



# E-NEWS LETTER

## Faculty of Management Science

### **LATEST MANAGEMENT UPDATES**

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#### **SWOT Analysis of HP**

Hewlett-Packard Company is busy in providing latest and unique technology of computer hardware, which is great addition in IT and technology. The products of this company are durable and they have the sturdy shapes, which are excellent for the home users, government institutions, and large corporate sector and for the students. This company is providing its hardware products to its clients being working in public sector division, small and medium size entrepreneurs and home makers, who want to maintain the daily work.

#### **HP Strengths**

- HP Company has extensive number of employees, which are over 3, 50,000 across the world.
- HP Company has maximum market shares, which are working in the PC market.
- The company has maintained its consumer centric approach to make it a trustworthy choice to buy the hardware products.
- The company provides excellent after sale service to the clients on their products and this system can help to maintain and develop the good relationships with their customers.
- HP Company has capability to bring new designs and various innovative products are introduced in the market, which are available at affordable rates.
- The company has maintained excellent distribution network all over the world.
- The company has diversified product portfolio.

## HP Weaknesses

- HP Company has to face intensive competition over sale of its products and the market share growth is slow.
- The company has to face the problem of face products and imitations, which can affect the sales of its products.
- The company is still lagging behind the other companies in the digital entertainment market.
- The company has poor presence in the tablet market.
- 29% of the total income earns from the personal system division.

## HP Opportunities

- When the clients have awareness in the IT industry, the scope of the use of desktop and laptops is also increasing.
- The company has the opportunity to grow in the service industry due to its 'EDS, which is considered world no.2 service provider.
- The company can increase the service and enterprise solutions divisions.
- There is consistent increase in the demand of the cloud based services.

## HP Threats

- Now people are aware about the cost of the products and services, so the products margin is becoming narrow.
- If the cost of the products and services is reduce, then pricing of the products becomes an important issue.
- If there are many local competitors in the market, then market will face problems in settling the component pricing.
- The competition among the companies become so intensive that it causes the

economic downturn and the growth of revenue is reducing.

- Rapid technological changes in the market can create problem for hardware companies.

Source: <http://marketingdawn.com>

**Anshu Rani**

**(2016-18 Batch)**

## **STUDENT ARENA**

### **What is LIFE?**

Life is a Struggle; we should Face it,

Life is a Battle; we ought to Fight it,

Life is a Problem; we should try to Solve it,

Life is a Challenge; let's accept and Win it,

Life is a Race; let's Run it,

Life is full of Pain; let's Bear them out,

Life is a Frustration; let's change it into Joy,

Life is a Short Span; let's try to achieve Maximum,

Life is Mathematics; add your friends, subtract your enemies, multiply your qualities, divide your sorrow.

**Aram Singh**

**MBA 1<sup>st</sup> Sem**

## “BALANCE SHEET OF LIFE”

Birth is your Opening Stock.

What comes to you is credit.

What comes from you is debit.

Death is your Closing Stock.

Your ideas are your Assets.

Your bad habits are your Liabilities.

Your happiness is your Profit.

Your sorrow is your Loss.

Your soul is your Goodwill.

Your heart is your Fixed Assets.

Your character is your Capital.

Your knowledge is your Investment.

Your age is your Depreciation.

And Finally:

“ALWAYS REMEMBER, GOD IS YOUR AUDITOR”.

Have a Perfect Balance Sheet.

**SHUBHI ARORA**  
**MBA 2016-18 Batch**

## FACULTY ARENA

### Environmental Sustainability in India

Corporate initiatives from Infosys:

A global corporate house from India; Infosys won the number of awards for excellence in various heads including LEED India Platinum Rating award for Two building in 2016, prestigious Microsoft Supplier Program Climate Change Leadership Award, The Green IT company of the year award at the 19th Annual ITASP awards, and the Sustainability Leadership award by India Carbon Outlook.

At Infosys Green initiative team was established in 2008 to reiterate their focus and commitment towards building a sustainable tomorrow. Infosys has adopted several in house management techniques to reduce carbon footprint. They are creating awareness and directing to their employees and vendors to make efficient use of available natural resources and help in their conservation.

