



E-NEWS LETTER

Faculty of Management Science

LATEST MANAGEMENT UPDATES

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MARKETING PLAN OF NESTLE

INTRODUCTION

Nestle is the Swiss transnational food and beverage company, which is the largest food company across the globe in terms of its revenues. The company is preparing vast range of products in which baby milk, ice cream, baby food, breakfast cereals, bottled water, coffee, dairy products, frozen food, snacks and pet foods. This company has started its business from the condensed milk and it was used in place of fresh milk. The company started preserving milk and kept the ingredients safe in their packing and it gained much popularity among the people in short time.

The company started various other brands, which are 64 in number and they are provided for the customers to provide them with great quality and these are also good with its nutritious quality. The company also maintained its different manufacturing plants in other countries and spread its business to earn more revenue. Now the food products of this company are available in all leading markets of the world and the people can find it and they can use it without any hesitation. The company is going to introduce various other brands to show different products, which can be prepared and they can be provided in all markets.

NESTLE SWOT ANALYSIS

Nestle Strength

- The food brand has been doing business in market for over 140 years.
- It is considered world biggest food brand and it is included in fortune 500 list.
- The brand has considerable global reach in over 86 countries.
- The brand has employed over 328,000 people across the world.
- The brand has maintained wide product range like pet food, baby food, beverages, dairy product, pharmaceuticals and confectionaries.
- The brand has various subsidiaries brands like Kit Kat, Maggi, Boost, Haagen-Dazs and Nescafe.
- The brand has maintained large R&D network, which is busy in carryout research and development work and also busy in innovation.
- The brand has maintained strong supply chain network.
- The food brand adopted strong marketing and advertising campaign.
- The company has done some mergers and acquisitions and also makes the joint ventures to enhance its market share.
- The company initiates the CSR activities for the environment protection, rural development, water conservation.
- The brand enjoys strong brand loyalty and brand recall.

Nestle Weaknesses

- Nestle is the big global brand but it has to face different controversies in the countries, where their operations are being carried out and they can cause issues.
- The brand has strong competition with other food brands in market.

Nestle Opportunities

- The food brand needs to introduce more health base food products and give awareness among the customers.
- The company needs to tap its business in the rural markets.
- The brand needs to expand its business in developing countries as there is huge customer base in these countries.
- The food brand needs to make more joint venture and acquisitions to enhance their market share.

Nestle Threats

- There is increase in the cost of raw materials for the preparation of the products.
- The brand has to face strict competition in product segment.
- The company fails in maintaining complex supply chain.
- The brand faces economic instability and inflation in most of the countries.

- The company has to face EURO zone crisis and the company earns more revenue from Europe.

Marketing Objectives

Nestle does the analysis of the products and it also helps to carry out different studies about its products. The brand is working hard to know the eating trends of people and the necessity of the food items, which people like to eat eagerly. The company is spreading its business in almost all regions across the world and its business is getting attention of its clients. The research work is also being carried out to know the basic objectives and the trend of food in people.

Marketing Segmentation

The market is looking for the basic food trend among the people and Nestle is providing its food products to the clients relating to different segments of society. As the food items are cheap so they can be available to people of all classes and these are also available with great ease. The food brand keeps in mind the different sections of people and their requirements before launching of their food products.

Target marketing

Nestle is expanding its market in different regions of the world and these food items are provided in different variety. The

company is looking for new market including the rural areas, where these food products can be made available through their effective and quick distribution channels. The food brand is providing its food products in the target market and it needs to meet the requirements of the clients.

Product Differentiation & Positioning

Nestle has prepared its food products in vast range, in which juices, yogurt, milk, butter and other food items are included. The products of this brand have great quality and they are getting popular among its clients. Nestle is the market leader in the food products and the quality of the food products is unique and wonderful. The food brand has unique position and the good quality food items or ingredients are used to make these food products, which can have long shelf life and they can be used for longer time and these can also be preserved.

Marketing Mix

Place

The products of Nestle are available in all leading stores in big and small cities. The distribution system of these products is very impressive and it can help the company to provide its products in the market in time. The company is now focusing on the latest

distribution system to provide the food products in the remote areas or in the rural markets.

