Indian Institute of Management Lucknow

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According to the laws of aerodynamics, the bumblebee can’t fly either, but the bumblebee doesn’t know anything about the laws of aerodynamics, so it goes ahead and flies anyway.

- Igor Sikorsky

In this Issue:
ABSTRACT

Biocon has started as a joint venture in 1978 and today it is one of India’s largest, fully integrated biopharmaceutical enterprises, focused in healthcare. Its subsidiary Syngene International is a custom research company and Clinigene International is a clinical research organization. The key issue is Biocon’s strategy to emerge as a global biotechnology company. In its effort to find a global footprint, the case analyses, Biocon’s balancing the strategic decisions between generics business versus innovative drug development, short term cash flows versus long term growth, expanding business versus becoming a takeover target and retaining leadership position in India versus entering the overseas market.

ABSTRACT

India is facing severe infrastructure deficit. The country remains far below the world average in terms of both quantity as well as quality of infrastructure. Extending access to infrastructure services to both businesses and households especially the poor ones will be critical to sustaining the country’s high economic growth, and ensuring that its benefits are shared with the country’s large number of poor. Providing access to infrastructure to all would require huge investments in addressing the deficit. Given the huge investment requirement and government’s limited resources, it is essential to explore the scope for plugging this deficit through public private partnerships in all areas of infrastructure like roads, railways, airports, seaports, power, water, and sanitation. To attract significant private investment in the sector, the economic environment needs to be improved through providing more secure policy environment, protection to property rights, and tackling issues related to pricing and subsidy particularly in power and water sector. It is equally important to improve the performance and accountability of the public sector in managing
investments and providing infrastructure services. The country can also explore the possibility of having energy trade with neighboring countries to fill the gap between its demand and supply of energy. Bhutan and Nepal have hydropower or hydrocarbon resources far in excess of their energy needs. Energy import from Bhutan and Nepal would help India to meet its soaring energy demand. Energy trade would also enhance national energy security by diversifying energy forms and supply sources. It would also benefit the environment. Large import of hydroelectric power from Bhutan and Nepal can reduce the increase of carbon dioxide emissions from India.

Jena, Debashish and Srivastava, Rajiv, "Multi-stage Hybrid Re-entrant Flow Shop Planning with Application to Aluminum Flat Rolled Product", paper presented and has been published in the proceedings of the POMS - 21st Annual Conference, held at Vancouver, Canada during May 7 to May 10, 2010

ABSTRACT

Dynamic demand, higher product variety and the high cost of scrap loss call for a predominantly MTO strategy for aluminum rolled products, as opposed to their steel counterparts, despite similarities in manufacturing process. For the real life case under study, aluminum rolled product manufacturing system can be broadly characterized as hybrid re-entrant flow based multi-stage system. Each stage has its distinct processing structure and associated constraints. In addition, individual stages may have one or a combination of complex features, such as sequence dependence, batching/splitting, re-entrant workflow; bypass/missing operations, and so on. The resultant capacity degradation leads to frequent delayed deliveries and poor order commitment performance. We propose a general precedence based mathematical formulation, which is unique in terms of its multi-stage architecture, task level granularity, re-entrant work flow in metal industry. Besides serving as an advanced planning interface between marketing and production, it provides interesting insights with respect to capacity sensitive planning.

WORKING PAPERS


ABSTRACT

Electronic Reverse Auctions (eRA) enable suppliers to compete on-line in real time and are changing the way firms and their consortia select and behave with their suppliers worldwide. Their importance from supply chain perspective cannot be overstated. The growing adoption of eRA has motivated the present work. Based on multiple case studies, this paper investigates eRA implementation experiences across a diverse group of firms and sectors in
India with the goal of gaining insights into reactions and tactics of suppliers and suggesting suitable countermeasures. The data observed and analyzed include written documentation, archival records, physical artifacts and unstructured interviews with key eRA personnel. We find that eRA work best in a competitive, high capacity marketplace and are the dominating strategy when the focus is on low search cost per supplier, when the percent reduction over time in the price offered by the current supplier is low, when the product is standardized and when the suppliers are available at a global level. Finally, we provide detailed and concise guidelines for managers and directions for future research.

BOOK PUBLISHED


ABOUT THE BOOK:

An attempt has been made in the study to distil experiences of the NREGA in the six states namely, Andhra Pradesh (South), Gujarat(West), Madhya Pradesh (Center), Orissa (East), Uttar Pradesh (North) and Haryana and identify critical issues and concerns that need immediate attention of policy makers and implementers. The study is based on both primary and secondary data collected from the field and government sources. In all, data have been collected from 21 Districts, 43 Blocks and 108 villages consisting of 1960 participant households and 1420 non participant households. The performance has been assessed with regard to the three broad domains of Planning, Implementation and Impact. The parameters considered for assessing planning and implementation include awareness on the provisions of rights and entitlements of the programme; processes adopted in issuing of job cards; provisions regarding application for works; worksite practices; payment of wages; social audit. Impact assessment is based on Participant and Non-participant approach. Impact of the programme is carried out at three levels; Household level, Intra-household level and Village level.