Some innovative ideas at Infosys include:

1. Infy TV: A channel for employees to view and discuss video that create awareness and spread the message of Sustainability. The videos on 'Going Green' and 'Social Impact' attracted the attention and interest of Employees and inspired active participation.

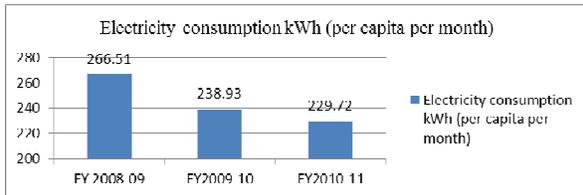
2. Development of Dashboard application 'My Ecological Footprint': This Dashboard is developed by in house developers. Employees are registered with the unique dashboard which is available for all employees as part of their personal information on the intranet.

3.iSmart intelligent power strip by Infosys: iSmart technology not only supply power from an electrical source to devices connected to it in enterprise environment, but also monitor their energy consumption level on a continuous basis. iSmart

power strip uses intelligence and ambience sensors through a wireless network. Users can view and manage energy consumption from their personal computers or mobile devices. This power strip is promoted as an energy management device for enterprise and homes. There is a need of such innovation for betterment of energy conservation.

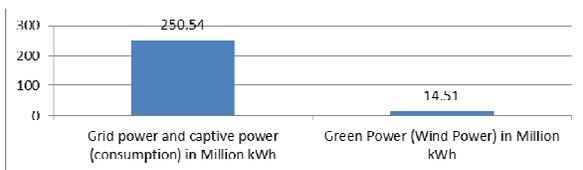
4. Energy conservation and Electric Efficiency:

The total energy consumption in FY 2010-11 was 1,143,813.48 GJ. Main sources are grid power and HSD (High speed diesel). Out of total electricity consumption, around 6% was from renewable energy sources. Company has been able to achieve 13.20% reduction in per capita per month electricity consumption from 2008-09.



Some key initiatives to improve electricity efficiency are: The use of LED lights with sensor, Optimization through reduction in number of light fixtures and replacement of fixtures of higher wattage to lower wattage, Replacement of old equipment in phase, Optimization of UPS based on load, Optimization of operating hours for chillers etc.

Sources of energy consumption in all India operation in FY 2010-11



5. Green Building and LEED certification (Leadership in Energy and Environmental Design): Infosys is also committed to design Sustainable Infrastructure. LEED platinum rating is one of the steps in this direction. LEED Rating is the highest standard for green building by the Indian Green Building Council (IGBC). Two Building in Jaipur and Trivendrum

campus were awarded the LEED platinum rating. All new buildings are designed to be 25% more energy efficient than global energy efficiency standard. All the buildings are designed in such a way so that it reduces solar heat gain.

6. Water conservation: At Mysore campus 8 Artificial reservoirs have constructed with a total water holding capacity of almost 40 million liters and 6 large open wells from which water will be drawn for drinking.

7. Biodiversity: Plantation of around 40000 Trees in the Mysore campus is a benchmark during the FY 2010-11. This sustainable practice has made Mysore campus, home for more than 52 species of birds.

Source: Infosys Sustainability Report 2010-11

**Dr. Satish Ch. Pant and Mr. S.K.Suman**

**Asst. Professor**

**FMS HIGHLIGHTS**

**Faculty Development Programme-**

On January 14, 2017 the **Faculty of Management Science, SRMSCET** organized a FDP on aptitude skills. The objective of this FDP was to share and rejuvenate aptitude orientation amongst faculty members. The focus was to improve upon the practice of aptitude by the use of alternative methods and shortcuts.

As a whole 28 faculty members from different departments participated in this FDP. First technical session was taken by Dr. Suneet Saxena and Dr. Sanjay Kumar while second technical session was taken by Mr. Sushil Kumar Gupta and Mr. Abhishek Gupta , faculty FMS.