Price

The food products of this company are provided at the affordable rates, which can be little bit expensive but the company does not compromise over the quality of its products. The pricing policy is maintained to focus the cost of the products and other charges are also included in its price. The clients can buy these quality products at the reasonable rates and they can enjoy with the high quality and taste of the food items of this global brand.

Promotion

The company has maintained its policy for the promotion of its products. The company gets advertised its products in the newspapers and commercial in electronic media. The company has maintained its reputation by giving all necessary information about their products and they are also made available to the clients in wide range.

Marketing Strategy

Nestle wants to spread its products in all small and big markets. The brand has to give attention on the rural markets and the remote areas, where big chunk of population is living and they are still

deprived of the products of this company. The company is focusing on its distribution channel to provide its products in the local market in time so that the local clients can get these products easily.

Return on Investment

The company is providing help the clients to provide their products and it has invested some amount on different services. The company invests amount on its manufacturing, taxes and other charges and it can also get the return over the investment by extending the sale of its products and earns good profit.

Source:<http://marketingdawn.com>

Mr. S. K. Suman
Assistant Professor

STUDENT ARENA

Amazing Shocking Facts of India

1. Though India is a country of multiple regional and local languages but in terms of English speaking countries in the world, it ranks number 2, yes, India is second largest English speaking country in the world, 10% of Indians can speak in English which is about 125 million people.
2. According to the Guinness Book of World Records, India ranks third behind the USA and the UK in the number of records claimed each year. In 2011, India made the third greatest number of record applications to Guinness World Records – behind only U.S. and United Kingdom.
3. Indians widely describe Gandhi as the father of the nation .The title "The Father of the Nation" for Gandhi is not an official title and has not been officially accorded by Government of India. An RTI query filed by a 10-year-old girl from Lucknow in February 2012 revealed that PMO has no records of ever according such title to Gandhi. MHA and National Archives of India also communicated of not having any records. Origin of this title is traced back to a radio address (on Singapore radio) on 6 Jul 1944 by Subhash Chandra Bose where Bose addressed Gandhi as "The Father of the Nation". On

28 Apr 1947, Sarojini Naidu during a conference also referred Gandhi as "Father of the Nation". The RTI applicant had also pleaded for Gandhi to be officially declared as "Father of the Nation" to which the MHA informed that Gandhi cannot be accorded with the title by Government of India since the Indian constitution does not permit any titles except educational and military titles.

4. Right to maintenance— Maintenance is a right to livelihood when one is incapable of sustaining oneself. Right to maintenance forms a part of the personal law. Obligation of a husband to maintain his wife arises out of the status of the marriage. Hindu law, one of the most ancient systems of law, recognizes right of any dependent person including wife, children, aged parents and widowed daughter or daughter-in-law to maintenance. The Hindu Adoptions and Maintenance Act, 1956, provides for this right.
5. India's first floating Post office is on Dal Lake in Srinagar, the first of its kind in the country. It was inaugurated by Minister of State for Communications and IT Mr. Sachin Pilot and Chief Minister of Jammu and Kashmir Mr. Omar Abdullah on August 22'2011.This innovation by India Post is the star attraction for the tourists visiting the lake.

Besides offering normal services, the place will also have a philately museum and a shop that will sell postage stamps and other products. It functions from 10 am to 6 pm on all days including Sundays during the tourist season.

6. The world's biggest family: The man with 39 wives, 94 children and 33 grandchildren, India He is head of the world's biggest family – and says he is 'blessed' to have his 39 wives. Ziona Chana also has 94 children, 14-daughters-in-law and 33 grandchildren. They live in a 100-room, four storey house set amidst the hills of Baktwang village in the Indian state of Mizoram, where the wives sleep in giant communal dormitories.

Source: <http://www.reckontalk.com>

Ashutosh Sahu
(2016-18 Batch)

70th Independence Day: Amazing facts to know about Independent India!

1. National flag was hoisted first on August 7, 1906 at the Parsee Bagan Square in Calcutta. The flag was composed of horizontal strips of red, yellow and green. The red strip at the top had eight white lotuses embossed on it in a row. The green strip had a white sun on the left and a white crescent and star on the right.

