



# samvad

**June Issue 2012**

**we**school<sup>S.P. MANDAL'S</sup>  
Welingkar Education

# About Us



## OUR VISION

**To nurture thought leaders and practitioners through inventive education**

## CORE VALUES

**Passion**

**We Link and Care**

**Result Oriented, Process Driven Work Ethic**

**Breakthrough Thinking and Breakthrough Execution**

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*“The illiterate of this century will not be those who cannot read and write, but those who cannot learn, unlearn, and relearn.” - Alvin Toffler*

At WeSchool, we are deeply inspired by these words of this great American writer and futurist. Undoubtedly, being convinced of the need for a radical change in management education, we decided to tread the path that leads to corporate revolution.

Emerging unarticulated needs and realities need a new approach both in terms of thought as well as action. Cross disciplinary learning, discovering, scrutinizing, prototyping, learning to create and destroy-the mind's eye needs to be nurtured and differently so.

We school has chosen the 'design thinking' approach towards management education. All our efforts and manifestations as a result stem from the integration of design thinking into management education. We dream to create an environment conducive to experiential learning.

# Message from the Group Director

Dear Readers,

It gives me great pride to introduce Samvad's edition every month. Our Samvad team's efforts seem to be paying off and our readers seem to be hooked onto our magazine. At WeSchool we try to acquire as much knowledge as we can and we try and share it with everyone.



**Prof. Dr. Uday Salunkhe,  
Group Director**

The summer internship period is over and I am sure all MBA graduates must have had a slice of how the industry out there works. Everything that you have learnt in this period will help you out in your life somewhere. Like Steve Jobs said you will look back on your past and then connect the dots.

Here at WeSchool, we believe in the concept of AAA: Acquire Apply and Assimilate. The knowledge that you have acquired over the last couple of months will be applied somewhere down the line. When you carry out a process repeatedly it becomes ingrained in you and eventually tends to come out effortlessly. This is when you have really assimilated all the knowledge that you have gathered.

As we move into the month of July, we shall be welcoming our new batch. I feel proud to have a great batch of students join us this year. Each student has been carefully selected by the esteemed faculty of our college. At WeSchool, we aspire to be the best and to be unique, and we expect nothing but the extraordinary from all those who join our college. Each year, we have been blessed to have an exceptional class of students graduate from our college and this year our hopes are even higher and we expect to be at the top. From the point of view of our magazine, we look forward to having more readers and having more contributions from our new readers.

Samvad is a platform to share and acquire knowledge and develop ourselves into Integrative managers. It is our earnest desire to disseminate our knowledge and experience with not only WeSchool students, but also the society at large.

**Prof. Dr. Uday Salunkhe,**  
Group Director



# From the Editor's Desk

Dear Readers,

Welcome to the June Edition of Samvad!

Samvad has successfully published five issues, and we are proud to say that it has lived up to the expectations of all. The response to Samvad has been overwhelming, and the support and appreciation that we have received has truly encouraged and motivated us.

We now have our eyes set on higher targets and more ambitious goals. Being one of the few magazines in the country which invites articles from all spheres of management, it makes us feel very proud to be able to gathered such following and interest. With renewed vigour and passion, we bring to you the June edition of Samvad which revolves around the theme of "Media and Entertainment".

What is the 21st Century without entertainment? It is impossible to escape the media, whether you are spectator, or playing your part in the grand scheme of things. Media has become a part of everyone's blood and soul. Yet what goes on in front of the camera is very little compared to what goes on behind it. There is a lot that is involved in making this industry as diverse and successful as it is today. All management graduates itch to dabble their hands into this new and exciting genre of management.

This issue has articles which discuss topics ranging from 'Hi! Handsome' to 'Basel III' & 'Media on the Cloud' to 'Newspaper Supply Chain'.

The article on 'Reviving the Art Of Hand Shadowgraph: An uncharted territory' is a must read. We hope that the ideas shared through this edition help inspire a solemn promise from each of us to build a sustainable world for our future.

The creation of Samvad has been the result of the contributions of many key individuals. We wish to thank everyone who has been a part of the inception and development of this magazine. We thank our Group Director Professor Dr. Uday Salunkhe for his constant motivation and support. We thank our friends and colleagues for their valuable suggestions. Above all, we thank all the students of the various MBA colleges who have sent their articles for this issue. Without your excellent contributions, this issue could not have been successful.

We hope you stay with us, read with us, share with us and grow with us!

Hope you have a great time reading Samvad!

Best Wishes,

Team Samvad.