This FDP was aimed to achieve the concept of Train the Trainer and helped the faculty members to revive abilities in verbal understanding, quantitative aptitude, numeric and diagrammatic reasoning and

current affairs to be undertaken in forthcoming academic session.

## Management Club

### Poster Making Competition

The Department of Management Studies organized a 'Poster Making' competition for MBA students on January 19; 2017. Two different themes for the competition were Women Empowerment and Swachh Bharat Abhiyan.

The students were asked to express their ideas through paintings, collages or sketches. Total 7 teams in group of 1 to 3 participated in this competition in which three teams were announced as winners (1st, 2nd & 3rd) after the judgment.

Students participated with undying enthusiasm. Colorful posters, creative ideas and passionate portrayal of their views on given themes were very impressive and won the praises of everybody. The winning teams were:

1<sup>st</sup> Position: Indu, Ankush Rathore, Ashutosh Sahu.

2<sup>nd</sup> Position: Bharti Sharma, Nida Irfan, Anshu Rani

3<sup>rd</sup> Position : Mohit Chowbey, Anshika Sharma, Sarita.

### Sectoral Presentation

In continuation of Sectoral presentations, on January 21, 2017 Dr. S.C. Pant from Faculty of Management Science gave a detailed presentation on "Indian agriculture Sector". He told that Indian Agriculture Sector with its 16.11% GDP contribution is still the largest employment provider in the country and around 52% of total Indian population is directly engaged in agricultural activity. Taking it further he added that the sector is divided as input market and output market and in addition to the traditional jobs, has bright career opportunities in the fields of agribusiness and food processing.

Students from the department attended the session enthusiastically as the presentation heightened their awareness of this particular sector in terms of government regulations and career prospects.

Management Olympiad

On January 24th to 25th, 2017 A Management Olympiad was organized by "All India Management Association" in collaboration with "Lucknow University". Students from management department actively took part in this Olympiad and participated in various events like poster making, quiz competition and current affair.

### Facility Update

In the first week of December, two computer systems were installed in the FMS departmental library with a view of giving ease of access to internet to the faculty members.

### Campus Outreach Program

FMS SRMS CET conducted two workshops in two different colleges under its campus outreach program. On January 11, 2017 a workshop on **Effective Communication and Career Counseling** was organized in DRA Government College, Bisauli.

Another workshop was organized in Wilsonia Girls Degree College, Moradabad on January 28, 2017 On **Business Etiquettes**.

### Pool Campus Drive:

A pool campus drive was organized in R.B.M.I Bareilly. MBA Students from FMS SRMS CET, Bareilly participated in this drive and four of them named **BHARTI SHARMA, Indu Kanojia, KRATI SAXENA & Vaibhav Sharma** got placed with VISHAL MEGAMART.

## MANAGEMENT THINKER

### Michael Eugene Porter



In an age when management gurus are both lauded by the faithful and hounded by the critics, Michael Porter seems to be one of the few who is well-accepted both academically and in the business world. Though he has his critics, Porter has generally been viewed as at the leading edge of strategic thinking since his first major publication, *Competitive Strategy* (1980), which became a corporate bible for many in the early 1980s.

#### Life and career

Born in 1947, Michael Eugene Porter completed a degree in aeronautical engineering at Princeton in 1969 and took an economics doctorate at Harvard, joining the faculty there as a tenured professor at the age of 26. He has acted as consultant to companies and to governments and, like many academics, has set up a consulting company - Monitor.

#### Porter's Thinking

Porter's thinking on strategy has been supported by precision research into industries and companies, and has remained consistent as well as developmental. He has concentrated on different aspects at different times, spinning the threads together with a logic that is irrefutable.

Before *Competitive Strategy*, most strategic thinking focused either on the organisation of a company's internal resources and their adaptation to meet particular circumstances in the marketplace, or on increasing an organisation's competitiveness by lowering prices to increase market share. These approaches, derived from the work of Igor Ansoff, were bundled into systems or processes which provided strategy with its place in the organisation.