2. The name 'India' is derived from the River Indus, the valleys around which were the home of the first inhabitants of India. The Sanskrit name for India is Bharat Ganarajya. That is the reason why it is also called Bharat. The name "India" comes from the Indus River, which is where earliest settlers made their homes.
3. The current flag has three colours in it. The top strip saffron stands for courage and sacrifice; the middle portion white for peace, truth, purity and green for faith, fertility and chivalry. The Ashok Chakra at the centre of the flag — righteousness.
4. India never invaded any country in her last 100000 years of history.
5. It is said that the first version of the current national flag was made by Pingali Venkayya at Bezwada in 1921. It was made up of two colours-red and green-representing the two major communities. Gandhiji suggested the addition of a white strip to represent the remaining communities of India and the spinning wheel to symbolize progress of the Nation.

Source: <http://www.indiatvnews.com>

Pooja Singh
(2015-17 Batch)

FACULTY ARENA

Indian Business Environment

In the business map of the world, India has a place of prominence as a developing country and an emerging prosperous business location for coming years. Since its independence as a democratic country, India has witnessed many milestones in the history of its business. The opening up of the economy and resultant liberalization has accelerated the pace of economic growth and development and paved the way for the present business climate as an internationally acclaimed and investible country.

Indian economy has been growing by more than 9% for the last three years except some share market fluctuations due to the economic turmoil in the global market. It reduced poverty by 10% by virtue of the endless efforts and poverty alleviation programs for many years. Basically, India is an agrarian economy and 60% of the total population are engaged in agriculture and allied activities. However, the country has been concentrating now-a-days more on industrialization and developing talented human resources to meet the global man power requirements.

The present essay tries to investigate into the business prospects of India as a developing country. The essay takes a

descriptive approach where the strengths weaknesses of the country as a business location have been described in the context of the opportunities and threats of the larger external environment of the country. **Economic Environment** Despite the economy has been growing since the last several years, there have been growing concerns about rising inflation and stock market slow down due to the impact of the economic downturn across the world.

The economic survey of India 2007 reveals that the economy has been showing a rising trend over the last 20 years; however there are issues for the country to bother about for business enterprise. The survey reports that though the service sector in the country is witnessing a growth pattern and finding opportunities across the world, especially in the Information and Communication Technology, the manufacturing sector does not seem to be prosperous and promising.

The growing population is an attracting factor for business organization as the country has been emerged as the second largest country in terms of population among the rest in the world. **Cultural and Sociological Environment** When we talk about the cultural aspects of the country as an opportunity or otherwise for doing business in the country, it is well known to all that the country has a long and well

admired culture as a reflection of various norms, values and standards and status and religious matters.

Therefore, it is imperative that one visiting the country must have some idea regarding the business ethics and customs followed by the Indian people in doing and managing business organizations. Having a good grasp on Indian business culture ensures that one should achieve in maintaining a well-earned affinity with his business counterparts or competitors with a positive attitude. In India general rule to accept the strangers as a norm 'namaste' forms an important part of Indian etiquette and is generally used while greeting and saying good-bye.

The folded hands are positioned under the chin and accompanied with an obeisance. But, educated Indian men and women, who are familiar with western civilization, have a preference shaking hands. It is the means of treating the acquaints by Indians. Good treatment of and consideration to women does play a crucial role in India. A man should give respect to women in the society. When we are in public places, societal conventions dictate that you don't make the first move towards a conversation with a woman. Political and legal environment It mainly affects the Indian business culture.

When you are planning to start a multinational company business, some sort of political patronage is an absolute necessity to get the permission and for registration procedure. Not only for safeguarding the interest of the company but even to begin the process of getting the required sanctions, one requires hold in the high officials of politics and administrative sections. Indian economy is highly plural and optimistic. It is the biggest democracy in the world with multi party political system. In population, India is second to China, with nearly 1300 million people. This is the most important consumer market in the world.

It is a fast developing world. India is the third largest economy in the world and second fast growing economy in Asia. It has the tremendous potential of development with huge intellectual human force. With all these advantages and the huge market potential, world super entrepreneurs are looking for business establishments in India. When talking about legal environment of business in the country, it is better to say that the rules and regulations are not so rigid as compared to other countries. Governments impose laws to protect the home industry from cut-throat competition and to survive the domestic players in the country.

