



E-NEWS LETTER

Faculty of Management Science

Editorial Board

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LATEST MANAGEMENT UPDATES

SWOT analysis of Cadbury

Cadbury is one of the topmost **FMCG** brands in India and hence there is no doubt that the strengths and opportunities of Cadbury are far more than it's weaknesses and threats. Let us dwell deeper in the SWOT of Cadbury.

Strengths in the SWOT analysis of Cadbury

World leader – Cadbury is the world's leader in chocolates known to have the best manufacturing and a wide distribution channel, Cadbury has a presence in 200 and more countries.

Powerhouse brands and Products – Cadbury has many strong brands in its product portfolio such as dairy milk, bournvita, oreo, five star and others. The products are high quality products and some of them are cash cows for Cadbury.

• **Brand name, brand equity and Brand loyalty** – Cadbury products are blessed with a fantastic brand loyalty. Due to its marketing and strong branding over the years, the brand equity of Cadbury is also high and hence Cadbury is comfortable charging a premium for its product because of the high brand equity. Finally some brand names within the Cadbury family are known worldwide and are desired by many.

Positioning as gift – The smartest tactic that Cadbury has done over the years with products like dairy milk and celebrations is that these chocolates are positioned for gifting. In fact the recent bournville, has a complete focus on the gifting position. Due to this smart strategy Cadbury has safely differentiated itself from majority of its competitors.

Promotions – With an amazing tag line of “Kuch Meetha Ho Jaye” along with fantastic ATL and BTL activities, Cadbury has one of the

Indian Connect – Cadbury is one of the few brands which connect so well with the Indian diaspora. For Indians, family, friends and love are all important parts of their life. And Cadbury has always focused on emotional marketing to connect with the Indian audience.

Placement and Distribution – Cadbury has a superb distribution strategy in place and like all FMCG companies, it uses the strategy of breaking the bulk. Distributing to 200 countries with a variety of more than 40 variants is not a small feat. And cadbury has been achieving the same for the past many years. It is known to have one of the best FMCG distribution channels in India.

Weaknesses in the SWOT analysis of Cadbury

As mentioned previously, a brand like Cadbury is expected to have much strength and few weaknesses, and the same is the case. Cadbury's weakness is its rural distribution considering India has such a wide rural diaspora which can be covered.

At the same time, A few cases here and there have happened based on the quality of the product where cockroaches or other rodents were found in the chocolate. It is inexcusable for a brand like Cadbury to show such ignorance because such infected chocolates should not leave quality control at all. Thus quality control needs to be strengthened.

Opportunities in the SWOT analysis of Cadbury

Rural markets – What is a weakness can become an opportunity. Penetrating rural markets and distribution in rural markets can be a large opportunity for Cadbury. It is present in foreign countries and a rural presence is much needed for Cadbury which will boost the brands presence and turnover.

New Tastes – Indian consumers have a sweet tooth and they frequently like to eat small chocolates as well as chocolate bars. On top of it, there are various flavors which consumers like. Thus, new tastes and new flavors are an opportunity which Cadbury can generate regularly.

Threats in the SWOT analysis of Cadbury

Cost and price increase – With an increase in fuel cost as well as cost of transportation, distribution cost has gone up. At the same time, the cost of procurement and manufacturing is high as well. Thus, over the years, the constant increase in costing and thereby pricing of the product is a threat to Cadbury as it creates a gap for other companies to enter.

Health consciousness on the rise – Health consciousness is on the rise amongst the Indian population. Many people prefer drinking health juices as well as fruits rather than having chocolates. Every week you will see articles on news papers as well as on blogs which advice against eating chocolate and propagate the benefits of staying healthy. At the same time, many parents have stopped giving chocolates to their kids looking at the adverse affects.

Decreasing importance of festivals – Cadbury has spent years to get the position of a gift on festivals and occasions. What happens when the importance of these festivals drops? The buying of chocolates also drops.

Rising demand of people, growing purchasing power – Nowadays, if you gift a chocolate to children, they are likely to demand a toy car, a bicycle or for a young adult, a computer. Thus, with a rise in purchasing power, the demands of gifts also has gone up in value and just a chocolate will not suffice. This is also a threat for Cadbury.

Source: <http://www.marketing91.com/swot-analysis-of-cadbury/>

Mr. S.K. Suman
Asst. Professor



STUDENT ARENA

Gold! Gold! Gold! Gold!

Gold! Gold! Gold! Gold!
The yellow metal has intrinsic value,
At least that's what we are told.

Gary North says it's so, and he would know.
He's the investment guru of LewRockwell.com,
So it cannot – must not! – be a job of snow.
No!

