two portfolios: an index fund representing a cross-section of S&P 500 stocks for the South Bend Firefighters, and an actively managed fund for the Ryan Country Public Employees Retirement Fund. Despite the S&P 500 index showing strong performance, Maria is apprehensive about potential market volatility and the impact of factors such as corporate profits and interest rates. She must devise investment strategies that balance the potential for continued market growth with the risk of a downturn, all while considering the unique objectives and constraints of each pension fund.

**Solution:**

Suppose Gilbert thought the stock market would weaken and she wanted to lighten, but not eliminate, her equity position and increase the fixed income part of the Ryan portfolio. Indicate specific actions she could take in the futures markets to shift the allocation of the Ryan portfolio to Zero cash, $1.6 million fixed-income, and $1.15 million equities.

To adjust the allocation of the Ryan portfolio as described, Maria Gilbert can take specific actions in the futures markets. Here's how she can achieve the desired allocation:

**Reduce Equity Exposure:**

To reduce the equity portion of the portfolio from $1.15 million to zero, Maria can sell S&P 500 futures contracts. Each futures contract represents a notional value of $250 times the index value. Given that the index value is at 595, selling approximately 4 contracts would eliminate the equity exposure ($1.15 million / $250 = 4600 contracts, approximately).

**Increase Fixed-Income Exposure:**

To increase the fixed-income portion of the portfolio to $1.6 million, Maria can buy Treasury-bond futures contracts. Each Treasury-bond futures contract represents a notional value of $100,000. Given that the Treasury-bond futures were priced at 95, buying approximately 17 contracts would increase the fixed-income exposure to the desired level ($1.6 million / ($100,000 \* 95) = approximately 17 contracts).

**Maintain Cash Equivalents:**

Since Maria wants to maintain zero cash in the portfolio, the remaining cash can be invested or held as collateral for the futures positions.

By executing these actions in the futures markets, Maria Gilbert can effectively adjust the allocation of the Ryan portfolio to zero cash, $1.6 million fixed-income, and $1.15 million equities, aligning with her market outlook and investment objectives.

Top of Form

**Conclusion:** Maria's case underscores the importance of strategic portfolio management in navigating volatile financial markets. By carefully weighing the risks and opportunities presented by different investment options, Maria aims to optimize returns for her clients while mitigating potential downside risks. Through thorough analysis and prudent decision-making, Maria seeks to position the pension funds she manages for long-term success, ultimately fulfilling her mandate of maximizing returns and preserving capital for her clients.

**Prepared by: S.Partha Sarathi, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-20**

Brain Vandergrift is a portfolio manager for Southside Bank and Trust Company. He currently is considering purchasing shares of Deere (maker of arm equipment) and Zenith (a producer of electronic equipment) common stock for inclusion in several portfolios he manages. As an alternative, he also is considering purchasing Deere and Zenith convertible bonds. The portfolios under consideration are mostly equity portfolios having the objective of aggressive growth. Vandergriff expects Deere to benefit from the recent growth in demand for agricultural equipment abroad. Zenith may be on the comeback trail after its earnings growth faltered in the late 1980s. He also expects interest rates to remain stable during the next year.

|  |  |  |
| --- | --- | --- |
| Convertible | DEERE | ZENTH |
| Coupon |  5.50%  |  6.25% |
| Maturity (Years) | 8  |  18 |
| Rating | A- | CCC |
| Conversion rate ( shares) | 30.53 | 32 |
| Market price (% part) | 42.50 | 66.25 |
| Investment Value | 85.43 | 64.95 |
| Call price  | 105 | 106 |
| Common Stock  |  |  |
| Market price  | 72.88 | 6.88 |
| Dividend  | 2.00 | 0.00 |
| Beta  | 1.05 | 1.45 |

**Question:**

 Analyze these two convertibles. Recommend the convertible debentures that, in your opinion, would be more desirable for purchase by an aggressive, growth-oriented investor. Justify your recommendation.

**Analysis Report:**

**Title:** **Managing a Deceased Investors Portfolio**.

**Introduction:**

Brain Vandergrift, a portfolio manager for Southside Bank and Trust Company, is tasked with selecting investments for aggressive growth portfolios. He is considering purchasing shares of Deere, a maker of farm equipment, and Zenith, a producer of electronic equipment, either as common stock or convertible bonds. Vandergrift anticipates Deere benefiting from international demand for agricultural equipment and believes Zenith may be on the path to recovery after a decline in earnings growth in the late 1980s. Stable interest rates are expected in the coming year.

**Problem Identification:**

Vandergrift must decide between investing in Deere and Zenith through common stock or convertible bonds. He needs to weigh the potential growth prospects of each company against the risk associated with their respective industries and financial positions. Additionally, he must consider factors such as coupon rates, maturities, conversion rates, market prices, investment values, call prices, dividend yields, and betas to make an informed decision.

**Solution**

**1. Analyze these two convertibles. Recommend the convertible debentures that, in your opinion, would be more desirable for purchase by an aggressive, growth-oriented investor. Justify your recommendation**.

To recommend the more desirable convertible debentures for purchase by an aggressive, growth-oriented investor, let's analyze the convertibles of Deere and Zenith based on their respective features and potential for growth:

1. **Deere Convertible Debentures**:
	* Coupon Rate: 5.50%
	* Maturity: 8 years
	* Rating: A-
	* Conversion Rate: 30.53 shares
	* Market Price: 42.50% of par
	* Investment Value: $85.43
	* Call Price: $105
	* Market Price of Common Stock: $72.88
	* Dividend of Common Stock: $2.00
	* Beta of Common Stock: 1.05
2. **Zenith Convertible Debentures**:
	* Coupon Rate: 6.25%
	* Maturity: 18 years
	* Rating: CCC
	* Conversion Rate: 32 shares
	* Market Price: 66.25% of par
	* Investment Value: $64.95
	* Call Price: $106
	* Market Price of Common Stock: $6.88
	* Dividend of Common Stock: $0.00
	* Beta of Common Stock: 1.45

**Analysis and Recommendation:**

1. **Conversion Rate and Market Price**: Deere's convertible debentures have a lower conversion rate (30.53 shares) compared to Zenith's (32 shares), meaning each debenture can convert into more shares of common stock. Additionally, Deere's market price is 42.50% of par, which is lower compared to Zenith's 66.25% of par. This suggests that Deere's convertibles may offer a better value proposition in terms of potential upside when converted into common stock.
2. **Credit Rating**: Deere's convertible debentures have a higher credit rating (A-) compared to Zenith's (CCC), indicating lower credit risk. This may be particularly important for an aggressive, growth-oriented investor who may be willing to accept some risk but seeks to mitigate it to a certain extent.
3. **Company Outlook**: Vandergrift expects Deere to benefit from the recent growth in demand for agricultural equipment abroad, whereas Zenith may be on the comeback trail after its earnings growth faltered. Deere's favorable outlook in a growing industry could provide additional confidence in the potential for appreciation in its common stock, which would benefit the convertible debentures as well.
4. **Stability and Growth Potential**: Deere's common stock has a lower beta (1.05) compared to Zenith's (1.45), suggesting potentially lower volatility. This stability, coupled with the growth prospects in the agricultural equipment industry, makes Deere's convertible debentures more desirable for an aggressive, growth-oriented investor.

Considering the factors analyzed, the Deere convertible debentures appear to be more desirable for purchase by an aggressive, growth-oriented investor. They offer a combination of better conversion terms, higher credit rating, favorable company outlook, and stability in the industry. Therefore, Vandergrift should consider purchasing Deere convertible debentures for inclusion in the portfolios he manages.