They impose different kinds of tariffs, enter into agreements and sign treaties to protect

indigenous industry and promote local trade. Infrastructural Environment Infrastructure is fundamental to the growth and development of any country. The business operations and its smooth flow depend largely on a country's infrastructural environment and its development. Comparing to the developed countries of the world, India's infrastructural environment is not conducive for businesses, especially for ones that aim for global operations. In a recent survey, India is ranked the highest inadequate infrastructure country conducted in Vietnam in 2008.

When talking about technological developments in the country, it is growing as new market players are coming to the Indian market and bringing their technologies to the Indian market. It helps to the foreign players to do the business in India to improve business relationships and communications through a better understanding of the management culture of Indian organizations. India does have a pool of well trained and high skilled work force; she also houses a 350 million strong middle class which commands a formidable spending power.

Increasing the high net worth people in India has the fourth largest billionaire population in the world – makes it even more attractive as a high end products and

luxury goods in to the market. More than this a vibrant democracy, it has enjoyed relatively higher firmness than other countries in its neighborhood. From an entrepreneur's perspective, bureaucratic issues like company registration period, paper work, licensing issues and tax and other incentives also plays an important role in the global business environment. Impact of Globalization

Globalization has brought many challenges for the Indian economy as a whole, especially in business. The biggest and ever ending challenge is global competition. In order to overcome this challenge the organization should have the required skill and resource to compete with the global firms, which are competent enough to face any challenges and obstacles. As far as the business structure is concerned, there are different players in the country such as public, private, multinational companies, international consulting firms.

The Impact of the Globalization of economy, politics, information, and technology, results in the globalization of culture and the country has become a well-structured and passing the information as a whole. The present day TV channels, movies and advertisements are open to all parts of the world imparting modern education that transforms the values, ethics, religion, and thought processes of

the mankind irrespective of the region and religion. The Globalization mainly influences on the financial condition as well as the industrial sector of a particular nation especially developing countries like India.

Globalization gives birth to markets based on industrial productions across the world. This will lead to widen the access to a diverse variety of foreign commodities for consumption of the customers, owing to the marketing strategies undertaken by different corporate world. Privatization came in to force in the year 1991. The main impact of privatization is that it has changed the structure of the national economy. Privatization involves denationalizing the economy and passing state-owned enterprises into private hands.

Ownership change has also necessitated the changing the system of industrial relations and the structure of corporate. More than one-third of the indirectly privatized companies were privatized with the participation of foreign capital. A majority of these enterprises operated in the area of industrial processing and, in particular, food and beverage production. Those operating directly as privatized enterprises in the country comprises of industrial processing, construction and commerce. The assets of privatized enterprises were usually transferred to

employee-owned companies for use against remuneration.

The largest number of enterprises liquidated for economic reasons were those operating in the area of industrial processing and the construction industry (Effects of Globalisation) After the liberalization of Indian economy, many international players have entered the market. After identifying the opportunities in the Indian market they have also started showing interest in the Indian business environment and in finding out effective ways of doing business as well as managing people in their Indian operations.

They have understood that many of the management practices and managerial styles as applied in their home country cannot be transplanted exactly in the same manner in the Indian market. The role of culture as it relates to norms, values and behavior patterns has become increasingly important in the field of management issues and doing business in India. The Indian constitution provides the freedom for religion and the Government respects this practices. The foreigners suggested that India is a best country to expanding the business.

Source: <http://businessays.net>

Mr. Sushil Kumar Gupta
Asst. Professor

FMS HIGHLIGHTS

INDIPRENEUR-2016, The Business plan competition –

The first round of state level business plan competition, INDIPRENEUR- 2016 was organized and coordinated by FMS, SRMSCET in collaboration with Dr. A.P.J. Abdul Kalam Technical University, Lucknow on October 5th, 2016 for under graduate and post graduate students.



22nd October, 2016 was the day for the final round of this competition. Fifteen student teams had made the cut to become finalists in the Business Plan Competition and competed to win first position having cash prize of Rs. 5,000.



These finalists pitched their business concepts to a panel of Honorable judges that included Dr. A.K. Sarkar (Dean and HOD, Master of Business Administration, MJPRU, Bareilly), Er. Subhash Mehra (Trust Administrator, SRMSCET) and Prof. (Dr.) Anant Kumar Srivastava (Principal, SRMSCETR).