*"Lives of great men all remind us  
We can make our lives sublime,  
And, departing, leave behind us  
Footprints on the sands of time ;"  
~ H.W. Longfellow*

# Acknowledgments

Team Samvad likes to extend their heartfelt thanks to certain key members of the We School family for their special efforts towards the making of this magazine.

We deeply appreciate the constant motivation & encouragement that our beloved **Group Director Prof. Dr. Uday Salunkhe** has always given us. His vision & result orientation has been the driving force in creating brilliant leaders and making WeSchool a name to reckon with, not only in India but also globally. His focus on the core values of Passion, We Link & Care, Result Oriented Process Driven Work Ethic and Breakthrough Thinking has formed the foundation of all the activities that we undertake as students of this esteemed institute.

We deeply appreciate the help and support given to us by both **Prof. Amarkant Jain** and **Prof. Deepa Dixit**. Their insight and expertise is our driving force to ensure the sustainability of our magazine.

We appreciate **Prof. Indu Mehta** for her help in selecting the best Marketing articles. Prof. Indu Mehta is part of our core Marketing faculty at WeSchool. Her readiness to help for the magazine's cause is highly commendable. She ensured that all the articles were graded on common parameters in line with the theme of the month.


We extend our heartfelt appreciation and thanks to **Prof Dr. Kavita K. M** for evaluating the articles for the Operations domain. **Prof Dr. Kavita K. M** has many years of teaching experience in the field of Operations.

We are grateful for the help and support lent to us by **Prof. Chitralekha Kumar** during the making of our magazine. Her readiness to help and encouragement went a long way in the successful completion of this issue.

We are indebted to **Prof. Jalpa Thakker** for all her help and guidance in the making of Samvad. Her insight and suggestions have been of tremendous benefit to us. The Samvad Team would truly be incomplete without her.



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## WeSchool Organizes a Seminar on Career Guidance



A decision to pursue masters after graduation or to quit a job and take up masters is a big decision to make. There are numerous concerns on the minds of the applicants like, 'what are the opportunities that hold for me after I complete my masters?', 'is it worth it to quit a job and study again for a career change?' and many other queries.

WeSchool understands the anxieties of the students and to put to ease the minds of students organized a seminar on career guidance to highlight the opportunities the market holds and what are

the avenues that can be explored when armed with a management degree. WeSchool faculty with their vast knowledge theoretically and practically along with the industry experts spoke to the participants, to help them make a decision.

## Emerging Opportunities in Healthcare Sector

To create awareness of the growth opportunities in this healthcare, WeSchool had organized a free seminar on "Emerging Opportunities in Healthcare Sector" at its Mumbai campus on Saturday, 16<sup>th</sup> June 2012. The objective of the seminar was to create awareness in the healthcare community about the significance of higher management education for healthcare professionals and practicing doctors/practice owners.

Amongst the speakers were Mr. Manpreet Sohal – CEO & Zonal Director, S L Raheja Fortis Hospital. A lawyer by qualification and healthcare professional by choice, he spoke on the healthcare Industry scenario and the expectations from healthcare professionals. In the innovative practices, Dr. Monika Tandon – GM – Operations, Nova Medical Centers, spoke on the parallel healthcare delivery models and highlighted best practices. Mr. Neeraj Kumar – Head-HR, Umrao Hospital also elaborated on the challenges of this sector and required traits for healthcare management professional to succeed.



The entire seminar was very well planned, coordinated and executed by the PGP-HCM batch 11'-12', which comprises of medical and allied health sciences professionals as well as general graduates and nursing students. People attending came from varied organizations like Fortis, Hinduja, Novartis, K.E.M, Nova, Medusind; some having even own successfully established practices.





# Featured Articles

## Augmented Reality: Are you seeing more than just the Real Picture?

By: Siddharth Panigrahi & Unnikrishnan Nair, PGDM(2011-2013), TAPMI

### June: The month of Techno advancement

June has been quite a techno savvy month so far, with Microsoft coming out with its ambitious 'Surface', Blackberry outlining its keyless devices of the future, Apple with its updated slew of Mac systems and interfaces, Samsung's I-Phone Killer Galaxy S3, Facebook's inglorious IPO debut amongst many others. However, in the middle of all this there has been a small yet highly significant public testing of a device that has always been in the secret of the worlds' most technosavy organization – Google. Dubbed as Project Glass, this device seen in its official video in the Google's site has been hailed as the ultimate convergence device that if actually brought out to the market will be a revolutionary concept – merging mobile technology, artificial intelligence, contextual services and social networking all rolled into a small device that merges the real and the virtual world.