**Conclusion:** After careful analysis, it appears that Deere may be the more attractive investment option compared to Zenith, considering the growth potential in agricultural equipment demand. However, the decision between common stock and convertible bonds depends on Vandergrift's risk tolerance and investment objectives. Common stock offers the potential for higher returns but comes with greater risk, while convertible bonds provide downside protection with the option to convert to equity if the company performs well. Ultimately, Vandergrift should consider diversifying his portfolios with a combination of both Deere and Zenith investments, leveraging the strengths of each asset class to optimize risk-adjusted returns and achieve aggressive growth objectives.

**Prepared by: V.Amala, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-21**

Mr. Nitin Gupta had invested Rs.8 million each in Ashok Exports and Biswas Industries and Rs. 4 million in Cinderella Fashions, only a week before his untimely demise. As per his will this portfolio of stocks were to be inherited by his wife alone. As the partition among the family members had to wait for one year as per the terms of the will, the portfolio of shares had to be maintained as they were for the time being. The will had stipulated that the job of administering the estate for the benefit of the beneficiaries and partitioning it in due course was to be done by the reputed firm of Chartered Accountants, Talwar Brothers. Meanwhile the widow of the deceased was very eager to know certain details of the securities and had asked the senior partner of Talwar Brothers to brief her in this regard. For this purpose the senior partner has asked you to prepare a detailed note to him with calculations using CAPM, to answer the following possible doubts.

1. What is the expected return and risk (standard deviation) of the portfolio?
2. What is the scope for appreciation in market price of the three stocks-are they overvalued or undervalued?

**Analysis Report:**

**Title:** **Portfolio and Market Valuation on Estate Management.**

**Introduction:**

In the wake of Mr. Nitin Gupta's untimely demise, the responsibility of managing his investment portfolio has fallen upon the capable shoulders of his widow, Mrs. Nitin Gupta. As per Mr. Gupta's will, the esteemed firm of Chartered Accountants, Talwar Brothers, has been entrusted with the administration of the estate and the meticulous handling of the inherited securities.

In this scenario, Mrs. Nitin Gupta, eager to gain clarity and insight into the details of the securities left behind by her late husband, has sought the expertise of Talwar Brothers. The senior partner of the firm has tasked us with preparing a comprehensive analysis, leveraging the Capital Asset Pricing Model (CAPM), to address Mrs. Gupta's concerns and provide her with a thorough understanding of the portfolio's expected return, risk, and potential market valuations.

This report aims to meticulously evaluate the investment portfolio left behind by Mr. Nitin Gupta and offer actionable insights to Mrs. Gupta regarding the management of her inherited assets. By delving into the expected returns, risk assessment, and market valuations of the securities comprising the portfolio, we endeavor to empower Mrs. Gupta with the knowledge needed to make informed decisions aligned with her financial objectives.

Through our analysis and recommendations, we strive to assist Mrs. Nitin Gupta in navigating the complexities of investment management during this challenging time, ensuring the preservation and growth of her wealth in accordance with her late husband's wishes.Top of Form

**Analysis:**

1. **Expected Return and Risk of the Portfolio:** Using CAPM, we calculate the expected return of each stock based on its beta, the risk-free rate, and the expected market return. The standard deviation of the portfolio is calculated using the weighted standard deviation formula.
2. **Scope for Appreciation in Market Price:** We compare the current market prices of the stocks with their expected returns calculated from CAPM. If the current market price is lower than the expected return, the stock may be considered undervalued, and vice versa.

**Calculations:**

1. **Expected Return:**
	* Ashok Exports (A): Expected return = Risk-free rate + Beta \* (Expected market return - Risk-free rate)
	* Biswas Industries (B): Expected return = Risk-free rate + Beta \* (Expected market return - Risk-free rate)
	* Cinderella Fashions (C): Expected return calculated from historical data
2. **Risk (Standard Deviation) of the Portfolio:**
	* Weights: 0.4 for Ashok Exports, 0.4 for Biswas Industries, and 0.2 for Cinderella Fashions
	* Standard deviations and betas are provided for each stock
	* Correlations between stocks may also be considered if available
3. **Scope for Appreciation:**
	* Compare current market prices with expected returns from CAPM for each stock.

**Conclusion:** The analysis will provide Mrs. Nitin Gupta with valuable insights into the expected return and risk of the inherited portfolio. Additionally, it will help her understand the potential for appreciation in the market prices of the stocks and make informed decisions regarding the management of her investment portfolio.

**Recommendation:** Based on the analysis, recommendations can be made regarding potential adjustments to the portfolio composition or strategies for maximizing returns while managing risks effectively. Talwar Brothers can provide ongoing guidance and support to Mrs. Nitin Gupta in managing her investments in accordance with her financial goals and risk tolerance.

**Prepared by: Dr.P.Subramanyam, HOD, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-22**

VIACK is the company behind the VIA3 Assured Collaboration Service, a fully secure online collaboration solution. VIA3 enables business and government professionals to meet with colleagues and clients anywhere, working together and sharing information as easily and effectively as if they were in the same conference room. The advantages of the software for clients are savings in downtime, travel and administrative expenses; enhanced productivity; and more responsive service. VIACK Corporation was founded in 1999 and has offices located in Washington, D.C., Arizona and Washington State.

**THE CULTURE**

VIACK is both functionally and geographically divided. The offices are located in different places due to the location of the talent and the client base. For example, because the engineering talent is located in Redmond, Washington, much of the R&D staff is located there. Because VIACK is a supplier to the government sector, they have a sales office in Washington, D.C. In addition, their corporate office is located in Scottsdale, Arizona. Amazingly, even with the different locations, VIACK still feels like a small, family-owned business with a very open culture.

**COMMUNICATION STRATEGIES**

VIACK credits the company culture to their own software. They use their online collaborative tool, which they market, for communicating within the company. Rather than a telephone, employees use the collaboration tool with a webcam and a headset. The collaboration tool enables staff tosee 14 people on the screen with audio and instant messaging capabilities. Typically, employees gather in a main area, and they can communicate with staff in all of the different locations. In addition to technology, there is a real openness in the attitude of top management. Management frequently stops in and sees employees at the different locations. Face-to-face communication is still used a great deal at VIACK. Especially during challenging times, management ensures that they are accessible. For example, the CEO will go to the engineering facility when there are difficulties getting new products out. These face-to-face communication strategies make sure the staff feels valued and supported. This also encourages staff to express opinions to management. Overall, VIACK is a flat organization without a lot of structure. Using an open-door policy and delegating broad areas of responsibilities, the staff works together in an environment of mutual respect. VIACK used to have an anonymous suggestion system, but it is no longer used because people now feel comfortable asking the CEO hard questions.

**Questions:**

1. Identify different channels of communications used by VIACK. Which according to you is the most effective channel and why?

2. Which are the communication barriers you see in the above case? How to overcome them?

**Analysis Report:**

**Title:** Cultivating Collaboration and Communication at VIACK Corporation.

**Introduction:**

VIACK Corporation, the developer of the VIA3 Assured Collaboration Service, prides itself on fostering a culture of open communication and collaboration among its geographically dispersed teams. Despite functional and geographical divisions, VIACK maintains a close-knit, family-oriented atmosphere, leveraging its own collaborative software for internal communication. This case study delves into VIACK's unique communication strategies, highlighting its channels of communication, cultural attributes, and the challenges it faces.

**Communication Channels at VIACK:**

VIACK employs various channels of communication to facilitate collaboration among its distributed workforce:

1. VIA3 Assured Collaboration Service: The primary communication tool, enabling audio, video, and instant messaging capabilities for seamless interaction among employees.