The study has revealed that the implementation apparatus is inadequate and ill-capacitated. We have identified this as an important reason for several operational lacunae. The main deficiency identified has been the lack of adequate administrative and technical manpower at the Block and GP levels, especially the Programme Officer, Technical Assistants, and Employment Guarantee Assistants. Lack of manpower adversely affected the preparation of plans, scrutiny, approval, monitoring and measurement of works, and maintenance of the stipulated records at the block and GP level. Besides affecting the implementation of the scheme and the provision of employment, this also impacted adversely on transparency, and made it difficult to verify the provision of the legal guarantee of 100 days of employment on demand. Creating adequate technical capacities at the field level is also identified as critical for the success of NREGA. Strengthening of the national, state and local support structures has been recommended. Need for participatory
planning which should allow for asset creation with distributive benefits under the scheme has been underscored.

Also for a programme such as NREGA, awareness generation is perhaps the key to effective planning and implementation of the programme, not only to create conditions for articulation of demand for work (as well as other entitlements), but also for facilitating participatory and decentralized planning, and thereby realize the developmental potential of NREGA through appropriate selection of productive assets useful for the community. Successful implementation of any scheme is dependent on a very efficient financial management. If delays in transfer of funds are avoided and monthly squaring of accounts at different levels is done to maintain financial accountability and transparency is maintained; there would be increased efficacy in implementation of the scheme.

Notwithstanding with the above observations, the authors are convinced of the potential of NREGA and its role in poverty reduction and employment creation leading towards inclusive development goals of the country. A well implemented NREGS could potentially herald a revolution in rural governance through its unprecedented mechanisms for transparency, social audit and e-governance- a truly participatory democracy at the grass roots level. This all could take time as does shaking off decades of inertia.

International Business Environment By Sukumar Nandi ISBN: 9780070680159, Pub Date: APR-10, Publish Status: In Stock, Copyright Year: 2010

ABOUT THE BOOK:

With corporations increasingly assuming transnational and multinational character, and nations continually forging cross-border economic linkages, the knowledge of changing domestic macroeconomic environments of foreign countries and their implications for businesses has become imperative for the successful operation of international business activities.

Written by a seasoned economist with rich teaching, research and consulting experience, International Business Environment presents a broad overview of international business environment, international finance and international management.

The book discusses:
• Current global business landscape particularly the aftermath of Sub-prime crisis, structure and strategies of MNCs, and government policies
• Functioning of and recent developments in global financial system
International flow of commodities, services and capital

Divergent socio-cultural norms of countries and their business implications

Dynamics of corruption and negotiation in international business

Lucidly explaining and evaluating theoretical issues and their actual and potential applications, as well as contemporary developments, the book is useful for students and professionals alike.

OTHER ASSIGNMENTS

- Prof. RAINA, R.L. has joined the Board of Governors of Galgotia Business School, as its Member with effect from April 15, 2010.


- Prof. Samir K Srivastava has joined as a Member of National Advisory Committee for the upcoming 43rd Annual Convention of The Operations Research Society of India and International Conference on "Operations Research for Urban and Rural Development" ORSI2010, during 15th to 17th December, 2010. Details can be seen at http://www.tce.edu/orurd2010/index.htm

EDITORIAL ASSIGNMENTS

Samir K Srivastava has joined as a Member of Editorial Advisory Board (EAB) of Logistics Times, a monthly from Aksharganga Media Pvt. Ltd.

MANAGEMENT DEVELOPMENT PROGRAMMES

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<td>Agribusiness Management for faculty members teaching Agribusiness Courses (sponsored by NAIP-ICAR)</td>
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<td>Decision Making, Problem Solving and Creativity</td>
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<td>MDP on Management &amp; Strategic Control of Projects through Leadership Excellence for the Executives of National Informatics Centre</td>
<td>Prof. N K Gupta &amp; Prof Ajay Singh</td>
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**FROM THE PRESS**

**Seoul has lessons for India on Games**

Security threats are the main concern in this part of the world, so it is high time everyone—from the home ministry to state governments to the ordinary citizens—pursue steps to face the challenges.

New Delhi has not been able to use these Games—and others—strategically to develop different parts of the country. From the First Asian Games in 1951 to the 1982 edition, from the 2010 hockey World Cup to the CWG, the venues have always been Delhi.

