



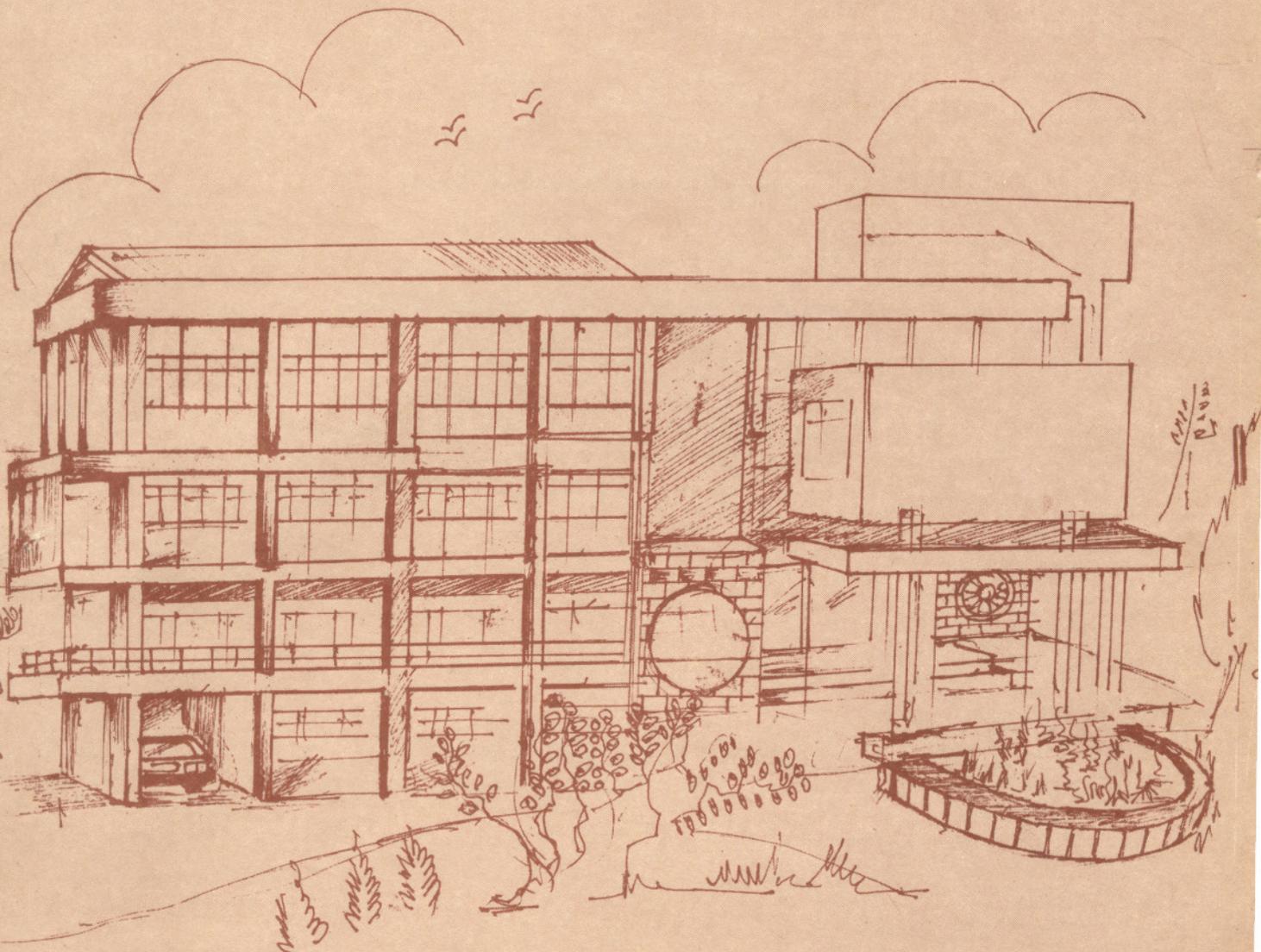
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TAPMI

Working Paper Series

No. 29

ABSTRACTS OF CASES
DEVELOPED UNDER
MANAGEMENT IN PRACTICE
PGP 1997 - 1999



ABSTRACTS OF CASES
DEVELOPED UNDER
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PGP 1997 - 1999

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The objective of TAPMI working paper series is to help faculty members of TAPMI to test out their research ideas/findings at the pre-publication stage.