2. Face-to-Face Communication: Despite being geographically dispersed, VIACK emphasizes face-to-face communication, with management making regular visits to different locations to foster personal connections and address challenges directly.

**3**. Open-Door Policy: Management maintains an open-door policy, encouraging employees to express their opinions and concerns directly.

4. Email and Phone: Traditional channels like email and phone are also used for communication, but the emphasis is on real-time, interactive collaboration through the VIA3 platform.

**Effective Communication Channel:**

Among the channels employed by VIACK, the VIA3 Assured Collaboration Service stands out as the most effective. This platform enables real-time interaction, fosters visual and auditory engagement, and facilitates seamless collaboration among teams across different locations. The VIA3 platform aligns with VIACK's core business offering and embodies the company's commitment to innovation and efficiency in communication.

**Communication Barriers and Solutions:**

**Despite its emphasis on open communication, VIACK faces certain communication barriers:**

1. Geographical Dispersion:The dispersed nature of VIACK's workforce can lead to feelings of isolation and hinder effective communication. To overcome this, the company should continue to prioritize face-to-face interactions and leverage technology for virtual collaboration.

2. Hierarchy: VIACK's flat organizational structure may create barriers for junior employees to communicate freely with senior management. Encouraging a culture of open dialogue and removing hierarchical barriers can mitigate this challenge.

3. Technology Limitations: While the VIA3 platform is a powerful tool, technological glitches or lack of familiarity with the software may hinder communication effectiveness. Regular training sessions andtechnical support can address these issues.

**Conclusion:**

VIACK Corporation exemplifies a forward-thinking approach to communication, leveraging its own innovative software and a culture of openness to foster collaboration among its distributed workforce. By prioritizing real-time interaction, face-to-face communication, and an open-door policy, VIACK ensures that its employees feel valued and supported, leading to enhanced productivity and a cohesive organizational culture.

**Prepared by: K.Kavitha, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-23**

 Having made a name in the field of computer engineering and software development, Mazoon was attracted by Majan Smart Solutions Company to join their team of computer engineers. The attractive offer and a promise for an innovative working environment convinced Mazoon to accept. Upon joining, she was introduced to the team and oriented about the company. She was eager to be assigned an office and continue to innovate. To her shock, she was given a chair on a shared table office with ten male engineers. This was not what she had expected. During the job interview, where her new manger was present, she expressed the desire to work in an environment that is private given that she is introvert and excels while working alone. She sent an email to the manger asking to be shifted to a separate office or with a smaller mixed gender group. The manager refused her request justifying that the company culture entails that the staff must work in large teams. Saddened by her new reality and having nowhere else to turn to, she tried to cope. This was detrimental on her work achievement as she had to constantly adjust herself to the new reality instead of focusing on work completion. Having failed to show satisfactory results, the manger ended her employment justifying the reason for failure to meet outcomes.

**Answer the following questions:**

1. Explain how the manager is not an emotionally intelligent person?

 2. Is Mazoon emotionally intelligent? Elaborate further on your answer.

**Analysis Report:**

**Title:** **Emotional Intelligence in Managerial and Employee Responses.**

**Introduction:**

Mazoon, an accomplished computer engineers and software developer, was drawn to Majan Smart Solutions Company by the promise of an innovative working environment. However, her excitement turned to dismay when she found herself assigned to a shared table office with ten male engineers, despite expressing her preference for a private workspace during the job interview. This case study delves into the challenges Mazoon faced in her new role and explores the emotional intelligence (EI) dynamics at play within the company.

**Problem Solving:**

**1.Manager's Lack of Emotional Intelligence:**

The manager at Majan Smart Solutions Company demonstrates a lack of emotional intelligence in the following ways:

**Lack of Empathy:** The manager fails to empathize with Mazoon's need for a private workspace, despite her expressed preference during the job interview. Instead of considering her individual needs and concerns, the manager prioritizes adherence to company culture norms.

-**Inflexibility:** The manager's refusal to accommodate Mazoon's request for a separate office or a smaller, mixed-gender group reflects inflexibility and rigidity. A more emotionally intelligent approach would involve considering alternative solutions that meet both company requirements and employee needs.

**Insensitive Communication:** The manager's justification for denying Mazoon's request lacks sensitivity and understanding. Rather than engaging in a constructive dialogue and exploring potential compromises, the manager dismisses Mazoon's concerns outright.

**Failure to Recognize Impact:** The manager fails to recognize the negative impact of Mazoon's discomfort on her work performance. Instead of offeringsupport andassistance,the manager attributes Mazoon's struggles to a lack of satisfactory results, ultimately leading to her termination.

**2. Mazoon's Emotional Intelligence:**

Despite facing adversity in her new workplace, Mazoon demonstrates emotional intelligence through her actions and responses:

Self-Awareness Mazoon exhibits self-awareness by recognizing her introverted nature and preference for working alone. Her proactive communication of these preferences during the job interview reflects an understanding of her own needs and strengths.

Assertiveness: Mazoon demonstrates assertiveness by advocating for herself and expressing her desire for a private workspace to the manager via email. Despite the manager's refusal, Mazoon attempts to assert her needs and find a solution that aligns with her preferences.

Adaptability:Despite the challenges posed by the shared workspace, Mazoon attempts to cope and adjust to the new reality. Her willingness to adapt and make the best of the situation showcases her emotional resilience and flexibility.

**Conclusion:**

The case of Mazoon at Majan Smart Solutions Company highlights the importance of emotional intelligence in navigating workplace challenges. While the manager's lack of empathy and inflexibility hindered Mazoon's ability to thrive in her role, Mazoon's self-awareness, assertiveness, and adaptability exemplify key attributes of emotional intelligence. By fostering a culture of empathy, flexibility, and understanding, organizations can create environments where employees like Mazoon can thrive and contribute effectively.

**Prepared by: O.Pavithra, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-24**

Upon completion of his master’s degree, Khalifa asked his boss for a raise. The boss clarified that a raise is not a possibility under his current position and that he would have to assume a higher position with more responsibilities to be eligible. Excited by the offer, Khalifa consented without further inquiry. He has already contemplated how he would spend the extra cash he would receive. Alas, nothing lasts forever. The demands of the new position shocked Khalifa. He was appointed as a director of the Auditing Section. Although he had some knowledge of accounting, he felt he was not competent enough to be responsible for a section. His confusion was evident in the first meeting held with the staff. He kept stuttering and couldn’t put together one meaningful sentence. He never had to address a crowd in his previous position. He employed local Omani proverbs, although translated to English, to clarify his points; this disoriented the staff more who come from a diverse background. Neither his words nor his actions could help the staff to get the gist of his message given that he seldom exchanged eye contact and had his hands in his pockets while speaking. The staff were more perplexed when they left the meeting room than they were when they first entered.

 **Answer the following questions:**

1. Why did Khalifa fail to communicate with his employees? How did the employees find it difficult to understand Khalifa’s message?

2. How can Khalifa utilize emotional intelligence to improve his performance in his new position as a director?

**Analysis Report:**

**Title:** **Navigating the pitfalls of Promotion on Communication and Emotional Intelligence in Management.**

**Introduction:**

Khalifa, upon receiving a promotion to the position of Director of the Auditing Section, finds himself struggling to communicate effectively with his employees. Despite his excitement for the opportunity and aspirations for a raise, Khalifa's lack of preparedness and communication skills hinder his ability to convey his message clearly to his team. This case study explores the challenges Khalifa faces in his new role and suggests strategies for improvement through the application of emotional intelligence (EI).

**Problem Solving:**

**1. Khalifa's Communication Challenges:**

Khalifa's failure to communicate effectively with his employees can be attributed to several factors:

Lack of Preparedness:Khalifa underestimated the demands of his new position and entered it without fully understanding the responsibilities or preparing himself adequately for the role of Director of the Auditing Section.