Each event requires a task force that integrates smoothly with others. National policies are involved in the country's political leader who should set aside differences and work jointly to ensure that the Games are a resounding success.

In India, there has been a case of missed opportunities. New Delhi has been able to secure Games in sports and other events to develop different parts of the country. From the First Asian Games in 1951 to the 2010 hockey World Cup, the venue has always been Delhi. Even so, India could still derive significant benefits from the CWG.

It could capitalize on the global attention to its economy. It could also use the event to promote tourism and attract visitors. The CWG was an opportunity to showcase India's potential to the world and to attract foreign investment. The Games also served as a platform to promote India's cultural heritage and to strengthen diplomatic relations. The CWG provided an opportunity to showcase India's cultural diversity and to promote Indian culture worldwide.

The CWG was also a chance to demonstrate India's commitment to sustainable development. The Games were held in a city that has been working towards becoming a green and sustainable urban environment. The CWG was an opportunity to showcase India's progress in this area and to set an example for other countries.

The CWG was also a chance to demonstrate India's commitment to gender equality. The Games provided an opportunity to showcase India's progress in this area and to set an example for other countries. The CWG was also a chance to demonstrate India's commitment to social justice. The Games provided an opportunity to showcase India's progress in this area and to set an example for other countries.

The CWG was also a chance to demonstrate India's commitment to peace and security. The Games provided an opportunity to showcase India's progress in this area and to set an example for other countries.
Ground Reality

Supply chains are influenced by regulatory and economic environment, available infrastructure and competition. Globalization of businesses, increasing uncertainty of supply chain networks, proliferation of product variety and shortening of product life cycles have forced firms and policymakers worldwide to focus on supply chains and India is no exception.

India’s PPP GDP at $3.548 trillion in 2009 makes it the fourth largest economy by volume. Industry and academic estimates put supply chain spend in India at approximately 13% of GDP. Global estimates for this vary and are around 13% of GDP in China and about 9% of GDP in the US. The Indian infrastructure comprising roads, railways, airports, seaports, ICT and energy production is poorer as compared to other developed and developing countries.

The Growth Competitiveness Index survey conducted by the Geneva-based World Economic Forum (WEF) for 2009-10 puts India at 49th position among 133 countries in its Global Competitiveness Report. Similarly, the 2009 World Competitiveness Year Book, compiled by the Switzerland-based International Institute for Management Development (IIMD), shows that India’s ranking in international competitiveness is 51st among 58 countries.

The transportation cost in India accounts for nearly 40% of the cost of production, with more than half the goods being moved by road. Trucking accounts for nearly 70% of transportation and 60% of all logistics cost. Road is followed by rail and coastal shipping respectively. Though enormous maritime routes are available, this probable cheapest mode of transport is barely used due to poor government policies and lack of initiative from the private sector.

Air as a mode is limited to a small percentage of counter shipments. The proliferation of global majors in various industry verticals has heralded the arrival of international supply chain service providers into the country.

Transporters are upgrading themselves to become logistics solution providers. Many Indian business majors too have shown inclination to manage the group logistics in a unified manner to realize the benefits of consolidation efficiencies. These LSPs are expanding their basket of services, looking beyond storing and transportation of products and raw materials and focusing on related services such as inventory management, customs clearing and forwarding, labeling and packaging, fleet management, light assembly, kitting, repairs, reverse logistics, etc.

Dynamic engagement is developing between stock and fulfillment in warehousing services. There is a growing trend towards implementation of ICT. However, ICT implementation is costly and many times has not been utilized to its full potential.

It is really disheartening to note that for most firms, forecasting is still not based on PoS data. Concepts like Vendor Managed Inventory (VMI), revenue sharing and long-term contracts are exceptions rather than norms. Information among supply chain partners is shared only selectively.

A high degree of operational efficiency and cost efficiency is desirable to provide the much needed competitive edge to various supply chains in India. Establishing trustworthy relationships among supply chain partners is very important to establish effective and efficient supply chains.

Redesigning facilities network after implementation of GST is both a challenge and opportunity in sectors like FMCG and consumer durables. Benchmarking and learning good supply chain practices should be encouraged by government, industry associations and other stakeholders. Government should move from a regulator’s role to a facilitator’s role.

Further, as supply chains and businesses start focusing on ‘Planet, People and Profits’ simultaneously, sustainability is likely to emerge as the new metric for the supply chains. This will require monitoring internal operations of firms and those of their suppliers in a different perspective.
Cat baton switches to IIM, Lucknow

And there's a longer testing window to provide candidates with more choices, writes Kamalika Bhattacharya

THE Common Admission Test, India's most coveted management entrance gauge, will this year be conducted by IIM, Lucknow. For the past two years, this prestigious examination was conducted by IIM, Ahmedabad, in association with IIM, Bangalore, and it handed over Cat convener responsibility to the IIM, Lucknow, faculty on 1 June, which will officiate with IIM, Kolkata, with Himanshu Rai being convener of this year's exam.