Image Source: <http://www.esedeerre.com>



Google's Project Glass

Image Source: <http://thednetworks.com>

### Project Glass & Introduction to Augmented Reality

Project Glass is the latest if not the most discussed exhibit of a long thought about technology called Augmented Reality. Touted as a live, direct or indirect view of a physical, real world environment whose elements are augmented by computer generated sensory input such as sound, video, graphics or GPS data, it had its genesis way back in 1901 when L Frank Baum, an author, imagined an electronic spectacles that overlays data onto real life. Augmented reality as

a concept made its first appearance in 1990, when Tom Caudell coined the term to describe a digital display used by aircraft electricians that blended virtual graphics onto a physical reality, helping workers assemble cables into aircraft.



# General Management

## Augmented Reality: The newest medium of interest

The interest has renewed in this technology thanks largely to the fact that computing power and chipsets are finally making the leap in terms of bringing monstrous computing abilities into smaller sizes – thanks to the ever booming market for tablets and smart phones. How vital is this technology in the scheme of things for the major corporations around the world are evident from the latest magic from the Harry Potter stable: Augmented reality based Wonderbooks has been launched by Sony for its PlayStation 3 console. Labelled as the re-invention of the story book, it uses the Playstation's Eye digital camera and the Move motion controller. Though not the first attempt at AR by Sony, analysts agree that this is the best shot the company has had at the technology and is largely due to the better controls and the brand of Harry Potter.

Intel has invested \$14 million in Layer, a Dutch start-up looking to add AR features to its chips. Qualcomm, the top wireless chip maker, has bought up AR assets and opened its platforms for software developers in 2010. ARM is also adding AR features to the chips it designs. Metaio, a Munich based pioneer in the AR industry, has up its sleeves an AR manual for Audi cars – and surprisingly it works on mobiles and tablets minus all the gadgets that is normally considered to be required for the AR technology to work. Point at the car and click a picture of the part that is seemingly going problematic and viola the results pop-up and hence no cumbersome manuals. Extending these to many other products is the easiest of the AR application potentials – so much so that the industry is sure to touch US\$ 1.5 billion by 2015. Layer has the world's most used consumer application – a reality browser that helps find services nearby, acquiring info on anything from favourite restaurants to networking opportunities via a mobile camera. Currently more than 10 million German magazines with AR features hit the shelves every month, including titles from publisher Axel Springer.

## Value Chain & Augmented Reality

With the idea of 'interactivity' permeating into everyday life like never before, augmented reality has opened up new avenues to revamp the entire value chain in businesses beyond points that one can fathom.

### *Inbound & Outbound Logistics*

Augmented reality helps in optimizing value chain. Devices such as optical sensors, GPS, RFID and wireless sensors are used in inventory tracking. Gone are the days when we needed manual interventions to track the inventory. The

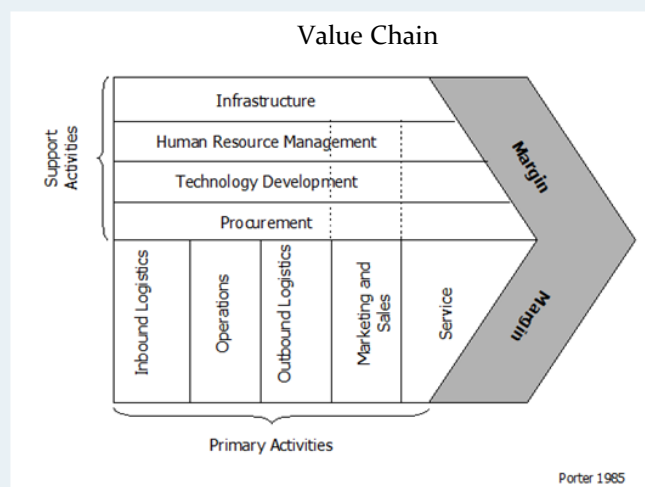
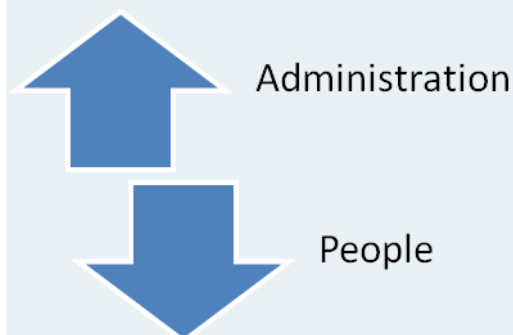


Image Source: <http://www.themanager.org>

# Augmented Reality

bar code system came to rescue from the plight of manual effort and help us channelize them into other avenues. Today, when supply chain management forms the crux of business, augmented reality caters innovative solutions to simplify the process.