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Abstracts of Cases Developed under Management in Practice

PGP 1997-99

I am pleased to introduce the abstracts of these thirty-one cases developed by the students of PGP 1997-99 of TAPMI, based on their Management in Practice (MIP) projects. It is one of the significant outputs of the collaborative efforts among TAPMI students, faculty and industry managers. It is a unique contribution of TAPMI to the pool of cases and teaching material useful for management education.

TAPMI's MIP is by now four years old. TAPMI has been continuously refining the design of its MIP on the basis of its experience and feedback from organizations. The main strength of these cases is that they deal with current issues faced by Indian industry. Depending on the opportunity and effort put in by each team, the richness and quality of these cases differ. However, case writing is not an easy job even for a veteran in academics.

All these cases have been cleared by the respective organizations for academic use in TAPMI and elsewhere. We have not included in this volume, the abstracts of the cases which have not yet been cleared by the respective organizations; and those of the other types of teaching materials developed by the students of this batch, mostly in the form of technical notes.

While some of these cases have already been test taught at TAPMI, these cases still need a lot of follow up work: rigorous language editing, trial teaching, preparation of teaching notes and revision on the basis of trial teaching. Nevertheless, they represent a significant intellectual contribution of these students, industry and faculty guides. TAPMI would be happy to send copies of these cases to those interested in exploring their academic use.

I am currently preparing similar volumes of abstracts of MIP cases developed by the students of the PGP 1998-2000 batch. The volume containing the abstracts of cases developed by the 1999-2001 batch is also available. TAPMI is planning to make these cases available to other management institutes through printed volumes and through the net. As a person who has personally gone through all these cases more than once during their preparation, I have learnt a lot.

On behalf of TAPMI, I express my sincere thanks to all the students, industry guides and faculty guides who have contributed to this effort, including those whose cases not yet cleared by the respective organizations for academic use.

R. Rajagopalan
Dean (Academic Affairs)

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Finance, Accounting and Costing

A Case of Fuzzy Break-Even

This is a fairly straightforward caselet / exercise in break-even analysis. An interesting twist is that there is a “0-1” type of monthly fixed cost element depending on whether there is production during that month. Since the setting is the highly seasonal soft-drinks industry, there is a tradeoff between inventory carrying costs and potential savings in monthly rentals in producing for several lean months in one shot. This decision in turn will determine annual fixed costs and breakeven volume.

Keywords: Breakeven Analysis

Cash Budgeting at JRFSL

Following a series of scandalous failures of Non-Banking Finance Companies (NBFCs) in the early and mid-90s, the Reserve Bank of India (RBI) enforced a series of strict guidelines on the eligibility of NBFCs to mobilize public deposits and their quantum. This put a lot of pressure on the liquidity and profitability of such NBFCs.

This case describes the tight constraints under which cash flows had to be managed by an NBFC. Exhibits give available monthly data for the past several years, which can be used to project cash flows. Limited degree of simulation is also possible including building of alternative scenarios to judge the necessary bank credit limit.

Keywords: Cash Flow Forecasting; Spreadsheet Simulation; Scenario Building

Escrow Account as a Payment Mechanism

This contains an introductory note on the Escrow account as a mechanism to protect an independent power producer from the credit risk of payments from a monopsony, who is typically a financially weak, politically vulnerable State Electricity Board (SEB). Data is from a case where the Escrow mechanism could not be worked out.

Keywords: Infrastructure; Power Projects; Credit Risk; Escrow Mechanism

Golu Leasing Company

Following a series of scandalous failures of Non-Banking Finance Companies (NBFCs) in the early and mid-90s, the Reserve Bank of India (RBI) enforced strict guidelines on the eligibility of NBFCs to mobilize public deposits and their quantum. This put a lot of pressure on the liquidity and profitability of such NBFCs.

This case compares the position of five leading NBFCs from the perspective of their ability to withstand these difficulties. Data is provided on capital structure, sources of financing, profit margins and growth. Can be used as an introductory case in managing NBFCs or for illustrating the need for avoiding asset-liability mismatches.