The process for the 2010 examination has already been set in motion and Prometric, the leading global provider of comprehensive testing and assessment services, is pleased to announce that in partnership with the Indian Institutes of Management, preparation is well underway.

Improvements have been made in the preparation, registration and delivery areas to enhance the overall experience for candidates. Prometric has reviewed all the processes and technology employed during Cat 2009, including the protocol that ensured successful administration during the final days of testing. It has also reviewed the performance of the sites used during last year's procedure, partners and, most importantly, candidate feedback.

“We are currently engaged in finalising the list of local technology partners who will work with us in the areas of site readiness, test administration and onsite technical support,” said Soumitra Roy, managing director, Prometric, India. The Cat 2010 programme incorporates information from the comprehensive audit that was conducted before last year's Cat administration. The plan includes a longer testing window to provide candidates with more choices, a longer test site preparation period, improved technology for both registration and delivery and a reduction in testing sites to ensure a higher quality test experience for all candidates. The reduction in sites will not compromise the nationwide reach and availability of the test.

“We are taking every step possible to ensure successful administration for Cat 2010 candidates. To avert potential overlaps in schedule with college exams, Prometric has recommended an earlier testing period. The dates and details on registration and scheduling will be announced officially by the IIMs,” Roy added.
The Indian Institutes of Management (IIMs) are busy updating and revamping the existing curriculum for their two-year flagship post-graduate programme (PGP). They typically conduct a comprehensive review of the syllabus every 3-4 years to incorporate developments and changes in industries and the economy. The aim is to ensure that they teach the latest and best in management practices.

This year, the updated curriculum at IIMs will include subjects that have been the trademark of the respective institutes while simultaneously introducing subjects which identify a trend in business management programmes across the globe. Moreover, care will be taken that the course is liked by students while being at par with other overseas institutes to facilitate a smooth transfer during student exchange programmes and cross-cultural learning.

IIM Calcutta (IIM-C), for instance, has used student and employer feedback to plan and develop new courses for its academic year. Pramodh Krishna, chairman of PGP at IIM-C, says: "In the current academic year, we are adding around three new courses in the finance group. In the marketing group, we are adding marketing theory and contemporary issues along with courses in marketing for the bottom of the pyramid." For financial modelling, IIM-C intends to invite faculty from US-based business schools to help develop competence in course modelling and restructuring.

IIM Indore, on its part, has rejigged its curriculum. L.V. Ramana, chairman of PGP, IIM Indore, says: "From this academic year, all compulsory courses in PGP will be part of the first year syllabus, while the second year will be more elemental. We have also updated the course material and introduced new courses in the second year curriculum." IIM Indore has also made compulsory courses more relevant and fine-tuned the sessions and sequencing in the courses. The new curriculum is on the basis of inputs the institute collected from leading business schools abroad.

Likewise, IIM Kashipur intends to have more optimal courses and core courses. Debasish Chatterjee, director, IIM Kashipur, says: "We are going through a thorough revamp of the curriculum with the help of business schools abroad. It would take around six months for us to get a skeletal structure in place. We would implement the revised curriculum from next academic year.

IIM Kashipur intends to design a curriculum that would be futuristic so that it can address the management needs for the next two to three years. The current curriculum is such that it does not reflect some of the concerns of the industries. Industry demands have shifted over the last few years. So we have to rejig the curriculum," says Chatterjee.

IIM Lucknow (IIM-L), on its part, is in the process of updating its syllabus which would reflect reality and would be more issue-oriented. It will also include courses on ethics.

Devi Singh, director, IIML, says: "From this academic year, we are introducing new courses and topical workshops. We are also changing our pedagogy." IIM-L consults its alumni and faculty to revamp its syllabus.

Meanwhile, based on student, recruiter and industry feedback, IIM Bangalore (IIM-B) is in the process of reviewing its existing curriculum. The aim is to ensure the courses offered are futuristic and groom management graduates in tackling the future business agenda.

Triptan Sasidharan, dean academic, IIM-B, says: "We are introducing a new set of electives for the second year. A review of the existing curriculum is under process to anticipate what kind of courses and management grooming is required for our students in future."

IIM Ahmedabad, which revamped its syllabus recently, has introduced the slot system instead of the term system. Arunabh Karmakar, PGP chairman of IIM-A, said: "The slot system ensures greater flexibility to courses. We have also made ethics a compulsory course for the first year. We are currently reviewing the curriculum after the revamp to fine-tune it further and identify what other improvements are needed."
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