



SAI BALAJI EDUCATION SOCIETY'S

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Retailing in India:

To have a clear picture of Retail Industry, It is important here to understand the role of organized & unorganized sector in retail.

Retail Industry – It's Classification:

Organised retail - Those traders/retailers who are licensed for trading activities and registered to pay taxes to the government.

Unorganised retail – It consists of unauthorized small shops - conventional Kirana shops, general stores, corner shops among various other small retail outlets - but remain to be the radiating force of Indian retail industry.

Brief Introduction:

Retail industry, being the fifth largest in the world, is one of the sunrise sectors with huge growth potential and accounts for 18-20% of the country's GDP. Comprising of organized and unorganized sectors, Indian retail industry is one of the fastest growing industries in India, especially over the last few years.

According to the Global Retail Development Index 2012, India ranks fifth among the top 30 emerging markets for retail. The recent announcement by the Indian government with Foreign Direct Investment (FDI) in retail, especially allowing 100% FDI in single brands and multi-brand FDI has created positive sentiments in the retail sector.

Emerging Trends

Some sectors that occupy a prominent position with the retail industry are:

Apparel Retail: Everybody understands the impact of fashion and textiles on the environment. Almost \$19.5 billion were spent on online apparel shopping in the year 2009 and increasing since then.

Fashion & Lifestyle Retail: In India the vast middle class and its almost untapped retail industry are the key attractive forces for global retail giants wanting to enter into newer markets, which in turn will help the retail to grow faster.

Food & Beverage Retail: Backed by huge potential and changing lifestyles, the food and beverage retail market is growing at a robust 30-35 per cent per year.

Pharmaceutical Retail: Driven by therapies like anti-diabetic, vitamin, anti-infective and dermatology, it accounted for a robust 15% growth in 2011.

E-commerce or E-tailing – the next big revolution: With the advent of e-commerce in the retail industry, retail stores are facing stiff competition from e-stores. The rising demand for e-shopping has lead to a new debate cropping up in the world.

Driving Factors for Growth

- Emergence of nuclear families
- Falling real estate prices
- Growing trend of double-income households
- Increase in disposable income and customer aspiration
- Increase in expenditure for luxury items
- Large working population
- Low share of organized retailing
- Growing liberalization of the FDI policy in the past decade

Skill sets needed are:

The industry employs a staggering number of people, and given its rapid proliferation, this number is always on the rise. The backbone of the sector are the operations and supply chain management jobs but there are various other

options as well, from sales executives and store managers to merchandise planners and buyers.

- Conceptual understanding
- Analytical skills
- Detail-orientation
- Fair understanding of customer's psychology
- Observations skills
- Project Management
- Operational Skills
- In-depth product knowledge

The Challenges Ahead:

- A long way to meet international standards
- Lack of efficient supply-chain management
- Lack of required retail space
- No fixed consumption pattern
- Shortage of trained manpower
- Lack of proper infrastructure and distribution channels

One of the renowned Rating agencies has assigned a stable outlook to the retail sector as factors like expected sales, growth-driven expansion and efficient working capital management are likely to benefit retail companies.

- Prof. Prashant Dubey

News

India Third Most Attractive Destination for Investment in the World: UNCTAD



A survey conducted by United Nations Conference on Trade and Development (UNCTAD) revealed on 26 June 2013 that India was the third most attractive destination for investment in the world. The survey by UNCTAD included transnational corporations (TNCs) as the respondents. India was ranked at the third position after china and the United States.

Walmart India Head Raj Jain Resigned; Ramnik Narsey to Serve as Interim Head



US retail giant WalMart on 26 June 2013 announced that the India unit head Raj Jain resigned from the company. **Ramnik Narsey** was named as the interim head of India operations. Raj Jain served WalMart for six years.



WHY



Depreciation is bad news for the economy?