In *Competitive Strategy*, Porter managed to reconcile these approaches, providing management with a fresh way of looking at strategy - from the point of view of industry itself rather than just from the point of view of markets, or of organisational capabilities.

#### Internal capability for competitiveness - the Value Chain

Porter describes two different types of business activity - primary and secondary. Primary activities are principally concerned with transforming inputs (raw materials) into outputs (products), and delivery and after-sales support. These usual line management activities include Inbound Logistics (materials handling, warehousing), Operations (turning raw materials into finished products), Outbound

Logistics (order processing, and distribution), Marketing and Sales (communication and pricing), and Service (installation and after-sales service).

Secondary activities support the primary and include Procurement (purchasing and supply), Technology Development (know-how, procedures and skills), Human Resource Management (recruitment, promotion, appraisal, reward and development), and Firm Infrastructure (general and quality management, finance, planning).

To be able to survive competition and supply what customers want to buy, the firm has to ensure that all these value-chain activities link together and fit, as a weakness in any one of them will impact on the chain as a whole and affect competitiveness.

### The Five Forces

Porter argued that in order to examine its competitive capability in the marketplace, an organisation must choose between three generic strategies: cost leadership - becoming the lowest-cost producer in the market; differentiation - offering something different, extra or special; and focus - achieving dominance in a niche market. The question is to choose the right one at the right time. These generic strategies are driven by five competitive forces which the organisation has to take into account:

The power of customers to affect pricing and reduce margins

The power of suppliers to influence the organisation's pricing

The threat of similar products to limit market freedom and reduce prices and thus profits

The level of existing competition which impacts on investment in marketing and research and thus erode profits

The threat of new market entrants to intensify competition and further impact on pricing and profitability.

In recent years, Porter has revisited his earlier work and emphasises the acceleration of market change that means companies now have to compete not just on a choice of strategic front, but on all fronts at once. Porter has also said that a company that tries to position itself in relation to the five competitive forces misunderstands his approach, since positioning is not enough. What companies have to do is ask how the five forces can help to re-write industry rules in the organisation's favour.

### Diversification

Instead of going it alone, an organisation can spread risk and attain growth by diversification and acquisition. While the blue-chip consulting companies such as Boston Consulting Group (Market growth/market share matrix) and McKinsey (7-S framework) have developed analytical models for discovering which companies will rise and fall, Porter prefers three critical tests for success:

1. The attractiveness test. Industries chosen for diversification must be structurally attractive. An attractive

industry will yield a high return on investment but entry barriers will be high, customers and suppliers will have only moderate bargaining power and there will be only a few substitute products. An unattractive industry will be swamped by a range of alternative products, high rivalry and high fixed costs.

2. The cost-of-entry test. If the cost of entry is so high that it prejudices the potential return on investment, profitability is eroded before the game has started.
3. The better-off test. How will the acquisition provide advantage to either the acquirer or the acquired? One must offer significant advantage to the other.

Porter devised seven steps to tackle these questions:

1. As competition takes place at the business unit level, identify the interrelationships among the existing business units.
2. Identify the core business which is to be the foundation of the strategy. Core businesses are those in attractive industries and where competitive advantage can be sustained.
3. Create horizontal organisational mechanisms to facilitate interrelationships among core businesses.

4. Pursue diversification opportunities that allow shared activities and pass all three critical tests.
5. Pursue diversification through transfer of skills if opportunities for sharing activities are limited or exhausted.
6. Pursue a strategy of restructuring if this fits the skills of management or if no good opportunities exist for forging corporate partnerships.
7. Pay dividends so that shareholders can become portfolio managers.

### National Competitiveness

Why do some companies achieve consistent capability in innovation, seeking an ever more sophisticated source of competitive advantage? For Porter the answer lies in four attributes which affect industries: These attributes are: Factor Conditions (the nation's skills and infrastructure to enable a competitive position), Demand Conditions (the nature of home-market demand), Related and Supporting Industries (presence or absence of supplier/feeder industries), and Firm Strategy, Structure and Rivalry (the national conditions under which companies are created, grow, organise and manage).