## *Operations*



AR - an interface between People & Administration

Augmented reality can aid in revolutionize the existing operation set up and solve bottlenecks. Take for example education. Providing education to all has been a major challenge for the nation. Low teacher-student ratio, lack of access to remote areas and absence of adequate support has crippled the system of initiative for the bottom of pyramid. Can augmented reality solve this problem? Yes, it can. Augmented reality can provide help us to not only study the theoretical

aspect, but also gain sharper edge over conventional classrooms by showcasing 3 dimensions pictorial representations.

On a social scale, engaging people has been a persistent problem across ages. Lack of engagement can compound harsh repercussions (such as rebellion and strikes). Constant feedback coupled with a transparent system can solve the problem. Augmented reality can help garnering the thought process of the people and updating them about the progress of any promised initiative. Let's say we have a system which talks to people of a village in their dialect. Just like Google Glass, the system responds back to the queries of the people. This would result in increased awareness (queries lead to answer which result in awareness). The more the queries, the greater the awareness turns out to be.

## *Finance*

The volatile nature of stock market challenges of investors to get the best return in the financial market. Prices of shares plunge/surge in an instant as shares keep on changing million hands every-day. To stay ahead in the market, investors need to stay up to date on the company's information. This requires information technology to cater them gamut of information (such as deals, policies, announcements, etc) at right time. Augmented reality provides investors with information on go. Augmented reality can track the stock buying behaviour of user and show him/her the news pertaining to favourable stocks. On procurement scale, augmented technology can help in procurement by showing the current exchange rate and helping buyer and supplier to hedge on commodity.

## *Infrastructure*

It won't be too far when we see a day where people would be capturing images of architectures through smart-phone and leveraging augmented reality to study each component. Through

# General Management

augmented reality we achieve the vision of creating, deconstructing an existing set up, studying a set up on a visual scale without impacting the actual set-up. This is primarily useful in constructing environment friendly buildings. Augmented technology compliments the existing information technology set up by adding value added features. So, a simple looking smart-phone becomes more valuable by integrating augmented technology.

## *Marketing & Sales*

With interactive applications becoming the 'trending' app line up across app stores, it is not far when absolutely interactive applications taking up the complete gamut of marketing experience makes its presence felt in the field. Companies can build on the 'innovativeness' of the platform to create an experience that is unparalleled in the industry. An example in this case is the Esquire Magazine cover with Brooklyn Decker that allowed users to take their virtual photo with the supermodel upon checking in to certain Barnes and Noble locations. Other important characteristics that have been brought about by online ads but have remained ineffective to the extent of the print and visual mediums include emotional connection, repeat engagement, geo targeting and all through an almost ubiquitous device – the mobile phone, is provided by AR albeit at reduced cost and also with an assurance of driving offline sales.

## *People*

The impact on people within an organization can be evidently through the process of simplified and on the job training especially in engineering jobs which often needs up extensive training through professionals and constant supervision – something which AR glasses can easily replace and help in faster understanding and reducing errors. Also important is the ease of communication that can be brought in by a convergent device as shown by Google's Glass – but certainly that will remain a long shot.

## *Applications including interactive Entertainment*

It goes without saying that the application of this technology is limited only by imagination. Medicine, commerce, translation, entertainment, and education are but just a tip of the ice berg which has already used AR to a good extent. A special mention is worth of an experiment in Europe: In March 2011, the German film 'The Witness' let users become a part of the film for the first time via AR and determine the outcome of the movie based on their own actions on their smart-phones. Looking at the potential of such ventures, it is sure that 3-D movies are sure to become a passé soon.



Image Source: <http://blog.alltechrelated.com/>

# Augmented Reality

## *Challenges*

Ensuring the security of augmented reality system and building trust and comfort factor within the stakeholders that the system is beneficial to their needs remains the key factor for wider acceptance. Additionally, making the system available to poorest of poor would need innovation at financial scale to gain customer traction. It is thus a chicken-egg relationship, where gaining customer traction (chicken) is essential to leverage economy of scale (egg). Separating out the software and the hardware part and leveraging the convergence of technologies into a single device rather than as another additional one would be an additional matter of concern.

## *AR- The Eighth mass medium*

Widely touted as the eighth mass medium after print, recordings, cinema, radio, television, Internet and mobile phones, AR is here to stay and become a part of the media and entertainment amongst many other domains. And of course, for any guy the best AR application would be one which could tell what is going in a girl's mind by looking up at her face – and sure most of the guys and husband would certainly agree that this would be the most downloaded app ever if developed. But then, it's a fantasy which would need more than just understanding and using technology – understanding the most complex of human emotions and that seems distant even by utopian standards.