"A 50% drop in GDP during the first half of
2009.
Gloom! Doom!" cries Karl Denninger. But why,
Did he ban from Market Ticker this poem of
mine?

"In coin shops all political truth can be found."
So says Jeffrey Tucker. But how does he
explain,
Why our golden investments have all run
aground?

Zounds! \$850, \$250, \$1000 and \$700 in thirty
years.
Gold prices are volatile, at least that much is
clear,
I don't get this dizzy after a whole case of
beers!

Gold bugs claim: They've made millions since
1983.
But they're living in plywood shacks in northern
Idaho.
Should we believe what they tell us, or what we
see?

In Moses' time they danced around a golden
calf,
Now Paulistas say, "Gold is money made by
God."
Not much has changed. What a laugh!

Source: <https://allpoetry.com/poems/about/Finance>

Dharmendra Kumar
MBA Batch (2015-17)

Ola Cabs: Success Story

India seems to be going through a 'Taxi'
revolution. Every other day, there is a new start
up offering efficient cab service to the citizens
operating urban and rural life styles. The intra-

city travel has always been a curse for many
individuals, especially in crowded cities
like Mumbai and Bangalore.

While the local trains emerge as an alternative
to shelling out wads of cash for fuel and waiting
in bumper-to-bumper traffic in cosmopolitan
Mumbai, the dangers of travelling by these
trains are innumerable. The distances in
Bangalore crush the spirit out of anyone who
loves to drive, and the traffic makes it terrible to
drive your own vehicle in the city. Ola Cabs is a
taxi service that was started in 2010 in Mumbai
to solve the city's transport woes.

Started by Bhavish Aggarwal and AnkitBhati,
the company now provides taxi services in over
100 cities across the country. You can avail an
Ola Cab extremely easily and their trusted
drivers will get you to your destination hassle
free. The company now houses its office in
Bangalore. Taxi can be booked either through
their website or through a mobile app that is
available for download on Google Play Store
and The App Store.

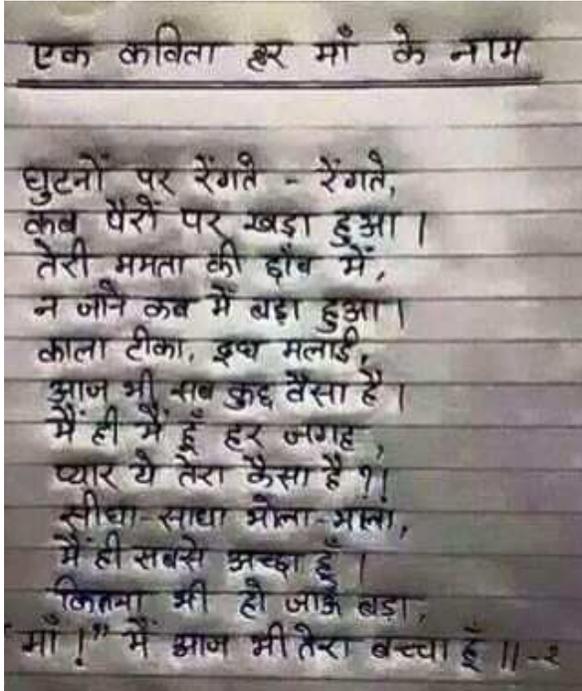
Customers need to create a unique user name
and password which will then help them book a
taxi with ease. The mobile app is by far the
simplest way to book an Ola Cab. The
customer simply needs to turn on their GPS
and the open the app, which indicates all
available cabs near that location. Customers
then have two options: picking the cab right
then or booking one for a later date. Ola Cabs
offer services from the economy level to the
ultimate luxury.

The Inception of Ola Auto The latest
development from Ola is the introduction of Ola
Autos. The frequency of these autos are much
higher than the usual Minis and hence
customers can find an auto within 2 minutes
most of the time.

This service was started on a trial basis in
Bangalore in 2014 and has now been
expanded to Chennai, Delhi etc after the trial
proved fruitful. Easily accessible and
convenient are terms that are synonymous with
Ola Cabs. The option of cashless payment
using the Ola Money facility and its unique
referral program are few characteristics that

have helped this company revolutionize the new local transport in India.