Student team from Khandelwal College of Management Science and Technology, Bareilly grabbed the first position having cash prize of Rs. 5000. Winning team included Karan Verma, Tarab Nafees and Umang Agarwal. Student team (Shantanu Kushwaha, Soumik Chaterjee, Sanchita Gupta and Kushagra Varshney) from SRMS Institute of Medical Sciences, Bareilly became the first runner up and got cash prize of Rs. 3000. Student team (Avi Khanna, Ayush Agarwal, Amol Agarwal and Vedang Tyagi) SRMS Institute of Medical Sciences, Bareilly secured the second runner up position and won a cash prize of Rs. 2000/.



The competition proved to be a valuable learning tool, giving students which is often their first experience in recognizing a market need and designing a business plan from the ground up. The competition also gave students a chance to connect with judges, alumni, and other industry leaders who can provide the guidance and capital necessary for students to launch their businesses.



The event marked the influential presence of respected Chairman of SRMS Trust, Shri Dev Murti Ji who shared few experiences of his journey as an edupreneur, gave guidance and inspired all the participants with his strong message.





Mr. Anubhav Saxena, Assistant Professor, Faculty of Management Science, SRMS gave his expert suggestions on “Quality concept in sales” in the Faculty seminar that was organized on 18th October, 2016. This seminar marked the enthusiastic participation of all the FMS faculty members.

Faculty Development Program

There are two main weapons available to the companies in the market: price and quality. If company is increasing price for the product, it has to provide premium quality but still demand can go down. On the contrary, if company is focusing on quality, without increasing the price, the demand will upsurge. Hence, quality builds sales. Sometimes, guarantee and warranties also help in case of a new product. So, quality should be especially designed into the production order to increase the sales.

MANAGEMENT CLUB

A **solidarity team game (Game-PIPELINE)** was organized by FMS management club for MBA students on October 20th, 2016.



It was a teambuilding activity where each participant got one short length of half pipe, and the group worked together to deliver a marble down the pipes from start point to finish. The game required a high level of communication and teamwork.



It was a fun activity that was much enjoyed and helped to build group problem solving & communication skills in the participants.

Winners of this activity were

1st Position- Sanu Gupta, Anshu Rani, Abhishek Khandelwal

2nd Position- Karishma Chandra, Ashish Vijjan, Shashank Singh

3rd Position- Nikita Singh, Anshika Sharma, Ashutosh Sahu

Sectoral Presentation

In the array of sectoral presentations, on 17th October, 2016 Prof (Dr.) Anant Kumar Srivastava, Principal SRMSCETR gave valuable insights on IT industry. This presentation was attended by MBA first year and final year students. Dr. Srivastava helped the students to understand the current trends in IT industry and also to know the various career opportunities that this sector provides.



MANAGEMENT THINKER

William Edwards Deming



William Edwards Deming (1900-1993) is widely acknowledged as the leading management thinker in the field of quality. He was a statistician and business consultant whose methods helped hasten Japan's recovery after the Second World War and beyond. He derived the first philosophy and method that allowed individuals and organizations to plan and continually improve themselves, their relationships, processes, products and services. His philosophy is one of cooperation and continual improvement; it avoids blame and redefines mistakes as opportunities for improvement.

Life and career

Born in Iowa in 1900, Deming's modest upbringing in an early settler community was to instill habits of thriftiness and a dislike of waste which was to influence his later thinking. His University career started at the University of Wyoming where he

achieved an engineering degree in 1921, followed by a Masters in mathematics and physics from the University of Colorado. He completed his studies at Yale University in 1928, where he was awarded a doctorate in mathematical physics. Deming then concentrated on lecturing and writing in mathematics, physics and statistics for the next 10 years.

In the late 1920s Deming became familiar with the work of Walter Shewhart, who was experimenting with the application of statistical techniques to manufacturing processes. Deming became interested in applying Shewhart's techniques to non-manufacturing processes, particularly clerical, administrative and management activities. After joining the US Census Bureau in 1939 he applied statistical process control to their techniques, which contributed to a six-fold improvement in productivity. Around this time, Deming started to run courses for engineers and designers on his - and Shewhart's - evolving methods of statistical process control. At Stanford, Deming taught the Stanford statistic training program to nearly 2,000 people in a couple of years, using the Shewhart Cycle for Learning and Improvement and the PDCA Cycle.