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# General Management

## Newspaper Supply Chain: An Overview

By: Ankit Kalra & Pooja Beria, PGDM (2011-2013), IIM Raipur

### Key Characteristics

Today morning newspaper publishing is a competitive market. In order to be competitive in the media landscape of today, morning newspapers need to improve the production and the distribution of newspapers as well as other processes within the newspaper companies.

**Dynamic:** The content changes substantially from day-to-day and the demand for them will be expired by lunchtime on the day of sale.



**Persishability:** It has value for a very short period of time. The fact that demand for a newspaper is concentrated in a short time window in the early morning means that publishers generally have only one opportunity to make deliveries to retailers.

Image Source: <http://www.zimbio.com/pictures/>

**Demand unpredictability:** The newspapers are consumed in two ways. Either they are directly delivered to the houses of the consumers or they are delivered to retail outlets from where they are bought by the consumers. Now the former part of the demand is relatively constant while the latter part of demand is absolutely unpredictable.

### Distribution process of Newspaper industry

The printed newspapers have to be dispatched from the **press** to various distributors across the region through **private contract carriers/ Trucks** within local area, public transport in case of longer distances and through couriers in other cases.

The **newspaper distributor** has the rights to distribute the newspaper in his area. The revenue of the newspaper distributor is based on a commission on the sale of every newspaper. The circulation is normally through **agents** appointed and salaried by the distributors, who in turn pass it on to **hawkers**.

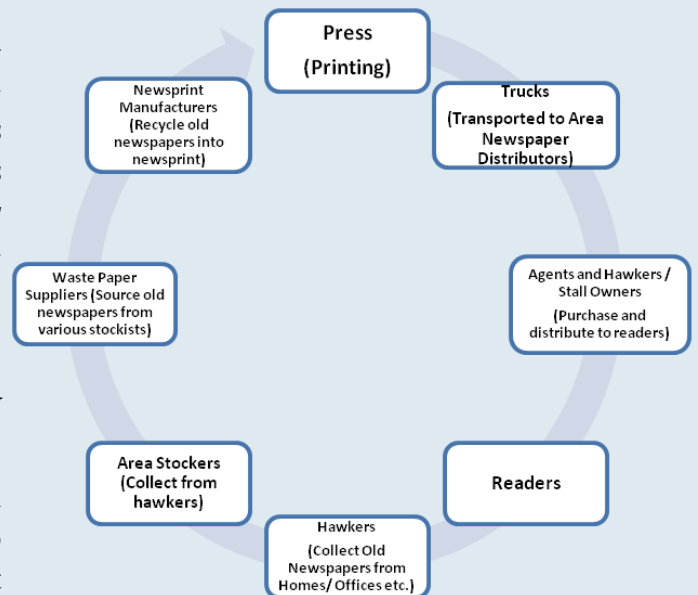
**Hawkers, vendors and book stall owners** are the last link of the supply chain before newspaper reaches **readers**. The hawkers' remuneration is also normally based on the commission system and is generally the highest in the entire supply chain.

# Newspaper Supply Chain

**Responsiveness** and **efficiency** play an important role in newspaper distribution channel. Responsiveness includes supply chain's ability to respond to demand fluctuations and meet short lead times. On the other hand, efficiency is the cost of making and delivering the newspaper to the readers.

## Reverse Logistics in Newspaper Supply Chain

The **old newspapers** are disposed of from all homes and offices. They are generally sold to area **hawkers** to come to homes and collect the old newspapers. These hawkers in turn sell their collections to area stockers.



**Area Stockers** sell the old newspapers to big **waste paper suppliers**. These suppliers supply old newspapers to as raw material to **Newsprint Manufacturers**. These manufacturers recycle the old newspaper to newsprint. The newsprint is again supplied to **printing press** to print newspapers. Thus the entire supply chain is cyclical in nature.



## At the Area Distribution Centres at 5Am every morning

All cities are divided into area distribution centres. The trucks loaded with newspapers come to these centres.

From here it is further distributed to agents of different distributors. The agent collects a fixed number of newspapers from the trucker.

Now the agent inserts supplements and pamphlets into the newspapers and gives to hawkers under him to further distribute into allocated households in respective areas.