Mohit Chowbey
MBA Batch (2015-17)



Mohit Chowbey
MBA Batch (2015-17)

FACULTY ARENA

Freedom to Fail

“The freedom to fail is vital if you're going to succeed. Most successful people fail from time to time, and it is a measure of their strength that failure merely propels them into some new attempt at success”

-Michael Korda

Freedom to fail means a freedom to discover, venture, experiment and succeed in unexplored terrain. Failure provides an enormous learning prospect and ought to be viewed as very means of triumph. To be truly

responsive, you must give people the freedom to innovate, the freedom to try out new things, the freedom to thrive. That means you must give them the freedom to fail too.

Famous football coach Vince Lombardi once said, "If you can't accept losing, you can't win." Failure brings development as soon as you take a footstep further to discover the way out. It will not at all times be effortless to grow all the way through your failure; it is the only way to really grow as an individual.

Many great successes started out as failures. Like; Columbus botched when he set out to discover a new route to India. He found America instead and since he thought it was India he called the natives "Indians". Champagne was invented by a monk called Dom Perignon when a bottle of wine by coincidence had a secondary fermentation. 3M invented glue that was a failure – it did not stick. But it became the basis for the Post-it note, which was a huge success.

Edison's attitude to 'failure' is salutary and constructive. When asked why so many of his experiments failed he explained that they were not failures. Each time he had revealed a method that did not work.

The point of the examples above is simple: Failure isn't fatal. In fact, it's required. As also said by Michael Jordan that one have to try and instigate the things without getting apprehensive about success or failure; as one had to fail in order to succeed. Even if the failure does not escort directly to a success it can be seen as a stride along the way in the right direction.

Experiencing failure is an inevitable step on your way to success. We often fail but we learn from our mistakes. So, people can search out success out of failure by tracking the following guidelines.

- Recognize and communicate that when you give people freedom and right to succeed, you give them freedom to fail too.
- Distinguish between two kinds of failure – honorable failure where an honest attempt at something new or different has been tried unsuccessfully and incompetent failure where people fail for lack of effort or competence in standard operations.
- Make sure people know that honorable failures will not be criticized.
- Get people admit to or even boast about failures they have had where they tried something innovative that did not succeed. Make these into learning experiences.
- In a culture that is very risk averse and keen to apportion blame take the issue head on by rewarding honorable failures. Publicly praise and reward those who have had them.

The real failures are fear of debut of an idea or commence something new until it is perfect and having surety about success. The complex world of tomorrow will demand mistakes and failures. It is only by trying lots of inventiveness that we can improve our chances to be a star in the multitude. When an explicit “right to succeed” replaces an unspoken “freedom to fail,” deep learning and transformation will occur.

“Each failure is a step along the road to success.”

Ms. Priyanka Khandelwal
Asst. Professor



FMS HIGHLIGHTS

Awards and Medals

Zonal Level Cricket Match- Abhishek Khandelwal, Student of MBA 1st year SRMSFMS participated in a zonal level cricket match series that was played on the grounds of Future Group of Institutions, Bareilly on February 8, 2017. SRMSCET cricket team, he was a part of which won the silver medal.

Antakshari- Zest Annual fest of SRMS group of Institutions was organized on february 18th and 19th, 2017 with much enthusiasm. Various cultural and sports events were planned during this fest in which students participated with zeal. An Antakshari competition was held during the fest. SRMSFMS Team won the second prize in this competition. The team comprised of Ashutosh Sahu, Abhishek Khandelwal, nikita Singh and Tripti Mishra from MBA first year.

Eat The Apple- During Zest, this game was played on 18th february, 2017. Each entrant was given fresh raw apple to consume in the fastest possible time. Manish Saxena (MBA 1st year) won the first prize.

Charcoal Competition- A Fine art (Charcoal Painting) competition was organized on 19th February, 2017 during ZEST. The theme for this art competition was Indian Monuments and participants were asked to use only charcoal as a medium to draw. Ashutosh Sahu (MBA 1st year) painted red fort and grabbed the first prize.

Group Dance-

SRMSCET proudly organized ‘Group Dance Competition on Sunday – February 19, 2017 at Main Auditorium, 3:00pm to 7:00 pm. This was really a unique performance by the Best in the Business. High Voltage Dance Performances were presented by 9 top teams from different trust institutions. This was hailed by more than 500 strong appreciative Spectators. It was full house there was no place to seat including the

audience where standing behind to get a glimpse of it.

KANISHKA was the dance team from SRMSFMS. The team stole the hearts of the audience by it's soulful performance and managed to get third prize. Bharti, Sakshi, Tripti, Akanksha, Nikita, Anshu.... Were the dance team members.

Indian Solo Dance- Bharti Sharma (MBA 2nd year) won the first prize.

Management Club

Discussion on Budget-2017- A discussion on Budget-2017 was organized for MBA students by management club on 2nd of February, 2017 in MBA seminar hall.