Inexperience in Public Speaking:Khalifa's lack of experience in addressing a crowd and articulating his thoughts leads to stuttering and an inability to deliver a coherent message during meetings, leaving employees confused and uncertain.

Cultural Misalignment: Khalifa's attempt to use local Omani proverbs, albeit translated to English, to convey his message results in further confusion among staff members from diverse cultural backgrounds, as they struggle to comprehend his intentions.

Non-Verbal Communication:Khalifa's lack of eye contact and habit of keeping his hands in his pockets while speaking detract from his credibility and hinder effective communication with his team.

**2. Utilizing Emotional Intelligence for Improvement:**

To improve his performance in his new position, Khalifa can leverage emotional intelligence in the following ways:

**Self-Awareness:** Khalifa should reflect on his strengths and weaknesses, acknowledging areas where he needs improvement, such as public speaking and cultural sensitivity. Developing self-awareness will enable him to identify areas for growth and take proactive steps to address them.

**Empathy:** Khalifa should strive to understand the perspectives and backgrounds of his diverse team members, recognizing the challenges they may face in comprehending his message. By demonstrating empathy, Khalifa can build rapport with his team and foster a supportive work environment.

Communication Skills:Khalifa should invest time and effort in honing his communication skills, particularly in public speaking and non-verbal communication. This may involve seeking training or coaching to improve his ability to articulate ideas clearly and engage effectively with his team.

**Adaptability:** Khalifa should be open to feedback and willing to adapt his communication style to suit the needs of his audience. By remaining flexible and receptive to input from others, Khalifa can tailor his approach to communication to better resonate with his team members.

**Conclusion:**

In conclusion, Khalifa's challenges in effectively communicating with his employees highlight the importance of emotional intelligence in leadership roles. By developing self-awareness, empathy, and strong communication skills, Khalifa can overcome his initial struggles and establish himself as an effective leader in his new position. Through continued self-improvement and a commitment to understanding and connecting with his team members, Khalifa can foster a culture of clarity, collaboration, and success within the Auditing Section.

**Prepared by: N.Silpa, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-25**

 The section head of customer relations office at XYZ Company has decided to send inspirational quotes to his employees repeatedly throughout the day to keep them motivated. He was inspired by a workshop he had attended earlier on the same theme. To maintain good customer relations, the employees are expected to promptly respond to customers’ queries and address their complaints through emails, phones, and social media feeds. This could be very stressful, given that currently the number of complaints has exponentially increased due to Covid19 situation and the closure and restrictions imposed by the government. Muna, having a great record in meeting deadlines, has also been greatly affected by this situation because even she is not able to keep up with increase in inquiries and complaints made by the customers. The inbox is constantly full, the phone keeps ringing and social media notifications keep on popping. Muna, along with her colleagues and after consulting the section head, has decided earlier to follow a more organized and strategic approach in finishing her work. Each hour, they will respond to the 5 earliest emails, 5 phone calls and 10 social media feeds. The employees were relieved by this decision because they usually receive only customers’ emails in their inboxes and no filtration is required. However, the manager’s new approach to motivate the employees has led them to be more stressed than relieved. They started receiving countless inspirational emails from him throughout the day that they had to filter through their inbox to find customers emails; this affected their working pace. Added to that, the company couldn’t pay its internet bills as frequently leading to slow connection with nonstop customers’ complaints for delayed responses. Muna couldn’t bear this anymore and she blow at the weekly staff meeting threaten to resign unless the situation is alleviated.

**Answer the following questions:**

1. What led to communication failure in this case? Explain in details.

2. How could the section head have achieved his goal without disrupting the employees? Give examples.

3. Are Muna and the section head emotionally intelligent people? Explain your answer.

**Analysis Report:**

**Title:** **Communication Breakdown and Employee Stress at XYZ Company.**

**Introduction:**

The Customer Relations Office at XYZ Company faces challenges in maintaining efficient communication with customers amidst a surge in inquiries and complaints, exacerbated by the COVID-19 situation. The section head implements a strategy of sending inspirational quotes to employees throughout the day to keep them motivated. However, this approach unintentionally leads to increased stress and communication breakdowns among employees, ultimately resulting in dissatisfaction and threats of resignation. This case study examines the factors contributing to communication failure and explores strategies for achieving the section head's goals without disrupting employee productivity.

**Problem Solving:**

**1. Communication Failure:**

Several factors contribute to the breakdown in communication:

Overload of Inspirational Emails: The section head's decision to bombard employees with inspirational quotes throughout the day adds to their already overwhelming workload. Employees must sift through these emails to find customer inquiries, slowing down their response time and increasing stress.

Lack of Internet Connectivity: Slow internet connection due to delayed payment of bills exacerbates the problem, leading to further frustration among employees and amplifying customer complaints about delayed responses.

Unmet Expectations: Despite the section head's intention to motivate employees, the inundation of inspirational emails has the opposite effect, causing employees to feel overwhelmed and demotivated.

**2. Achieving Goals without Disruption:**

The section head could have achieved his goal of motivating employees without disrupting their workflow by implementing alternative strategies:

Scheduled Inspirational Messages: Instead of sending inspirational quotes throughout the day, the section head could schedule these messages to be sent at specific times when employees are less busy, such as during lunch breaks or at the end of the workday.

Acknowledgment of Challenges: The section head could acknowledge the challenges faced by employees, such as increased workload and slow internet connectivity, and offer support and resources to alleviate these issues.

Clear Communication Channels: Implementing clear communication channels for customer inquiries, such as a separate email address or designated software, would help employees differentiate between customer communications and internal messages.

**3. Emotional Intelligence Assessment:**

Section Head: The section head demonstrates a lack of emotional intelligence by failing to consider the impact of his actions on employee workload and morale. Instead of empathizing with employees' challenges, he exacerbates their stress by inundating them with unnecessary emails.

Muna: Muna exhibits emotional intelligence by recognizing her limits and expressing her concerns during the staff meeting. She demonstrates self-awareness and assertiveness in communicating her needs and expectations.

**Conclusion:**

The case highlights the importance of balancing motivation with practicality in the workplace. Effective communication strategies should consider employees' workload, technological constraints, and emotional well-being. By adopting a more considerate and empathetic approach, leaders can motivate employees without disrupting productivity or causing undue stress.

**Prepared by: A. Anjanaiah, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-26**

Amazon is the world’s largest e-commerce company which began its operations in US as an online book retailer that soon began to sell a large category of products. Amazon.com entered the Indian e-commerce market with Amit Agarwal at its helm in 2013 as an online marketplace offering two product categories, namely books, and movies and TV shows. As the Indian law did not permit 100 % foreign direct investment (FDI) in retail business, the company decided to provide an online platform for buyers and sellers to come together instead of selling products directly to the consumers. This business model was different from the one being employed in US where the company sold its own goods along with those of the third-party sellers. Under this model of third-party online platform, Amazon handles customer queries, takes orders, ships goods, handles returns, and undertakes advertising and promotion activities.

Within three years, Amazon launched its “Global Store” in India and provided access to over 4 million global products, including several international brands that till hitherto were unavailable in India. Prior to its launch, consumers bought products online from Amazon’s US portal and were required to pay in dollars. But, now they had the option to make online purchases of both global and local brands and pay in their local currency. The company provided the option of returning unused products within 30 days of delivery for full or partial refund depending upon the cause for such returns.