The continuous devaluation of the Indian rupee is hitting the Indian middle class hard. This is according to a survey by the Associated Chambers of Commerce and Industry of India (Assocham). The weakening rupee has led to a 20 per cent increase in monthly expenditure for the Indian middle class. The rupee has hit an all-time low against the dollar, creating serious problems for Indian economy already battling multiple headwinds. The rapid decline threatens to undermine the recent gains in inflation and depress badly needed capital flows.

What the rupee depreciation means for the economy?

- In common words we can conclude that it will delay Economic recovery.
- The Reserve Bank of India will not be able to cut rates for fear of causing more outflow.
- Weaker rupee will make capital imports expensive, forcing companies to delay investments and thus less number of employment generations.
- Foreign investors will postpone investments till things stabilise

- Impact on **inflation** and higher fuel prices will affect consumer sentiment.

Countries and Currencies which have weakened against Dollar

South Africa----- Rand

Brazil-----Real

Russia-----Rouble

Turkish---- -----Lira

Reasons for Rupee Weakened against Dollar

- Internal Reason-
High Current Account Deficit has hurt Rupee.
- External Reasons-
 - Stronger US economy has been capital outflow from emerging economies.
 - Rising interest rates have made US debt more attractive option.
 - The prospects of the US Fed winding down quantitative has strengthened dollar.
 - Slowing down China and growth concerns have increased risk aversion.

- Nitin Ranjan

News

China Organised First Classroom Lecture from Space for Students



China, on 20 June 2013 conducted the first classroom lecture from space which was given by female Chinese astronaut Wang Yaping. Wang Yaping, 33, addressed around 330 primary as well as middle school students at the High School Affiliated to Renmin University in Beijing through live video feed from space module Tiangong-1

Oprah Winfrey named most powerful celebrity by Forbes



Oprah Winfrey is an American media proprietor, talk show host, actress, producer, and philanthropist. She is best known for her multi-award-winning talk show which has the highest-rated program of its kind in history and was nationally syndicated from 1986 to 2011.

India Consolidated Top Position in ICC ODI Rankings; Increased Lead over Rivals



By extraordinary performance of Ravindra Jadeja and Shikhar Dhawan in entire series India clinched the ICC Champions Trophy 2013 on 23 June 2013 against England at Edgbaston in Birmingham with a five-run victory. It is important to note that Shikhar Dhawan was also declared as the Man of the Tournament during the ICC Champions Trophy 2013. Ravindra Jadeja climbed to his career best third ranking among all the bowlers and All-rounders category.

Connaught Place, ranked fifth in the List of World's Most Expensive Office Market

Connaught Place, the marketplace located in Delhi has been ranked fifth in the list of world's most expensive



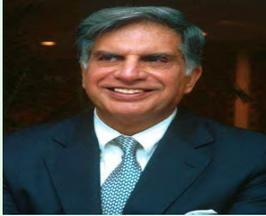
office market due to its strong demand amid limited supply as per the CBRE report. The other top three expensive markets are-

1. Hong Kong (Central) with annual occupancy costs of 235.23 dollars per sq ft topped the most expensive list for the third consecutive time.
2. London's West End, Beijing's Finance Street
3. Beijing's Jianguomen.



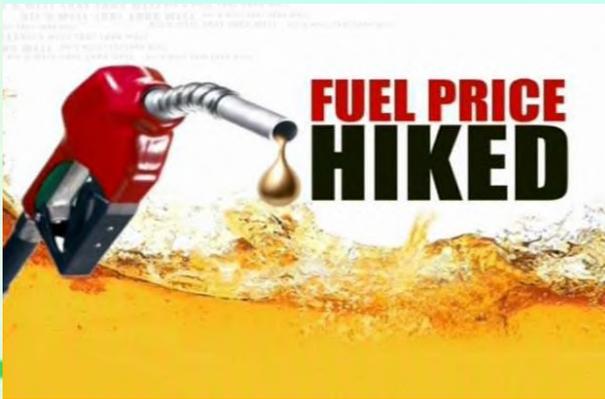
News

Ratan Tata Appointed as Chief Advisor of AirAsia India



AirAsia on 17 June 2013 appointed Ratan Tata, the ex-chairman of the Tata Group as the Chief Advisor of AirAsia's India board. In the meanwhile, CEO of the AirAsia India was yet to be announced.