The current economic scenario was discussed during the session. Participants looked at the budget with optimism and talked about the four growth drivers that could be very interesting over the next few years including rural India, affordable housing, access to credit and rising exports, which could help India build a sound monetary policy and propel India's growth story in the coming years.

Technological Modification and Reinvention in Existing Gadgets- FMS Technology club planned for a competition Technological Modification and Reinvention in Existing Gadgets on February 9, 2017.

The winning teams were:

1st prize- Indu Kanojia, Sonali, shashank Saxena

2nd prize- Aram Singh, Mudit Dargan, Vaibhav Sharma

3rd prize- Gaurav Mishra, Anshika, Sanjay Verma

Consolation prize- Bharti Sharma, Anshu Rani, Ashutosh Sahu

Sectoral Presentation

On 10th Feb, 2017 a presentation was given by Mr. S.K.Suman on power sector explaining the

importance of power as it is one of the most critical components of infrastructure crucial for the economic growth and welfare of nations and also focused on the existence and development of adequate infrastructure essential for sustained growth of the Indian economy.

On 17th Feb, 2017 a presentation was given by Mr. Abhishek Gupta on the Indian retail industry explaining the importance of retail sector as it has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players. Further he gave important details like- it accounts for over 10 per cent of the country's Gross Domestic Product (GDP) and around 8 per cent of the employment and India is the world's fifth-largest global destination in the retail space.



MANAGEMENT THINKER

Elton Mayo

Professor George Elton Mayo (1880-1949) has secured fame as the leader in a series of experiments which became one of the great turning-points in management thinking. At the Hawthorne plant of Western Electric, he discovered that job satisfaction increased through employee participation in decisions rather than through short-term incentives.

Mayo's importance to management lies in the fact that he established evidence on the value of a management approach and style which, although not necessarily an alternative to FW Taylor's scientific management, presented facts which Taylorites could not ignore.

Background and Career

An Australian by birth, Mayo read psychology at Adelaide University and, in 1911, was appointed lecturer in Logic, Ethics and Psychology (and later Professor of Philosophy), at the University of Queensland.

Anxious to move to the USA for professional reasons, he took a post at Pennsylvania University in 1923. Here, he became involved in one of the investigations which seemed to act as a dry-run for Hawthorne. In one department at a spinning mill in Philadelphia, labour turnover was 250% compared with an average of 6% in other departments of the company. A series of experimental changes in working conditions was introduced in the department, most notably rest pauses. These changes led to successive increases in productivity and the raising of morale. After one year, labour turnover was down to the average level for the company as a whole. It was assumed that the explanation for this improvement was the introduction and modification of rest pauses; this explanation was to undergo substantial modification as a result of Hawthorne.

The Hawthorne Experiments began in 1924, Mayo's involvement in them in 1928, after he had moved to the Harvard University School of Business Administration as Associate Professor of Industrial Research. Later awarded a Chair, he remained at Harvard until his retirement in 1947. During the Second World War, Mayo contributed to the development of supervisor training within his Training within Industry (TWI) programme, which was widely adopted in the USA. The last two years of his life were spent in Britain as an advisor to the British government on problems within industry.

Mayo wrote about democracy and freedom and the social problems of industrialized civilization. It is as the author of Human Problems of an Industrial Civilization which reports on the Hawthorne Experiments, that he is known for his contribution to management thinking, even though he disclaimed responsibility for the design and direction of the project.

Hawthorne

The Hawthorne plant of Western Electric was located in Chicago. It had some 29,000 employees and manufactured telephones and telephone equipment, principally for AT & T. The company had a reputation for advanced personnel policies and had welcomed a research study by the National Research Council into the relationship between work-place lighting and individual efficiency.

The Experiments

The study began in 1924 by isolating two groups of workers in order to experiment with the impact of various incentives on their productivity. Improvements to levels of lighting produced increases in productivity, but so too did reversion to standard lighting and even below-standard lighting in both groups. The initial assumption therefore was that increased output stemmed from variation alone.

Other incentives - including payment incentives and rest pauses - were manipulated at regular

intervals, and although output levels varied, the trend was inexorably upwards. Whatever experimentation was applied, output went up. Although it had been fairly conclusively determined that lighting had little or nothing to do with output levels, the Assistant Works Manager (George Pennock) agreed that something peculiar was going on and that experimentation should continue.