Deming's expertise as a statistician was instrumental in his posting to Japan after the Second World War as an adviser to the

Japanese Census. At this time, the USA was the leading economic power, with products much envied by the rest of the world; it saw no need for Deming's new ideas. The Japanese, on the other hand, recognized that their own goods were shoddy by international comparison. Moreover, after the war, they could not afford the wastage of raw materials that post-production inspection processes brought about and were consequently looking for techniques to help them address these problems. Whilst in Japan, Deming became involved with the Union of Japanese Scientists and Engineers (JUSE) and his career of lecturing to the Japanese on statistical methods and company-wide quality: a combination of techniques now known as Total Quality Management (TQM) had begun.

It was only in the late 1970s that the USA became aware of his achievements in Japan. The 1980s saw a spate of publications explaining his work and influence. In his American seminars during 1980, Deming talked of the need for the total transformation of the Western style of management. In 1986 he published *Out of the crisis* which documented the thinking and practice that had led to the transformation of Japanese manufacturing industry. Just before he died in 1993 he founded the W. Edwards Deming Institute.

Summary

Deming's work and writing constitute not so much a technique, as a philosophy of management, Total Quality Management, that focuses on quality and continuous improvement but which has had - justifiably - a much wider influence.

Here we will consider Deming's interest in variation and his approach to systematic problem solving which led on to his development of the 14 points which have gained widespread recognition and which are central to the quality movement and his philosophy of transformational management. Deming's seven deadly diseases of management and his use and promotion of the PDCA cycle, known to many as the Deming Wheel, are described below:

Variation and problem solving

The key to Deming's ideas on quality lies in his recognition of the importance of variation. In *Out of the Crisis* he states:

The central problem in management and in leadership...is failure to understand the information in variation'.

Deming was preoccupied with why things do not behave as predicted. All systems (be they the equipment, the process or the people) have variation, but he argued that it is essential for managers to be able to

distinguish between special and common causes of variation. He developed a theory of variation - that special causes of variation are usually easily attributable to quickly recognizable factors such as changes of procedure, change of shift or operator etc., but that common causes will remain when special causes have been eliminated (normally due to design, process or system). These common causes are often recognized by workers, but only managers have the authority to change them to avoid repeated occurrence of the problem. Deming estimated that management was responsible for more than 85% of the causes of variation. This formed his central message to the Japanese.

Deming's 14 points for management

Deming created 14 points which provide a framework to developing knowledge in the workplace and can be used to guide long term business plans and aims. The points constitute not so much an action plan as a philosophical code for management. They have been extensively interpreted by as many commentators on quality, as on other management disciplines.

Deming's 14 points

1. Create constancy of purpose toward improvement of product and service, with the aim of becoming competitive, staying in business and providing jobs.

2. Adopt the new philosophy. Western management must awaken to the challenge, must learn their responsibilities and take on leadership for change.
3. Cease dependence on mass inspection. Build quality into the product from the start.
4. End the practice of awarding business on the basis of price tag alone. Instead, minimize total cost. Move towards a single supplier for any item, based on a long-term relationship of loyalty and trust.
5. Improve constantly and forever the system of production and service to improve quality and reduce waste.
6. Institute training and retraining.
7. Institute leadership. The aim of supervision should be to lead and help people to do a better job.
8. Drive out fear so that everyone may work effectively for the company.
9. Break down barriers between departments. People in research, design, sales and production must work as a team, to foresee and solve problems of production.
10. Eliminate slogans, exhortations and targets for the workforce as they do not necessarily achieve their aims.
11. Eliminate numerical quotas in order to take account of quality and methods, rather than just numbers.
12. Remove barriers to pride of workmanship.
13. Institute a vigorous program of education and re-training for both the management and the workforce.
14. Take action to accomplish the transformation. Management and workforce must work together.

Deming's seven deadly diseases of management

Here, Deming describes the main barriers faced by management to improving effectiveness and continual improvement. He was referring here to US industry and their management practices.

1. Lack of constancy of purpose to plan products and services that will have a market and keep the company afloat.
2. An emphasis on short term profits and short term thinking (just the opposite from constancy of purpose to stay in business), fed by fear of unfriendly takeover, and by demand from bankers and owners for dividends.
3. Evaluation of performance and annual reviews.
4. Mobility of managers and job hopping.
5. Management by use only of available data.
6. High medical costs.
7. High costs of liability.