Petrol Prices hiked by 2 Rupees per Liter, excluding VAT



Petrol price was hiked by 2 rupees per liter, excluding VAT by the oil companies. This is the second increase in the price of petrol in June 2013 due to the devaluation of rupee against US dollar; due to the devaluation of rupee the import of crude oil has gone costlier.

Top recruiters like Cognizant, Capgemini, Wipro and others go all out to attract talent

A few aggressive companies are going all out to attract talent even in a slowdown, as data from 21 top B-schools shows.



There were quite a few surprises this year, and new entrants upstaged older players in this war.

Rupee slumps to all-time low



The Indian rupee breached formidable resistance of 60 to the dollar to slump to a record low till June 28, 2013, reinforcing the vulnerability of a country with limited reserves and struggling to narrow a record-high current account deficit.

Heavy Rain and cloud burst in Uttarakhand plays havoc; thousands in the lurch

Uttarakhand floods leave trail of death and destruction. Mass cremation of bodies of hundreds of people killed in floods and landslides in Uttarakhand was delayed today amid fears of disease outbreak, as heavy rains hampered rescue operations for the second day. The death toll rose to 822 with 142 bodies being found, including 127 in Kedarnath, the epicentre of destruction, officials said.





Post Bank of India..... Benefiting from “Financial Inclusion”

The government's postal department will apply for a license to enter mainstream banking, a Ministry of Communication and Information Technology official said on 27th June, the latest to join a host of companies strive for the permits.

The Reserve Bank of India, in an effort to improve access to banking services, issued guidelines in February allowing any type of company to set up a bank. The deadline for submitting applications is July 1.

The Department of Posts, part of the ministry, has a network of around **155,000** post offices across the country, with close to **90 per cent** of those **located in rural areas**.

Banks	Branches	Atms
SBI	15,003	27,000
HDFC Bank	3,062	10,742
ICICI Bank	3,130	10,486
Post Bank of India (Proposed)	1,55,000	_____

Indian post offices already offer savings schemes and sell insurance and mutual funds. The department has long been mulling over whether it should enter the banking services sector.

The finance ministry has opposed **India Post's** plan to seek a commercial banking licence from the Reserve Bank of India (RBI) on grounds that the postal service doesn't have the expertise needed in relevant areas, such as handling credit.

India Post is keen to set up a commercial bank called the Post Bank of India, arguing that it can significantly boost financial inclusion in Asia's third largest economy through its nationwide network of 155,000 post offices.

This will also allow the organization, which posted a loss of Rs.6,346 crore in fiscal 2012, to make up for business dropping off over the years as letter writing dwindled and private courier firms took away market share.

This time riding the catch-all justification called "financial inclusion".

A prime reason for issue of new bank license is financial inclusion. By that criterion, India Post is an automatic choice. With close to 1,55,000 offices, a majority of them in rural and semi-urban areas, and 30 crore deposit accounts, India Post can do what commercial banks have tried to over the years, but with limited success.

Look at the logic closely and what the editorial is saying is this: India Post has a lot of real estate in villages and financially excluded places; it is already taking in deposits, so it is ready to become a bank.

- Prof. Smarjeet Das



Tackling cultural differences: The Toyota way



Safety first, Quality must and Kaizen forever



By Dr. Tripti Sahu

Hioshi Nakagwa, MD and CEO of Toyota Kirloskar Motor (TKM), has just finished surveying the paint shop at the company's facilities in Badadi, near Bangalore. Though the paint kaizen projects in his department, Nakagawa San was not quite convinced. He decided to personally visit the plant to see how a position change in the paint shop's equipment resulted in a five second saving per vehicle. Similarly in 2010 before the launch of Etios the Deputy MD and COO (Marketing and Commercial) studied the customers traits to offer the product of customer's interest, not only this, he personally visited two dealerships to gauge the situation on the ground . This is the Toyota style of working