Keywords: NBFC Management; Asset-Liability Management

Infrastructure Financing Issues: The Case of Spicity International Airport Limited

This case deals with one of the few success stories in timely implementation of an infrastructure project involving private sector participation. A private sector bank, for the first time in its history, extended a big term loan to the project. However, it is wondering whether it did a wise thing. It wants to learn as much as possible from this experience and wants to explore ways of getting out if the experience runs the risk of turning sour.

The case begins with a note on the following: the need for private participation in infrastructure development, peculiar risks in such projects and mechanisms of distributing such risks. Then, project specific considerations and data are provided. These can be used to project the potential risk to the Bank.

The first part of this case can also be used as an introduction to the case Escrow Account as a Payment Mechanism.

Keywords: Infrastructure Project Risks; Private Participation

Safe Elevators: Customer Retention Model

Safe Elevators, an OEM of elevators, faces tough price competition from third party maintenance providers in the market for Annual maintenance contracts (AMCs). AMCs are very lucrative and service quality and reputation play an important role in securing orders for new elevators. A management trainee has proposed a discount scheme to attract customers for its proposed long term (5 years) AMCs. He has developed a spreadsheet model for working out the breakeven discount rate, as a function of the probability of retaining a customer without such a discount.

Keywords: Services marketing, Spreadsheet modeling, decision analysis

Springs and Suspensions Ltd.

This case deals with a proposal to a bank from a long-standing client, asking for enhanced working capital finance. Unfortunately, the recent expansion of capacity by the client was followed by a slump in demand. The client's capacity utilization has suffered and it has incurred a book loss for the first time. What should the bank do?

Keywords: credit appraisal; working capital management

The Case of the Missing Value

This case is a good description of the kind of debates in the late 1990s on the appropriateness of various methods for valuing software stocks. Similar issues arose in a much more dramatic fashion in the year 2000 on valuing the so-called Dotcom companies.

The case describes the various considerations in valuing stocks and concludes by suggesting that perhaps the shares of all the three illustrative companies valued here are overvalued by the share market.

Keywords: Valuation of Software Companies

The Monitoring Puzzle

This focus of this case is on monitoring accounts receivables in a hotel, which is a part of a national chain. The level of accounts receivable could vary for several reasons: changes in credit policy; its improper implementation; seasonality in sales; changes in client mix and product mix; and delays in collection.

This case can be used to discuss the problems involved in using conventional measures like No of days of sales outstanding and aging schedule. These may give unnecessary alarms and fail to give necessary warnings. The key learning is that the actual level of accounts receivable at anytime should be compared with the 'ought to be' level. Simple use of spreadsheet based system of computing such an 'ought to be' level of accounts receivable and computing the ratio of actual to this expected level can be demonstrated.

Keywords: Services; Accounts Receivable; Working Capital Management; Spreadsheet Modeling.

Valuation for Brand Acquisitions

This is a technical note cum case. The case describes the reasons and values reported in the popular press for a series brand acquisitions in the pharmaceutical industry involving some of the most popular over the counter (OTC) drugs. Exhibit 1 of the case summarizes various brand valuation methods. The remaining exhibits are the financial statements of the companies involved and the movement in the prices of their shares and the stock market as a whole, before and after the announcement of brand acquisitions.

Keywords: Brand valuation; Event studies; Pharma-Marketing; Brand Management

Marketing

A Software to Support a Home Delivery System

This case should be handled after the case Supreme Chilled Chicken: Home Delivery Service has been discussed or read as a background. It gives the user requirements for a software to support the home delivery service and improve service quality.

This case has the following companion cases:

Raasi Foods Limited: Supreme Chilled Chicken Division
Supreme Chilled Chicken: Home Delivery Service

Keywords: Software Development; Service quality

Account Planning at Moody Blues

An advertising agency recently hired an outsider as an 'Account Planner', a new position in the agency. The case describes the role of an account planner as described in the literature and the differing perceptions among the top management, creative and servicing teams of the agency.

Possible uses of the case include role clarity, process of servicing a client, reporting relationships, gaining user acceptance etc.

Keywords: Account planning; role clarity

Direct Marketing for MSL

An auto spare parts manufacturer tried to leverage on the popularity of one of its branded products by selling other spare parts. However, demand growth was sluggish. The company was exploring direct marketing to ultimate users as a way out. The case provides findings from an exploratory

research conducted by the advertising agency of the manufacturer. The agency has to design a suitable direct marketing strategy and campaign.