# General Management

## Hub and Spoke Model

### Advantages

- For a network of  $n$  nodes, only  $n - 1$  routes are necessary to connect all nodes with the complexity of  $O(n)$ , as compared favorably to the  $n(n-1)/2$  routes, or  $O(n^2)$  in a *point-to-point* network.
- Small number of routes leads to more efficient use of transportation resources.
- Complicated operations, such as package sorting and accounting, can be carried out at the hub, rather than at every node.
- Spokes are simple, and new ones can be created easily.
- Scheduling is convenient for them since there are few routes, with frequent service

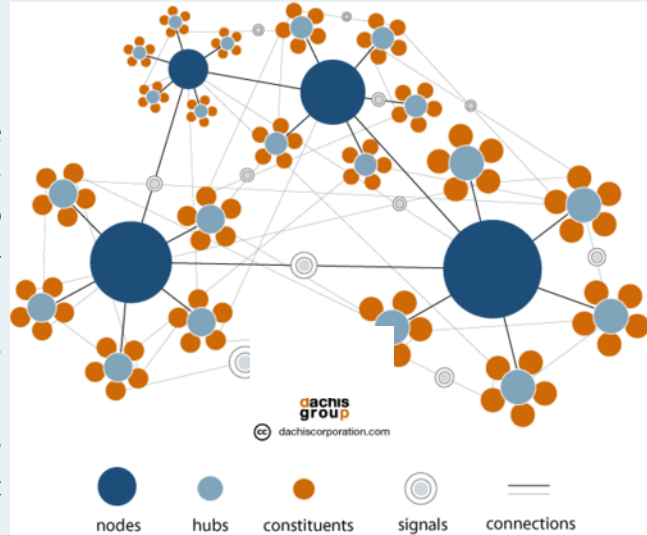


Image Source: [http://darmano.typepad.com/logic\\_emotion/2009/06/sbd-1.html](http://darmano.typepad.com/logic_emotion/2009/06/sbd-1.html)

### Disadvantages

- Inflexibility due to centralized operations
- Changes at the hub, or even in a single route, could have unexpected consequences throughout the network.
- Difficult or impossible to handle occasional periods of high demand between two spokes.
- Route scheduling - Scarce resources must be used carefully to avoid starving the hub.
- The hub constitutes a bottleneck in the network.
- Total cargo capacity of the network is limited by the hub's capacity.
- Delays at the hub (caused, for example, by bad weather conditions)
- Delays at a spoke (from mechanical problems with an airplane, for example)
- Cargo must pass through the hub before reaching its destination, requiring longer journeys than direct *point-to-point* trips.

### Implications of the Newspaper Distribution System

- Though the hub and spoke system has many discrepancies, yet it can be efficiently used in the newspaper distribution because:

# Newspaper Supply Chain

- Since newspapers will move from the printing press/main distribution centre to retail outlets and consumer homes & hence don't need to travel in between these destination centres, the basic problem of excess travel time from one node to another does not apply here.
- Hub and spoke can be applied at all stages of the system. First from the press, they will be sent to different cities as per demand predictions. In the 2<sup>nd</sup> stage, from each distribution centre they will again be sorted and handed over to vendors and hawkers who will carry them to the customers.
- Reverse travelling is not required.
- Time Savings
- Distribution routes don't cross each other.
- Easy resource allocation.
- Reduces costs

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# Human Resources

## HR and Social Media

By: Stita Misra, PGDM (2011-2013), WeSchool Mumbai

Social media is the biggest shift in thinking and communication since the Industrial Revolution. It's bigger than the fax machine 1,000 times over. Companies and brands can engage their customers and friends can connect with friends online. It's a place where everyone and anyone can have a voice and participate in the conversation happening online and in real time.

Like most things in life that involve change, there are those that embrace the change and there are those that do not. In the corporate world, departments like information technology and marketing adapt well to the change. IT because their job is to protect information and the online infrastructure, and so walls are built around knowledge, websites are blocked, and data is protected. For marketing, change is easy as the department looks for the newest, fastest, and most cost effective way to market a product, drive sales, and fatten the bottom line.

When it comes to the corporate world, HR is often one of the last to adapt to change. Mostly because they are the keepers of policy, procedure, order, and the employee. They were the keeper of the employee until social media changed the game.



Image Source: skgtechnologies.com

### **Social media changes HR in 3 fundamental areas:**

**Employee Communication.** Before social media, employers communicated to their employee using in person meetings, email, memos, and interoffice mail. Changes in policy or corporate restructures were communicated the same way. There was control, predictability, and a flow to the communications as well as change. Enter social media. Employers must now communicate changes to their organization making the assumption that by telling one, you are telling all. Gone are the individual meetings where HR travels to one location at a time, announcing terminations and restructures. A single tweet or Facebook update serves as public notice to any type of corporate change throwing a wrinkle in the corporate communicate process.