Since 1997 when Toyota joined hand with Kirlosker motors, everyone's eyes were on what the number one manufacturing company in the world can teach Indian auto manufacturer. And the time proved that Toyota way of working is not culture bound. Toyota made very mirror changes in the Indian system to bring great results. For instance; Toyota people observed that when a customer comes in at a used car dealership, he only gets used car information , for any new car enquiry he is sent to elsewhere which creates an immediate disconnect in customer's mind. Thus Galaxy Toyota in Delhi, new car showroom was established near to the old car showroom, so that the customer need not to travel a long way. Needless to say, that a pilot project was done before implementing the scheme. And there is little doubt about the success of the scheme.

**No Decisions
are taken sit-
ting at board
rooms**

Toyota way starts from the customer; it is the Toyota production system (TPS) that ensures its fulfilment. It is like a triangle with process, at one end, standard at another and target setting making up the third. While the process is continuously monitored to improve, the standard work ensures the process is checked and completed so that there is a continuous improvement towards the target. In other words, it is always a moving target with room for improvement.

A zero rust process in designing the Etios for India came with a 4M condition- man machine, material, and method. "Ultimately, man will define the method for one-defective conditions (ryohin-joken) and monitor the job form equipment pre-operation right up to vehicle result stage.

Japanese kanban translates into signboard and is a scheduling system for lean production that Toyota is known for. It uses the rate of customer demanded to control the rate of production passing demand information from the customer up through the supply chain to the vendor to ensure inventory levels are maintained and bring about accuracy in manufacturing schedules.

Proper maintenance In India, it was observed that maintenance is one loose area. A lot of companies are very good at planning but few can act and check on the plan, many can't even identify what went wrong with the plan and the action rarely takes place, Toyota solved the problem with PDCA, or Plan do check and action.

“It taught us management through visualization since all plans are jotted down and visualized before implementation.... It is a very effective tool for project management”.

**Shivendra Mathur
GM, Motherson Shivendra**

In 2012 when construction of their dedicated 78000 sqm factory was stopped because huge rock, the Toyota management suggested controlled explosion. Permissions from the state government was taken and got it done. Toyota has an eagle's eye for details. Once the management identified four areas in the shop floor that were overstocked it was reviewed and streamlined immediately.

After implantation of Toyota style, in a highly automated shop floor, operators can be seen moving the 3Ms: muda (waste), mura (unevenness) and muri (overburden), across their zone of work to maintain SQPC (safety quality, productivity and costs). The press shop, for instance, follows hoshin, or an annual plan set by MD & CEO. The hoshin here is to improve the surface quality of the panels. Toyota has standardized karakuri (term karakuri is taken from puppetry in Japan during the 18 and 19 centuries where finger flexibility aided puppet movements) across its industrial lines as perfect lever-age body line for the Toyota Corolla. Earlier; the operator had to bend to move it but with a karakuri done with levers bending is passé and so is the time saving as much as eight seconds.

Ensuring the right candidates for the job: The world's number carmaker Toyota realized that India's vocational training institutes did not take the basic SQPC (Safety, Quality, Productivity, Costs) dogma into account while imparting education. The auto giant needed a dedicated pool of workers nurtured and shaped by the Toyota way. “They should have the right knowledge of productivity and improvement apart from right body and mind as they have to be physically fit to stand and work for 8 hours and 15 minutes”.



Toyota started TTTI, a residential school on the TKM campus which takes 64 students every year. The institute takes in 10 graders from economically challenged backgrounds in the state of Karnataka and drills in the Toyota Way across weld, assembly, paint and maintenance for three years. And in keeping with the Toyota way, students must write a summary of a week's training on a sheet of paper. They also get fellowships based on such report-writing skills. The medium of instruction is English, students start getting a feel of Japanese from the second year. Though it is not compulsory for students to join TKM after passing out, almost 90 of the three batches that have graduated so far from TTTI work for Toyota.

Before on the job training, to ensure perfection, operators are required to undergo a minimum of level 3 in the Gurukul training, so that they can work without supervision.