These are the chief determinants which create the environment in which firms flourish and compete. The points on the diamond constitute a self-reinforcing system, where the effect of one point often depends on the state of the others and any weaknesses at one point will

impact adversely on an industry's capability to compete.

### The New Strategic Wave

Somewhere between 1980 and 1990 strategic planning came unstuck. Old theories no longer worked as customers became more demanding and changeable, and markets and technologies rose and fell ever more rapidly. Even industries that were once distinct with definable products and services now converged and became blurred. A new wave of more subversive strategic thinking - with Gary Hamel and Strategy as Revolution, and Mintzberg with The Fall and Rise of Strategic Planning - emerged to replace the old rule-book. Porter's main contribution to date - What is strategy? - argues that strategic planning lost its way because managers failed to distinguish between strategic and operational effectiveness and confused the two. The old strategic model - which still held up in the 1980s - was based on productivity, increasing market share and lowering costs. Hence total quality management, benchmarking, outsourcing and re-engineering were all at the forefront of change in the 1980s as the key drivers of operational improvements. But continuing incremental improvements to the way things are done tend, over time, to bring different players up to the same level, not differentiate them. To achieve differentiation means that:

- Strategy rests on unique activities based on customers' needs, customers' accessibility

or the variety of a company's products or services.

- The company's activities must fit and link together. In terms of the value chain, one link is prone to imitation but with a chain, imitation is very difficult.
- Making trade-offs: excelling at some things means making a conscious choice not to do others - a question of being a 'master of one trade' to stand out from the crowd as opposed to being a 'jack of all trades' and lost in the crowd. Trade-offs purposefully limit what a company offers. The essence of strategy lies in what not to do.

### The Internet

In 2001 Porter addressed the assertion that the Internet renders strategy obsolete. He admits that the Internet is in its infancy, but observes that lack of strategy and reliance on Internet technologies to gain market penetration is already proving not to be a sound approach. In a Harvard Business Review article in March 2001 Porter says: 'In our quest to see how the Internet is different, we have failed to see how the Internet is the same' (pp.63-78)

Porter argues that many Internet companies are competing through unsustainable, artificial means, usually propped up by short-term capital investment. He also argues that while the excitement of the Internet appeared to throw up new rules of competition, the first wave of excitement is now clearly over, and the old rules and strategic principles appear to be re-establishing themselves. He gives examples such as:

1. The right goal - healthy long-term return on investment.
2. Value - a company must offer a set of benefits which set it apart from the competition.
3. A company's value chain has to do things differently or do different things from rivals to reflect, produce and deliver that value.
4. Trade-offs - make conscious deliberate sacrifices in some areas in order to excel, or even be unique, in others.
5. All the different components in the value chain must fit together, reinforcing each other to create uniqueness and value: it is this which makes a core competence - something that is difficult to imitate.
6. Continuity - not only from a customer perspective but also in order to build and develop skills that bring competitive edge.

Porter foresees that, as most businesses embrace the Internet, it will become nullified as a source of advantage, while traditional strengths such as uniqueness, design and service relationships will re-emerge. For Porter the next phase of Internet evolution will be more holistic, with a shift from e-business to business, from e-learning to learning, within which the Internet will be a communications medium and not necessarily a source of advantage.

### **In perspective**

It is a mark of Porter's achievement that much of his work on Competitive Strategy, researched in the 1970s, still has high value and relevance in the late 1990s, and still

shapes mainstream thinking on competition and strategy.

While his work is academically rigorous, his ability to abstract his thinking into digestible chunks for the business world has given him wide appeal to both the academic and business worlds. It is now standard practice for organisations to think and talk Value Chains, and the Five Forces have entered the curriculum of every management programme. Porter's later thinking on strategy rides the new wave of revolutionary strategic thinking led by Hamel and links consistently with his earlier work. One suspects that there is not only more to come from Michael Porter, but also that it will be wholly consistent with what he has said in the past.

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

**Ashutosh Sahu**

**2016-18 Batch**