**Indian market**

India is the world’s fastest growing economy. Its huge population of 1.25 billion led by technology-driven youth offers tremendous business opportunities to the e-retailers. Around 260 million English speaking middle class, 340 million smart phone users, and a rapid increase in mobile wallet users offer huge potential to the e-commerce companies. Increased penetration of the internet will continue to provide further impetus to rapid growth in e-commerce market. The revenue from e-commerce is estimated to grow four folds from $ 30 billion in 2016 to $ 120 billion in 2020, accounting for a whopping growth rate of 51 % per annum. This exponential growth rate is expected to surpass any other predicted growth rate across the globe. So, it is no surprise that Amazon was attracted to India to pursue its dream of international expansion.

Amazon possessed the experience of operating as an online marketplace in nine other countries. To gain insight into the psyche and behaviour of Indian consumers, Amazon had launched a price comparing website, Junglee.com a year prior to its entry in the growing Indian market. The experiences of already operating market players provided additional vital information needed to make headway in this challenging Asian sub-continent. The home-grown companies, Flipart,

myntra, and Snapdeal were gradually succeeding in persuading the sceptical Indian consumer to buy online by offering very low prices, return policy, and payment of cash upon delivery. Amazon also understood that Indians prefer to pay in cash and not through cheques or credit card. It adopted the policies being pursued by indigenous online retailers.

**Distribution model**

There are more than 14 million traditional retail stores in India with majority measuring less than 600 square feet. These convenience stores play an important role in making products available in cities, towns and over 6 lakh villages, where 67 % of the population resides. Yet, both big and small retailers perceived e-commerce to be very complicated and had been apprehensive about online orders on various accounts. Some of these concerns included problem of handling rejected products, incorrect or arcane addresses given by the customers, inadequate infrastructure, including poor delivery logistics, buyers’ habit of doing transactions in cash, and so on. Amazon’s entry was perceived as a great threat to the survival of these traditional retail stores. To allay their fears, Amazon introduced Amazon Chai Cart which involved mobile tea carts that moved through several cities offering tea along with advice on the advantages of e-commerce to small business own- ers. Subsequently, Amazon Tatkal, “studio on wheels” was launched to provide a range of services, including cataloguing, registration, and sales training. This resulted in large number of businesses getting associated with Amazon as they felt that this partnership would provide access to bigger markets. Entry of Amazon provided great business opportunities to retailers in India who had been previously very uneasy about its entry. It engaged more than 13,000 stores across 65 cities as deliv- ery partners in its logistic network. It also involved the mom-and-pop stores in small towns and villages in its delivery platform where internet connectivity was limited. Villagers are able to access the online products at Amazon through the store owner’s internet and place their orders through him. The store owner alerts consumers upon arrival of products, delivers them, collects money, and passes it to the company. He gets paid a certain amount of handling fee in return for his services. This system is reported to have helped the stores increase their personal sales as well. Linguistic diversity in the country has prompted Amazon India to introduce staff support system to its sellers in local languages such as Tamil, Kannada, and Telugu in addition to English and Hindi.

The number of sellers on its platform rose to a phenomenal figure of 140,000 in 2016, an increase of nearly 160 %. Almost thousands of products were reported to be getting added daily on its market place. To help the sellers on its platform meet their short-term financial requirements to cope with increased seasonal demands, Amazon partnered with a digital lending company called Capital Float. This initiative has helped its e-sellers who deal in fashion items, consumer durables, and electronic products procure a loan of Rs 2 lacs and above without pledging any collateral. This facility assists them in making payment to their suppliers within 24 hours. Within a span of four years Amazon has become equipped to sell over 100 million products ranging from movies, books, grocery, fashion, electronics to lifestyle categories. Its sales orders are not confined to any specific group of customers or geographical limits of metropolitan or big cities. It claims that 50 % of its demand is from Tier II and Tier III cities of India. Pursuing its global strategy, the company strives to supply everything to everyone at every location within the country, and make it its second largest

market after US. It has left its closest Indian rivals, Flipkart and Snapdeal, far behind with respect to business investment, numbers of products offered as well the geographical coverage of its market. Flipkart, run by former employees of Amazon, has been forced by the latter to seek foreign invest- ments while Snapdeal is grappling with its survival.

**Strengthening delivery logistics**

To improve its delivery logistics, Amazon “Global Stores” engaged the services of India Post, a government-operated postal system, and logistics companies such as Blue Dart, Aramex India, and DHL Express to deliver products to its customers. It also utilized the services of bicycle and motorcycle couriers to reach its rural and sometimes even its urban customers. Around 27 fulfilment centres were set up across ten different states in the country in direct contrast to a centralized fulfil- ment centre in US. Order tracking, which plays a crucial role in winning over the trust of customers, is taken care of by these fulfilment centres. Sellers drop their products to these fulfilment centres at a fee before any order is placed. Amazon provides studio facility to the suppliers for taking photo- graphs of their wares for online posting. These goods are checked for quality, stored, packed, and shipped to the customers from these centres when the orders are received. Generally, Amazon holds back a part of the sales for about seven days as a buffer against possible returns. The accounts with sellers are settled on monthly or weekly basis depending upon their terms of agreement with the company. Decisions with respect to returned goods lie solely with the company. More than 100 delivery stations and about 15 sorting centres have been also opened up by the company.

To access its customers spread across a large geographical area, Amazon Transport Services was started as the logistics company in 2015 to accelerate the pace of delivery and provide direct delivery from the sellers to the consumers. This was expected to make the company more competitive in the Indian market which lacked the logistics facility to deliver within 24 hours of ordering, a norm followed in the US. Its closest rival, Flipkart, was forced to follow suit by promising same-day deliv- ery facility but its charges were higher in comparison to that of Amazon. To speed up the delivery process, Amazon launched additional shipping platforms called EasyShip and Seller Flex, which helped the small vendors choose their courier partners at their own convenience. Under Easyship, Amazon couriers picked up packaged goods from seller’s store for delivery to the consumer. The sellers had the option to store products for sale on Amazon portal in their own warehouse under the Seller Flex approach, and Amazon takes care of delivery from their warehouses to consumers. However, in case of stock-outs, Amazon imposes penalty on the sellers.

**Analysis Report:**

**Title:** **Adapting to Indian E-Commerce: Amazon’s Innovative Strategies and Market Penetration.**

**Introduction:**

With its entry into the Indian e-commerce market in 2013, Amazon, led by Amit Agarwal, embarked on a transformative journey, navigating through a myriad of regulatory constraints and cultural nuances unique to the Indian landscape. This case study unravels Amazon's strategic initiatives in penetrating the Indian market, delving into its adaptation to local challenges and its innovative approaches to logistics and delivery.

**Problem Identification:**

1. Regulatory Constraints and Market Entry Strategy: Amazon encountered formidable regulatory challenges in India, necessitating a strategic shift from direct retail to an online marketplace model. Restrictions on foreign direct investment in retail compelled Amazon to devise creative solutions to establish its presence while complying with regulatory norms.
2. Cultural Dynamics and Adaptation: Cultural sensitivity emerged as a critical factor for Amazon's success in India. Understanding the diverse consumer behaviors and preferences demanded meticulous adaptation strategies, particularly in payment preferences and engagement with traditional retailers.
3. Logistics and Delivery Efficiency: India's vast and diverse geography posed significant logistical challenges for Amazon. Efficient delivery networks, fulfilment centers, and tailored shipping solutions were imperative to ensure prompt and reliable delivery services, especially in remote and underserved areas.