At level 1, recruits cannot work at all; level 2 implies that they can work with supervision; and at level 4, they can train others. There are three skills that are taught at the Gurukul: fundamental skill, elementary skill and standardised work. Over a 3 month cycle, the operator is introduced to some skills for a week and goes to the shop floor for about a fortnight with that set of skills, returning to the Gurukul for a fresh dose.

MD & CEO Nakagawa says, We don't do extraordinary things, we do ordinary things extraordinarily

Interestingly, one fundamental skill is to pick up bolts from a box in a moving line where the candidate has to pick 5 bolts, in say 3 seconds without seeing the contents of the box. If it is more than 5 bolts, it is a muda (wastage) and if it is less, it is also muda as it is considered a waste of time to collect additional bolt/s for self evaluation; a candidate has to achieve perfection by picking up right amount of bolts at least on 10 occasions one after another.

Improving Supply Chain efficiencies in India: Typically a 4-6 member team from TKM visits all suppliers and guides them through various aspects of lean production. As they have to work with a lot of plastics they also suggest ways to improve yield from the same plastic just like ways in which the yield from steel can be improved. And it certainly doesn't stop there. The Toyota way gets cascaded as Jain and others try to improve their suppliers.

Keeping in mind the Indian style of working Toyota instead of each supplier supplying to them, pick up from suppliers with time allotted to each of them. So while components are picked up from local suppliers, say, eight times a day, they are plucked from one far-flung supplier from a distant location once a day and reach the factory in five days.



The supplies come to factory nearly eight times a day and the process resembles a milk distribution system. So it is simply called “milk run”, For TKAP, the turn-around time from the time an empty truck comes to its plant to loading it and sending it to TKM, is 20 minutes. In the milk run, the Toyota logistics department picks up components from supplier on a fixed schedule. The supplier has to make sure the parts are packed and placed properly for delivery. If the part is not available, he has to airship it, depending on location. Everything to Toyota is driven by market demand. The number of parts required per schedule also mirrors how much the market can absorb, which is visible to the supplier as kanban at every process.

In Toyota having a problem is okay but not having a problem is a big problem

Empowering people: In contrast to Indian management style, an operator on the assembly line, is empowered to stop the line whenever sees a defect. This is called jidoka. The lines stops every day on the slightest doubt and it actually improve the efficiency. If it is corrected by the operator on the line, he will raise a yellow card and the line will flow and if he raise red cards, the part will go to the next level and stop.

Reference:

The Toyota way, Economic Times (corporate Dossier), April 5, 2013 pp1.





CONRATULATIONS!!!!

Dr Tripti Sahu has published a research paper in International Journal of Research in Commerce, Economics and Management, April 2013

“ New Horizon in Management Education: An Investigation into the roaring need of philanthropy management courses in Indian management institutes”

Dr Tripti Sahu has published a research paper in DCAS Journal of Management and IT Applications, Jan- Feb 2013

“Does Trash Define Economic Growth of a Nation? An Investigation into Environment Kuznets Curve in Case of India”

Dr. Tripti Sahu has presented a research paper in “International Conference CSR-2013, organised in Bangkok June 5-6 2013

“Towards Sustainability; Consumers Attitude and Behaviour Towards Green Marketing: A Study of Pune City”

SAI BALAJI EDUCATION SOCIETY WELCOMES!

Dr. Rachna Gupta
Mrs. Shipra Shrivastava
Ms. Parul Jain
Ms. Preeti AHIRWAR
Ms. Monika Gupta

For joining the institute in different capacities, from July 1st 2013

UPCOMING EVENTS.....

Sai Balaji education society organize 15 days induction program for 2013-2015 batch starting from on 1st July 3013

Guests for the event

Chief Guest: Mr. Carsten Bauer,
General Manager
Mercedese Benz India

Guest of Honour: Ms. Kozue Irei
Country Head Business Development
SKK(s) Pvt Ltd.

Mr. Anant Sardeshmukh
Director General
MCCIA



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Celebrations ...

TRIP TO PANSHET DAM...



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