Deming said that effective management and a commitment to quality were needed to combat these seven deadly diseases. He emphasized the importance of communicating quality messages to all staff and building a belief in total quality management.

The relevance of these principles to a wider general management application has contributed to Deming's status as a founder of the Quality Management movement, not just quality and process control. This is why he interests an audience that is much wider than the quality lobby.

PDCA Cycle (The Deming Wheel)

Walter Shewhart originated the concept of the PDCA cycle and introduced it to Deming. Deming promoted the idea widely in the 1950s and it became known as the Deming Wheel or the Deming cycle.

The PDCA (Plan-Do-Check-Act) cycle consists of four steps or stages which must be gone through to get from 'problem-faced' to 'problem solved.' Repetition of these steps forms a cycle of continual improvement:

- Plan for changes to bring about improvement.
- Do changes on a small scale first to trial them.

- Check to see if changes are working and to investigate selected processes.
- Act to get the greatest benefit from change.

In perspective

Naturally enough, no one as universally acclaimed as Deming will escape without criticism. Some have criticized his approach as being good for improvement, but uninspiring for creativity and innovation. Others say his approach is not effective for generating new products or penetrating new markets.

Others, particularly Joseph Juran, another quality guru, comment on an over-reliance on statistical methods. Deming's US lectures in the 1980s, however, point time and time again to a mistaken preoccupation with the wrong type of statistics. He argued against figures focusing purely on productivity and control and argued for more evidence of quality, a message which Tom Peters adopted in the 1980s and 1990s.

Deming has stirred up wide interest with his denial of Management by Objectives and performance appraisals. Similarly, his attitude towards integrating the workforce has led TQM to be perceived as a caring philosophy. Paradoxically, his focus on

cost-reduction has been pointed to as a cause of downsizing.

Although in the 1980s the US paid tribute to Deming - not only for what he did in Japan, but also for his thinking and approach to quality management - few American companies used his methods. One reason for this is perhaps that by the 1980s Deming was selling a system that worked, that he implied that he had discovered the only way to achieve quality, and that he was no longer alert to changes in the problems. In Japan, in the beginning, he had listened to Japanese needs and requirements, showed them respect and developed his thinking with them. With the USA in the early 1980s, he appeared to try to dispense his philosophy rather than adapt it to a different culture.

In 1951, in early recognition of their debt to Deming, the JUSE awarded the Deming prize to Japanese organizations excelling in company-wide quality. It was not until the late 1980s that the US recognized Deming's achievements in Japan and elevated him rapidly to guru status. The 1990s showed Deming's legacy is likely to have both a lasting and significant impact on management theory. Why is this?

The first reason must lie in the nature of his achievement. Deming has been universally acclaimed as one of the Founding Fathers

of Total Quality Management, if not the Founding Father. The revolution in Japanese manufacturing management that led to the economic miracle of the 1970s and 1980s has been attributed largely to Deming.

Secondly, if the 14 points make less of an impact today than they did just after the Second World War in Japan, it is probably because many aspects of those points have now been adopted, assimilated and integrated into management practice in the 1990s as well as continuously debated and taught in Business Schools around the world.

The third reason is more complex, and lies in the scope of his legacy. Deming's 14 points add up to a code of management philosophy which spans the two major schools of management thought which have dominated since the early 20th century: scientific (hard) management on the one hand, and human relations (soft) management on the other. Deming succeeds - despite criticisms of overuse of statistical techniques - in marrying them together. Over half of his 14 points focus on people as opposed to systems. Many management thinkers veer towards one school or the other. Deming, like Drucker, melds them together.

The originality and freshness of Deming is that he took his philosophy, not from the world of management, but from the world of mathematics, and wedded it with a human relations approach which did not come from management theory but from observation, and from seeing what people needed from their working environment in order to contribute of their best.

Source: <https://mbsportal.bl.uk>

Ms. Shruti Gupta
Asst. Professor

UPCOMING EVENTS

- Eninov Systems Pvt. Limited is conducting a placement drive on 7th & 8th November, 2016
- Berger Paints India Limited is conducting a placement drive on 9th November, 2016
- SynapseIndia Outsourcing Pvt. Limited is conducting a placement drive on 12th November, 2016