Early deductions - Supervision and Employee attitudes

In the winter of 1927, Pennock invited Clair Turner, Professor of Biology and Public Health at MIT, to consult. Turner quickly resolved that rest pauses in themselves were not the cause for increased output, although it was observed that longer rest pauses gave rise to more social interaction, which in turn impacted on mental attitudes. Turner attributed the rise in output to: the small group; the type of supervision; earnings; the novelty of the experiment, and the increased attention to the experimentees generated by the experiment itself.

Pennock had been among the first to note that supervisory style was important. The supervisor involved in the illumination experiment had been relaxed and friendly; he got to know the operators well and was not too worried about company policies and procedures. Discipline was secured through enlightened leadership and understanding, and an esprit de corps grew up within the group. This was in stark contrast to standard practice before the experiment.

When Pennock invited Turner to participate, he also invited Mayo (although it is unknown whether this was as a result of Mayo's achievements at the Philadelphian Spinning Mill, or because of a desire to involve Harvard). Visits in 1929 and 1930 indicated to Mayo 'a remarkable change of attitude in the group'. Mayo's view was that the Test Room Workers had turned into a social unit, enjoyed all the attention they were getting, and had developed a sense of participation in the project.

In order to understand this further Mayo instituted a series of interviews. These provided the workers with an opportunity to express their views and let off steam. It emerged that they would feel better for discussing a situation even if it did not change. Further exploration into worker complaints revealed that some had little or no basis in fact but were actually symptoms or indicators of personal situations causing distress.

By focusing on a more open, conversational, listening and caring interview approach, Mayo had struck a key which linked the style of supervision and the level of morale to levels of productivity.

Further research - Social Groups

A third stage in the Research program took place in the Bank Wiring Room with a similar application of incentives to productivity. Here it emerged that:

Output was restricted - the group had a standard for output which was respected by individuals in the group;

The group was indifferent to the employer's financial incentive scheme;

The group developed a code of behaviour of its own based on solidarity in opposition to the management, and

Output was determined by informal social groups rather than by management.

Mayo had read the work of FW Taylor who had already established that social groups were capable of exercising very strong control over the work behaviour of individual members (Taylor had called it 'systematic soldiering'). The interesting development which Mayo noted, however, was that whereas in the first set of experiments productivity went up as the experiments progressed, in the other - the Bank Wiring Room - productivity was restricted.

In The Human Problems of an Industrial Civilisation, Mayo wrote:

'Human collaboration in work, in primitive and developed societies, has always depended for its perpetuation upon the evolution of a non-logical social code which regulates the relations between persons and their attitudes to one another. Insistence upon a merely economic logic of production...interferes with the development of such a code and consequently gives rise in the group to a sense of human defeat. This... results in the formation of a social code at a lower level and in opposition to the economic logic. One of its symptoms is 'restriction'.'

The question which needed to be asked, therefore, was 'What was different between the two groups?' . The answer was found to lie with the attitude of the observer - where the observer encouraged participation and took the workers into his confidence, productivity went up; where the observer merely watched and adopted the trappings of traditional supervisory practice, output was restricted.

Interpreting Hawthorne

For industry to benefit from the experiments at Hawthorne, Mayo first concluded that supervisors needed training in understanding the personal problems of workers, and also in listening and interviewing techniques. He held that the new supervisor should be less aloof, more people-oriented, more concerned, and skilled in handling personal and social situations.

It was only later, after a period of reflection, that Mayo was able to conclude that:

Job satisfaction increased as workers were given more freedom to determine the conditions of their working environment and to set their own standards of output;

Intensified interaction and cooperation created a high level of group cohesion;

job satisfaction and output depended more on cooperation and a feeling of worth than on physical working conditions.

In Mayo's view, workers had been unable to find satisfactory outlets for expressing personal problems and dissatisfactions in their work life. The problem, as Mayo perceived it, was that managers thought the answers to industrial problems resided in technical efficiency, when actually the answer was a human and social one.

Mayo's contribution lies in recognizing from the Hawthorne experiments that the formality of strict rules and procedures spawns informal approaches and groups with their base in human emotions, sentiments, problems and interactions. The manager, therefore, should strive for equilibrium between the technical organisation and the human one and hence should develop skills in handling human relations and situations. These include diagnostic skills in understanding human behaviour and interpersonal skills in counseling, motivating, leading and communicating.

Source

<https://mbsportal.bl.uk/taster/subjareas/busman/hist/mgmtthinkers/mayo.aspx>

Indu Kanojia

MBA Batch (2015-17)

Upcoming events:

- The students are going to participate in cultural fest **BLAZE-2017** being organized by SRMS IBS to be held on 4th March 2017.
- The inter department case study competition "**Samiksha**" is going to held on 8th March, 2017.