**The Voice of the Employee.** Before social media, companies could rely on break room suggestion boxes, employee hotlines, and closed room meetings as a way for employees to raise and express concerns. A company's biggest fear was a EEO Charge or a letter to the editor. Enter social media. Through social media, blogs, and online forums employees can now share

# Social Media

their experiences and suggestions good as well as bad. Like consumers companies have little control except to monitor, address the change, and continue to communicate.

**Employer Branding.** Even during a recession, employees have choices. In the past, employers communicate their job openings using one-way conversation tools like the newspaper, job boards, or career fairs. HR and Recruiting teams are now seen as an extension of their PR and Marketing departments except their target audience using social media is candidates not consumers. Of course in many cases, these are one in the same. HR and Recruiting teams are forever changed as they use social media to talk directly to the candidate if they are active, passive, or indifferent.



Image Source: <http://www.bizjournals.com/>

Social media changes HR, forcing them to consider technology and the online conversation in everything they do. Online social platforms are where the conversations HR and senior executives can no longer afford to ignore. Social media changes business. Social media changes HR. Social media is engagement. Social media changes everything.

Social media is beginning to affect every aspect of person's life. As far as business is concerned social media is having enormous impact from product or service perspective as well as performance perspective. With the evolution of social media, HR department of an organization need to ensure that employees are not spending entire day on social networking sites and frittering

away their time tweeting or posting messages on social networking sites. We have seen companies firing their employees for posting bad remarks against the company. But the biggest question to be asked here is "Can employees get fired over social media post?". With evolving nature of social media, it is right time that organizations formulate social media policies. Also it is important for the companies to constantly updating social media policies.

Social media can be an asset as well as liability for recruitment. Increasingly companies are posting their job listings on social sites like linkedin rather than job sites like naukari.com or monster.com. It is helping cutting recruitment costs. Companies even are encouraging their employees to use social media to share job listing among friends and social network. In the traditional way of job advertising, it used to take at least a week before you could get response from interested candidates. But now, with millions of people on Facebook and Twitter every day, it takes only few seconds.

Even though social media is very fast medium to reach to the target candidates, there are downside of using social media from networking purpose. And the downside increases if there

# Human Resources

are no guidelines for regulating what employers are getting from these social sites. There is so much personal information available publicly that there is a risk employers may focus on personal information while they are making hiring even if that information is not relevant to the job description. If there are photos of candidates partying, or if they seem obese in the picture, then employers tend base their hiring decision on what they see on the sites leaving the door open for discriminatory practices. So in order that such discriminatory practices do not exist, organizations need to formulate social media policy for recruitment.

Collaboration is one of the key competencies of any HR professional which they develop as a part of practice. Being skilled at collaborating can help develop communities within an organization and externally with customers (both business to consumer and business to business organizations will benefit from such communities). A must have for developing strong collaboration skills is to also continuously update your communication skills and in the world of Social Media, communication skills can make all the difference to attaining your goals and minimizing or mitigating negative outcomes. Increasingly, organizations are formulating guidelines on how to communicate the customers through social media.

In this age if you remain far from social media then you will remain far from your potential customers, potential employees and ultimately potential revenue. With respect to social media, you have to be smart with "what you say"; you should be aware of "who you reach"; and if you still keep looking, then you must be prepared for "what you are going to find".



Image Source: <http://blog.chumbonus.com/>

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# Past Paid Media

## Past Paid Media

By: Aditya Sharma, PGDM (2011-2013), XIMB

Up till now, if a company wanted to reach out to the consumers it would pay, own and earn from any particular medium, say- TV, radio, billboards. These are still the chief methods of advertising for a marketer but there are two more means of marketing emerging today. These are sold and hijacked. Suppose a rival approaches to advertise on your platform, what will marketers response be? What if certain people are against your product and start hijacking your product online using social mediums. How does one solve these two new scenarios?

Two new types of media are therefore added to the existing ones: sold and hijacked. These two challenge the old strategies and operations of most marketing organizations. But marketers should view this increasing range of media options not only as a challenge but also as an opportunity to encourage readers to share content online and even to create their own.

### Five forms of media

Most of the companies see marketing as a way to advertise on a platform but today it has been much more than just advertising. Marketing today includes following media:

### Paid, owned, earned

Paid media includes all the mediums for which a company pays. This segment is growing at a fast pace with the emergence of more targeted cable TV, online-display placement, and other channels, not to mention online video and search marketing, which are attracting greater interest. Owned media consists of the channels of advertisements owned by the company for marketing purposes (such as catalogs, Web sites, retail stores, and alert programs that e-mail notifications of special offers).

## PAID.

Paying to leverage the power of a channel to deliver a message that drives to another type of media.