**Suggestions:**

1. Regulatory Compliance and Market Entry: Amazon should continue to collaborate closely with Indian regulatory authorities to navigate evolving regulations effectively. Strengthening partnerships with local stakeholders and leveraging legal expertise can facilitate smoother market entry processes.
2. Cultural Adaptation and Customer Engagement: Investing in comprehensive market research and consumer insights will be crucial for Amazon to deepen its understanding of Indian consumers' preferences and behaviors. Customizing offerings and engagement strategies to resonate with local sentiments can enhance customer satisfaction and loyalty.
3. Logistics Optimization and Innovation: Amazon should prioritize investments in expanding its delivery network and enhancing logistical infrastructure across India. Leveraging advanced technologies such as AI-driven route optimization and drone delivery can further streamline operations and improve delivery efficiency.

**Conclusion:**

In conclusion, Amazon's journey in the Indian e-commerce landscape epitomizes strategic agility, cultural acumen, and relentless innovation. By adeptly navigating regulatory complexities, adapting to local dynamics, and pioneering logistics solutions, Amazon has carved a niche for itself in one of the world's fastest-growing e-commerce markets. As Amazon continues to evolve its strategies and operations in India, a steadfast commitment to regulatory compliance, cultural sensitivity, and logistical excellence will be indispensable for sustaining its competitive edge and driving continued growth in the dynamic Indian market.Top of Form

**Prepared by: K.Bhaskar, Assistant Professor, Dept of MBA, AITS, Rajampet.**

**CASE STUDY-27**

Managing the work place in the construction industry in Malaysia: Why are communication skills important in the workplace?

Company A has been conducting business in the construction industry since 2017. It is a CIDB Grade7 accredited construction company. The company employed more than100 people. They are proud of their expertise and experiences in all parts of civil construction and their complete understanding of the Malaysian construction business. It has presented them with challenges. It has also benefited them in becoming one of Malaysia's G7 companies. They assist with significant construction projects of all sizes. The company's initial objective was to provide services related to the construction of buildings, roads, and water supply systems. However, as time went on, the corporation's purpose grew to include, among other things, the construction of bridges, drainage systems, irrigation systems, sewage treatment facilities, and various industrial complexes. Company A, for example, has completed several government construction projects, including the municipal council hall building in Sepang and road paving, and is now working on the school building, exhibition hall and hawker stall, and bridge. They offer these services through a network of connections across the country and work hard to develop regulations and partnerships with our valued customers.

Company A was awarded a contract to build an exhibition hall in May 2021. The deadline for completion is seven months. Mr Ali has been appointed as the General Manager of Company A, responsible for all building projects. He is highly devoted, decisive, and forth right. Mr Nan, his Project Manager, is in charge of this building's exhibition hall. He has well-developed technical capabilities and extensive industry expertise. Both of them are the key person to making this project successful.

There was a problem with communication between site management and headquarters right away, especially between the general manager and project manager. It is well known that Mr Ali enjoys working independently. In other words, he is not recognized for listening to other people's opinions. MrNanis an accomplished professional in his area and younger than MrAli. MrNan repeatedly stated that he could not begin planning to do piling until he got further information from Mr Ali because he was dissatisfied with the information he had received from him. Mr Nan nearly quit the organization but ultimately decided to stay and sought assistance from other employees after realizing that crucial components were lacking on piling. He couldn't start preparing because he didn't have the necessary information. MrAli directed him to start piling at the same time. MrAli commanded him to begin the piling at the same time.

MD made the first and most significant error in this instance. He mis communicated the need for more planning efficiency to Mr Ali, who had been doing it for more than five years because he could not comprehend why it was necessary. Neither the MD north head of quality adequately considered the communication problem with Mr Ali. It was assumed that communication gaps would exist between the two. However, this cannot be used as an excuse to avoid promoting debate. Age disparity and respect in today's organizations is a crucial issue that has been studied for decades and that HR managers, MDs, and middle management in organizations need to understand thoroughly. Mr Nan lost over three months without any preparation in the end. Cost the business a lot of time and money to find something that would have just taken a few days. MrAli and MrNan didn't get much better at communicating. Following the project, the head of quality ceased his efforts to foster communication between the two. Other projects did not produce the intended outcomes, and communication problems persisted. The MD likely never discarded the thought that Mr. Nan was unfit for the position. Production effectiveness fell. These "catastrophic" results were the result of a straightforward communication error.

**Analysis Report:**

**Title:** **Impact of Miscommunication on Project Management in Construction Endeavor.**

**Introduction:**

In the dynamic landscape of the construction industry in Malaysia, effective communication stands as a cornerstone for successful project management and organizational growth. As exemplified by Company A, a CIDB Grade 7 accredited construction firm, the ability to convey information, collaborate, and coordinate among various stakeholders is pivotal for achieving project objectives and maintaining a competitive edge in the market. However, despite its expertise and experience, Company A encountered significant communication challenges that impeded project progress and jeopardized its reputation. This case analysis delves into the communication breakdowns within Company A, identifies key issues, proposes strategies for improvement, and underscores the importance of effective communication in the workplace.

**Problem Identification:**

The case of Company A highlights several critical communication challenges that hindered project execution and organizational effectiveness:

1. Autocratic Leadership Style: The autocratic leadership style of Mr. Ali, the General Manager, stifled open communication and collaboration within the organization. His reluctance to consider others' opinions and perspectives created hierarchical barriers that inhibited effective information flow and decision-making.
2. Generational Differences: The age disparity between Mr. Ali and Mr. Nan, the Project Manager, exacerbated communication challenges, as generational differences in communication styles and preferences were not adequately addressed. This hindered effective communication and collaboration between key stakeholders.
3. Lack of Leadership Support: The lack of intervention from the company's leadership, including the managing director and head of quality, perpetuated the communication breakdown between Mr. Ali and Mr. Nan. Their inaction failed to address the underlying issues and contributed to project delays and inefficiencies.

**Strategies:**

To address the communication challenges within Company A and foster a culture of effective communication, the following strategies are recommended:

1. Leadership Development: Provide leadership training and development programs to enhance communication skills, emotional intelligence, and conflict resolution abilities among senior management, including Mr. Ali. Encourage a participatory leadership approach that values input from all team members and fosters collaboration and mutual respect.
2. Generational Sensitivity Training: Offer training and awareness programs to promote understanding and appreciation of generational differences in communication styles and preferences. Encourage intergenerational collaboration and communication to leverage diverse perspectives and strengths across different age groups.
3. Clear Communication Protocols: Establish clear communication protocols and channels to ensure efficient information flow between different levels of the organization. Encourage open dialogue, feedback, and transparency to foster a culture of communication and collaboration.
4. Conflict Resolution Mechanisms: Implement formal conflict resolution mechanisms to address interpersonal conflicts and communication breakdowns promptly and constructively. Provide mediation and coaching support to help employees resolve conflicts and rebuild trust and rapport.

**Conclusion:**

In conclusion, effective communication is essential for success in the construction industry, as demonstrated by the case of Company A. By addressing communication breakdowns, bridging generational gaps, and fostering a culture of collaboration and openness, organizations can enhance project outcomes, improve operational efficiency, and cultivate a conducive work environment conducive to innovation and growth. Embracing these strategies will empower Company A to navigate communication challenges effectively, drive project success, and sustain its position as a leading player in the Malaysian construction industry.Top of Form

**Prepared by: P.Sreenivasulu Reddy, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-28**

AMS Fertilizers is a 11-year-old fertilizer manufacturing company in Punjab, decided to expand their business in 3 other states namely Karnataka, Tamilnadu and Assam where the product is having good demand. They planned to approach farmers directly to understand their demands and also the dealers in the said state to establish the products.

Mr. Aditya who is looking after the HR department of AMS was been called by Mr. AM Singh. He informed Aditya that, “Aditya today I am excited as we are expanding our business in other parts also. So, I want you to identify best candidates for our marketing department who can establish our products in the new market”. He continued, Aditya I want 3 best marketing candidates in place within a week. Don’t wait for any further order complete the task in a best possible way.” Mr. Aditya also started his work with immediate effect.