Keywords: Direct marketing, auto-spares marketing, channel choice

Diya Machine Company - Will Direct Marketing Work?

An automobile spare parts manufacturer is faced with sluggish growth in demand in the replacement market. Its attempt to ride on the popularity of its main product does not seem to be working. His advertising agency suggests Direct Marketing to end users: owners of two wheelers. Will it work? The company has to decide, on the basis of an exploratory research. An accompanying note 'Direct Marketing' is also available.

Keywords: Direct marketing; auto-spares marketing; channel selection

Market Development at Iridium

Iridium is a unique global communication telephony service. Based on 66 satellites positioned to cover every inch of the globe, this massive project was considered a technological marvel of its times. This system enabled communication from anywhere to anywhere in the globe.

The Indian subsidiary is faced with the task of developing a market for Iridium's services in India and locking its customers before competition comes in. The case describes the current thinking in Iridium. Three price packages offered by Iridium are also given. This case can be used to discuss the importance of market research before product launch and the problems therein.

Keywords: Services Marketing, Exploratory Market Research

Martin Fishbein's Theory of Reasoned Action: An Application to Consumer Buying Behaviour

This case exercise can be used in a market research or consumer behaviour course. The case begins with brief definitions of terms, introduces Fishbein's theory and then discusses a particular application: explaining purchase of pillows, a low involvement purchase. Exhibits include a questionnaire instrument and results of a limited survey. Aspects that can be discussed in class include research objectives, questionnaire construction and drawing implications from research results.

Keywords: Consumer behavior; exploratory research; market research; questionnaire construction

Raasi Foods Limited: Supreme Chilled Chicken Division

This is a comprehensive marketing strategy case. The case gives a detailed background of the logic of the entry into this business, the supply chain, and the difficulties in introducing a branded product in a market dominated by unbranded products sold by the unorganized sector

Possible issues for discussion are: viability of any 'brand' for this product, supply chain which should be in place, sales forecasting and production planning, alternative distribution channels, pricing, positioning and service.

This case has the following companion cases:

Supreme Chilled Chicken: Home Delivery Service

A Software to Support a Home Delivery System

Keywords: Marketing Strategy; Brand Building; Market Development

Safe Elevators: Customer Retention Model

Safe Elevators, an OEM of elevators, faces tough price competition from third party maintenance providers in the market for Annual maintenance contracts (AMCs). AMCs are very lucrative and service quality and

reputation play an important role in securing orders for new elevators. A management trainee has proposed a discount scheme to attract customers for its proposed long term (5 years) AMCs. He has developed a spreadsheet model for working out the breakeven discount rate, as a function of the probability of retaining a customer without such a discount.

Keywords: Services marketing, Spreadsheet modeling, decision analysis

Star India Limited: Brand Positioning

Stars India Limited is the pioneer and largest organised sector footwear manufacturer in India. It recently launched three sports shoe brands in India as this segment was expected to grow rapidly. However, Star found sales to be stagnant. It was wondering whether it was successful in positioning its three brands. The case provides the results of an exploratory research on brand perception among the target segments in two cities. This case can be used for exploring demographic and psychographic profiling and issues involved in brand positioning.

Keywords: Brand Positioning, Profiling

Supreme Chilled Chicken: Home Delivery Service

This case deals with establishing a new channel of home delivering fresh chilled chicken. Issues of organizing the systems for receiving orders and ensuring reliable and prompt service are covered.

This case has the following companion cases:

Raasi Foods Limited: Supreme Chilled Chicken Division

A Software to Support a Home Delivery System

Keywords: Service Delivery; Direct Marketing

The Infocell at Moody Blues

This is very short case from an advertising agency. A modest attempt to provide information relevant to various advertising personnel remains underutilized. Does it serve any purpose? Can it be made useful?

Keywords: Information Services; internal customers

The Internet and its Implications for Marketing

This note begins with introducing internet and related terminology like worldwide web, browsers, search engines, websites and web pages. It then goes on to describe the opportunities opened up by the internet in product offerings, information goods, search, price discovery, facilitating transactions etc. The note then describes implications of internet for marketing and market research.

Keywords: Marketing on the net.