He finalized 3 best candidates namely Mr. Kushwa, Mr. Dev and Mr. Bowmick. All the three candidates were having good experience and excellent track record in top fertilizer companies. After Recruitment Mr. Aditya introduced them to Mr. AM Singh thereafter Mr. Singh assigned with their duties.

**Challenge to MR. Aditya**

After a month Mr. AM Singh called Mr. Aditya and started a heated argument as follows, “Aditya I believed you and asked you to recruit 3 best candidates, Once you finalized I didn’t had a second thought, I placed them for the task and you blasted all my dreams”. Confused Aditya asked in a polite voice “But sir I brought best candidates, I am not able to understand the issue sir. I didn’t even get the opportunity to meet them after I left them in your cabin”

Mr. Singh said “OK, let me explain you clearly. Except Mr. Bowmick who is placed in Assam, both of your other 2 candidates could not bring any business, they failed and are in verge to give up themselves. So, Mr. Aditya tell me what should I do now. Why should I pay you if you are unable to do even a basic HR job?”

1. What went wrong in the case.
2. Who is at fault Mr. Singh or Aditya or the 2 failed candidates
3. How the fertilizer company can come out of this issue.
4. What are the HR concepts that you can correlate with this case?

**Analysis Report:**

**Title:** **HR Challenges in Identifying and Retaining Marketing Talent**

Introduction: AMS Fertilizers, an established fertilizer manufacturing company based in Punjab, embarked on an ambitious expansion plan targeting states with high demand, namely Karnataka, Tamil Nadu, and Assam. The company aimed to directly engage with farmers and dealers in these regions to establish its products. However, despite meticulous recruitment efforts by Mr. Aditya, the HR department head, the newly hired marketing candidates failed to meet expectations, leading to a confrontation between Mr. Aditya and Mr. AM Singh, the company's leadership.

**Problem Identification:**

1. Recruitment Mismatch: The selected candidates, Mr. Kushwa and Mr. Dev, despite having impressive backgrounds, failed to deliver results in their assigned territories. This highlights a potential gap between the candidates' skills and the demands of the new markets.
2. Lack of Oversight: Mr. AM Singh entrusted the entire recruitment process to Mr. Aditya without providing adequate oversight or follow-up mechanisms. This lack of supervision may have contributed to the misalignment between candidate capabilities and market demands.
3. Performance Evaluation: There seems to be a deficiency in the company's performance evaluation system, as the underperformance of the hired candidates went unnoticed until Mr. AM Singh's confrontation with Mr. Aditya. A robust performance monitoring mechanism could have detected early signs of struggle and allowed for timely intervention.
4. **What went wrong in the case:**

Several factors contributed to the failure in this case:

* Recruitment Mismatch: Despite Mr. Aditya's efforts, there was a disconnect between the skills and capabilities of the recruited candidates and the demands of the new markets. This suggests a possible oversight in assessing the candidates' suitability for the specific challenges of each territory.
* Lack of Monitoring: There appears to have been a lack of ongoing monitoring and performance evaluation after the candidates were hired. Without regular feedback and support, the candidates may have struggled to adapt and perform effectively in their assigned roles.
* Inadequate Support: The candidates may not have received sufficient support, training, or guidance to navigate the complexities of entering new markets. This lack of support could have hindered their ability to establish relationships with farmers and dealers and generate business effectively.
1. **Who is at fault: Mr. Singh, Aditya, or the failed candidates:**

Responsibility can be attributed to multiple parties in this scenario:

* Mr. Singh: As the leader of the company, Mr. Singh bears responsibility for entrusting the recruitment process to Mr. Aditya without adequate oversight. Additionally, his reaction to the candidates' underperformance suggests a lack of understanding or support for the challenges they faced.
* Mr. Aditya: While Mr. Aditya may have diligently conducted the recruitment process, he could be faulted for not sufficiently assessing the candidates' suitability for the specific demands of the new markets. Additionally, he may have failed to establish proper mechanisms for monitoring and supporting the candidates after they were hired.
* Failed Candidates: The candidates themselves may bear some responsibility for their failure to adapt and perform in their new roles. However, without proper support, training, or guidance, their chances of success may have been significantly diminished.
1. **How the fertilizer company can come out of this issue:**

To address the current challenges and prevent similar issues in the future, AMS Fertilizers can consider the following steps:

* Conduct a thorough analysis of the recruitment process to identify any gaps or shortcomings in assessing candidate suitability for the new markets.
* Implement a structured onboarding and training program to provide candidates with the necessary skills and knowledge to succeed in their roles.
* Establish clear performance metrics and regular monitoring mechanisms to track candidates' progress and provide timely feedback and support.
* Foster a culture of learning and development within the organization, encouraging candidates to continuously improve their skills and adapt to changing market dynamics.
* Encourage open communication and collaboration between HR, leadership, and employees to address any issues or concerns promptly and effectively.
1. HR concepts correlated with this case:

**4.Several HR concepts are relevant to this case:**

* Recruitment and Selection: The process of identifying, attracting, and selecting candidates with the right skills and capabilities for specific roles is crucial for the success of any organization, especially during periods of expansion.
* Training and Development: Providing candidates with the necessary training and development opportunities to enhance their skills and knowledge is essential for their success in new roles and their long-term growth within the organization.
* Performance Management: Establishing clear performance metrics, monitoring mechanisms, and feedback processes is essential for evaluating candidates' progress, identifying areas for improvement, and ensuring alignment with organizational goals.
* Employee Engagement: Engaging candidates from the outset and providing them with the support, resources, and opportunities they need to succeed can improve their morale, motivation, and commitment to the organization.

**Suggestions:**

1. Root Cause Analysis: Conduct a thorough examination to identify the underlying reasons for the candidates' failure to perform. This may involve assessing factors such as market dynamics, competitor strategies, and the candidates' adaptability to new environments.
2. Training and Development: Provide comprehensive training programs to equip the marketing candidates with the necessary skills and knowledge to thrive in their respective territories. Tailored training modules should focus on market analysis, customer engagement techniques, and effective sales strategies.
3. Performance Management System: Implement a robust performance management system that includes regular feedback sessions, performance reviews, and goal setting. This will enable proactive identification of performance issues and facilitate corrective actions to course-correct as needed.
4. Market Research and Strategy Adjustment: Conduct in-depth market research to gain insights into local preferences, competitor strategies, and demand patterns. Based on these findings, refine the company's marketing strategies and tailor product offerings to better align with customer needs and market dynamics.

**Conclusion:** The challenges faced by AMS Fertilizers underscore the importance of strategic recruitment, continuous performance monitoring, and adaptive management practices. While Mr. Aditya's recruitment efforts may have been diligent, the mismatch between candidate capabilities and market demands highlights the complexity of expanding into new territories. Moving forward, AMS Fertilizers should adopt a holistic approach that combines targeted training, robust performance management, and market-driven strategies to overcome current setbacks and position itself for sustainable growth in the future.

**Prepared by: Dr.S.Arun Kumar, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-29**

Harsha and Franklin both of them are postgraduates in management under different streams from the same B-School. Both of them are close to each other from the college days itself and the same friendship is continuing in the organization too as they are placed in the same company, Hy-tech technology solutions. Harsha placed in the HR department as employee counsellor and Franklin in the finance department as a key finance executive. As per the grade is concerned both are at the same level but when responsibility is concerned Franklin is holding more responsibility being in core finance.

By nature, Harsha is friendly in nature and ready to help the needy. Franklin is silent in nature ready to help if approached personally and always a bit egoistic in nature. They have successfully completed 4 years in the organization. And management is very much satisfied with both of them as they are equally talented and constant performers.

Harsha felt that now a day’s Franklin is not like as he uses to be in the past. She noticed some behavioural changes with him. During general conversations, she feels that Franklin is taunting her that she is famous among the employees in the organization, on the other hand, he is not even recognized by fellow employees.

One morning Mr. Mehta General Manager Hy-tech technology solutions shocked while going through the mail received from Franklin about his resignation. Mr. Mehta called Harsha immediately and discussed the same as she is close to Franklin. By hearing the news Harsha got stunned and said that she does not know this before she also revealed here current experience with him. Mr. Mehta who does not want to lose both of them promised her that he will handle this and he won’t allow Franklin to resign.

In the afternoon Mr. Metha took Franklin to Canteen to make him comfortable after some general discussion he starts on the issue. Franklin, after some hesitation, opened his thinking in front of Mr. Mehta. The problem of Franklin is

1) When he comes alone to canteen the people from others don’t even recognize him but if he accompanied by Harsha he gets well treated by others.

2) one day Both of them entered the company together the security in the gate wished them but the next day when he came alone the same security did not do so.

3) Even in meetings held in the office, the points raised by Harsha will get more value so many times he keeps silent in the meeting.

It happens to Franklin that he has to face such degradation in each day of work which totally disturbs him. Franklin also questioned that” Harsha and myself have the same qualification, from the same institute, passed out in the same year both with first class. We have the same number of experiences in this organization. Moreover, the responsibilities with me are more valuable than those of Harsha. After all these things if I am been ignored or unrecognized by the fellow employees my ego does not allow me to continue here”.

By listening to this statement Mr.Metha felt that it is not going to be very difficult to stop his resignation. Mr. Mehta explained Franklin the reasons for such partial behaviour of the employees.
After listening to Mr. Mehta Franklin said sorry for his reaction and ready to take back his resignation. And he called Harsha and spoke with like before.

**Question:**

Find the reason that Mr. Mehta would have given to Franklin.

**Analysis Report:**

**Title:** **"Equity Unveiled: Navigating Workplace Dynamics at Hy-tech Technology Solutions"**

**Introduction:** The dynamics of workplace relationships and perceptions significantly impact employee satisfaction and productivity. In this case study, we explore the challenges faced by Franklin, a talented finance executive at Hy-tech Technology Solutions, who experiences feelings of marginalization and discontent. Despite his qualifications and contributions, Franklin perceives a disparity in recognition and treatment compared to his colleague, Harsha. The situation prompts the need for a thorough examination of the underlying issues and the implementation of strategies to address Franklin's grievances, thereby fostering a conducive work environment.

**Problem Identification:**

1. **Perceived Favoritism:** Franklin perceives a sense of favoritism towards his colleague, Harsha, leading to feelings of exclusion and inadequacy.
2. **Lack of Recognition:** Franklin feels unnoticed and unappreciated by his peers, especially when not accompanied by Harsha, impacting his morale and motivation.
3. **Underappreciated Contributions:** Despite his valuable contributions, Franklin believes his opinions and ideas are undervalued in meetings, exacerbating his sense of dissatisfaction.

**Strategies Required:**

1. **Raise Awareness of Unconscious Bias:** Implement training programs to raise awareness of unconscious biases among employees and encourage inclusive behaviors and equal treatment.
2. **Promote Visibility and Networking:** Encourage Franklin to actively engage with colleagues, participate in networking events, and showcase his contributions to garner recognition and respect.
3. **Enhance Assertiveness Skills:** Provide Franklin with opportunities for assertiveness training to empower him to confidently present his ideas and opinions in meetings, ensuring his voice is heard and valued.

**Conclusion:** Addressing Franklin's grievances requires a multifaceted approach aimed at fostering inclusivity, recognition, and equal opportunity in the workplace. By raising awareness of unconscious biases, promoting visibility and networking opportunities, and enhancing assertiveness skills, Hy-tech Technology Solutions can create a more equitable and supportive work environment. Ultimately, proactive measures to address workplace discontent not only retain valuable talent like Franklin but also contribute to a positive organizational culture conducive to employee satisfaction and productivity.

**Prepared by: Dr.T.Navaneetha, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form

**CASE STUDY-30**

Case Study: **Optimizing Production Costs at TechGear Inc.**

**Introduction:**

TechGear Inc. is a prominent manufacturer of electronic gadgets, renowned for its innovative products in a rapidly evolving market. However, the company faces significant challenges in optimizing its production costs amidst market fluctuations and intensifying competition. This case study delves into TechGear's cost and management accounting practices to identify opportunities for cost reduction and efficiency enhancement.

**Problem Identification:**

1. **Market Fluctuations:** TechGear operates in a volatile market characterized by unpredictable demand and fluctuating prices of raw materials and components, posing challenges in cost forecasting and budgeting.
2. **Intensifying Competition:** With the emergence of new competitors and technological advancements, TechGear faces pressure to reduce costs while maintaining product quality and innovation.
3. **Production Inefficiencies:** Inefficient production processes, wastage of resources, and suboptimal utilization of equipment contribute to escalating production costs and reduced profitability.

**Analysis of Cost and Management Accounting Practices:**

1. **Cost Classification:** TechGear utilizes a comprehensive cost classification system to categorize costs into direct materials, direct labor, and manufacturing overheads. However, there is a need to further analyze and allocate overhead costs to accurately determine product costs and profitability.
2. **Standard Costing:** The company employs standard costing to establish predetermined costs for materials, labor, and overheads. However, deviations from standard costs indicate potential inefficiencies that require investigation and corrective actions.
3. **Variance Analysis:** Variance analysis is conducted to compare actual costs against standard costs and identify discrepancies. However, the analysis should be performed more frequently and comprehensively to address cost overruns promptly.
4. **Activity-Based Costing (ABC):** TechGear can benefit from implementing activity-based costing to allocate overhead costs based on the activities that consume resources. This approach provides a more accurate understanding of the cost drivers and facilitates informed decision-making.
5. **Cost Control Measures:** The company should implement cost control measures such as lean manufacturing principles, just-in-time inventory management, and supplier cost negotiations to reduce production costs and enhance efficiency.

**Strategies for Cost Reduction and Efficiency Enhancement:**

1. **Streamlining Production Processes:** TechGear should conduct a thorough review of its production processes to identify bottlenecks, eliminate non-value-added activities, and improve workflow efficiency.
2. **Investment in Technology:** The company should invest in advanced manufacturing technologies, automation, and robotics to enhance productivity, reduce labor costs, and minimize production errors.
3. **Supplier Collaboration:** Collaborating closely with suppliers to negotiate favorable terms, streamline supply chains, and implement vendor-managed inventory systems can reduce procurement costs and enhance supply chain efficiency.
4. **Employee Training and Engagement:** Providing training programs to employees on cost awareness, quality improvement, and waste reduction can empower them to contribute to cost-saving initiatives and foster a culture of continuous improvement.
5. **Customer Value Analysis:** Conducting customer value analysis to identify the most profitable products and customer segments allows TechGear to focus resources on high-value offerings and optimize product mix.

**Conclusion:** Optimizing production costs is imperative for TechGear Inc. to maintain competitiveness and sustain profitability in a dynamic market environment. By leveraging effective cost and management accounting practices, implementing strategic cost reduction initiatives, and fostering a culture of innovation and efficiency, TechGear can navigate challenges, enhance operational performance, and achieve long-term success.

**Prepared by: V.Bhagyamma, Assistant Professor, Dept of MBA, AITS, Rajampet.**Top of Form