The Marketing Dilemma

This is a small caselet, which can be used as an introductory case in industrial marketing. Regional competition in a duopolistic market for medium duty and heavy duty vehicles is the context. The company with a lower market share and only one model versus the two of the dominant player wants to improve market share.

Keywords: Industrial marketing; duopoly

Systems

A Software to Support a Home Delivery System

This case should be handled after the case Supreme Chilled Chicken: Home Delivery Service has been discussed or read as a background. It gives the user requirements for a software to support the home delivery service and improve service quality.

This case has the following companion cases:

Raasi Foods Limited: Supreme Chilled Chicken Division
Supreme Chilled Chicken: Home Delivery Service

Keywords: Software Development; Service quality

Albert Bradley & Summers

An advertising agency has recently started a Direct marketing division, whose clientele and number of active projects are increasing day by day. The division finds its manual systems for tracking and costing individual projects inadequate. A computerized Job Reporting System is being proposed. The case describes the existing manual system, problems experienced with the current system and the expectations from the proposed system. This case can be used for introducing systems analysis and design and data base design.

Keywords: systems analysis and design. Data base design

Final Copy!

This note describes the impact of information and communication technologies on the publishing industry including its various actors: authors, publishers, printers, distributors and readers. This note can be used as an illustration of the impact of technological developments on an industry and its supply chain.

Keywords: Technological change, supply chain

Implementing Enterprise Resource Planning

This is a case study of some of the Indian companies who were the first to implement ERP. The case study begins with introducing ERP, then discusses the advantages and implementation stages. There is a table that summarizes the feedback on ERP and its implementation from the above companies, obtained through interviews with respective managers. This case study can be used for introducing ERP.

Keywords: Enterprise Resource Planning (ERP)

Other Areas

Emergence of Logistics as an Important Part of the Value Chain

This note describes the evolution of logistics as an important competitive strength. It traces the links between logistics and developments in TQM and IT. It also describes the status of the third party logistics industry in India. It explains the importance of IT enablers like Electronic Data Interchange and ERP for logistics. The note also contains a bibliography and websites related to logistics.

Keywords: Logistics, Supply chain management

Remuneration Structure for Express Logistics (P) Ltd.

Express Logistics is a third party logistics provider. While it is charging some of its clients as a percentage of value of goods, for some others it is charging a flat rate per item transacted. The company is not sure which method is better. It also wants to estimate the equivalent rates under each system. The case describes the operations of the company. It also gives data gathered through a sample study that can be used to arrive at equivalent rates under the two systems of charging. This case can be used to discuss alternative methods charging for logistic services.

Key Words: Logistics, Supply Chain Management, Pricing of Services, Sampling

SKY & Sons

This case describes the history and current status of family owned small scale unit manufacturing and selling ultramarine blue in competition with two well known brands: *Robin Blue* and *Ujala*. In the past, the founder went about introducing and abandoning several unrelated products, set up several front companies to stay within the SSI limits, availed of bulk discounts on raw material purchases without apparent analysis of costs and benefits. The company has now appointed a consultant to impart professionalism in its business. The consultant has collected financial statements of the companies in the family group as also that of Reckitt and Coleman, the organized sector giant, which manufactures Robin Blue. What should he suggest?

Keywords: SME Growth; management audit; family business

Social Network Analysis

This note introduces graph theory concepts relevant to understanding, structuring and measuring aspects a social network. The concepts are illustrated using examples. Sources of software to carry out a network analysis are also identified. This note also gives an actual application among shop floor workers to identify members for a team to implement a change.

Keywords: social network analysis, organizational change, TQM

Superfine Elevators Ltd.

An MBA student lands up at Superfine Elevators for a possible summer project. His contact asks him to spend some time with the various departments of the company's southern zonal office. He is expected to make a presentation on some issues identified by him for his summer project. This case provides information on the impressions gathered by the student about the industry, company and various departments in the zonal office. This case can be used to discuss how to go about identifying issues for student projects in a company.

Keywords: Problem/ Issue Identification

Towards a Fast Cycle Organization: A Case Study

This case study describes the process used by a company to reduce its lead times in purchasing and selling. The study discusses the importance of reducing lead times and how to make a rough estimate of potential savings thereof. The study goes on to demonstrating how to estimate actual internal lead times based on sample records. The case can be used to discuss how to design a study improve performance.

Keywords: Supply Chain Management, TQM, Business Process Reengineering