## OWNED.

Dynamic content in a controlled environment. Setup as a repeatable, value-add experience.



## EARNED.

The customer as a channel. Built through engagement, conversation and content sharing.

Image Source: <http://huguesrey.wordpress.com>



# Marketing

Earned media is generated when satisfied customers start spreading a good word about the company. For example, Starbucks announced that its Facebook fan base exceeded eleven million people. The company attributes its recent performance to its social-networking efforts and crowd sourced innovations.

## **Sold**

Paid and owned media forms are in total control of the marketer himself and he does act as a catalyst for the earned media too. But sold media is not under his control. For sold media some other organization approaches the marketer to advertise on his platform - for instance, when an e-commerce retailer sells ad space on its Web site. This trend began with retailers and travel providers such as airlines and hotels and will no doubt go further. Johnson & Johnson has created a stand-alone media property that promotes complementary and even competitive products called BabyCenter. Apart from generating income, the presence of other marketers makes the website look more objective, gives company opportunity to learn about the appeal of other companies' marketing.

## **Hijacked**

Though technology has provided a marketer diverse ways to reach customers, it has also given passionate customers a much stronger voice to register their opinion in a much more damaging way. This hijacked media is opposite of earned media: it makes a campaign hostage to consumers, other stakeholders, or activists who make negative allegations about a brand or product. Members of social networks are learning that they can hijack media to pressurize the businesses that originally created them in the beginning. Examples include companies ranging from Nestle (whose Facebook page was hijacked) to Domino's Pizza (a prank online video of two employees contaminating sandwiches appeared on YouTube).

In this consumers tried to persuade others customers to boycott a company's products, putting the reputation of the company at risk. Also, the company's response may not be quick or thoughtful.

## **Impact of the media revolution**

As the role of media is changing and new ones are emerging, the role of the marketers has become much more important than just allocation of budgets and channels. Marketers today require knowledge of how customers are affected by different media in today's world. Paid, owned, earned, sold, and hijacked media are evolving in three primary ways.

First, different media are becoming integrated. The paid media, for example, is increasingly serving as feeder to owned-media hubs, where marketers can offer a more engaging experience and pivot into an ongoing and more targeted stream of contacts with users or members. New ways to connect with customers are transforming traditional relationship management by requiring marketers to interact with customers through media in a personalized manner. JetBlue

# Past Paid Media



Image Source: <http://www.examiner.com>

has promoted its Twitter offering through many channels, for instance, and now has more than 1.5 million followers seeking regular feed of special deals. This move has provided JetBlue with the ability to deliver timely coupons at a minimal variable cost, reducing its reliance on expensive paid media while fostering closer relationships with consumers.

Second, new publishing models are coming in the market because the increasing complexity of consumer needs and the efforts to address them means that marketers can't do everything. Marketers these days are partnering with media publishers to create deeper marketing experiences for consumers. Dell and Nissan, for example, worked with the Sundance Channel to create a television talk show to attract their target demographic. With ads that seamlessly blended into the show's content, both companies gained exposure to a highly engaged audience.

Third, marketing experiences have become more relevant personally. Earlier personal conversations were not considered a very good way to reach the consumers. But new type of media enable better interactions and improve targeting, therefore companies encourage consumers to share their happy experiences. McDonald's in Japan, for example, is using Twitter and other blogging sites to promote new products.

The increase of media types gives marketers a richer arsenal to deepen the engagement of customers with brands cost effectively. But stepping up to meet the high bar of expectations requires a renewed focus on execution, coordination, speed, and performance.

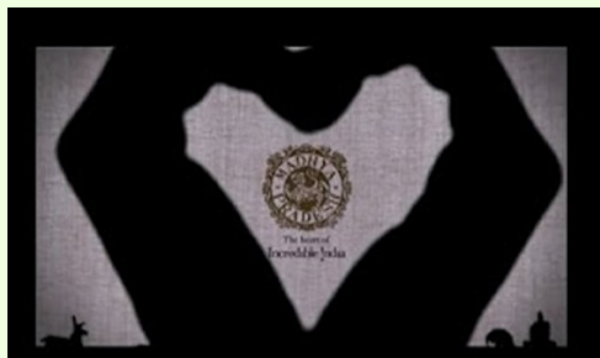
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# Marketing

## Reviving the Art Of Hand Shadowgraph: An uncharted territory

By: Jubin Mohapatra & Shikha Sharma, MBA (2012-2014), DoMS, IIT Roorkee

This unique Incredible India Campaign “MP AJAB HAI...” [Madhya Pradesh Tourism commercial] revives the dying art of HAND SHADOWGRAPHY which finds its roots back to the age of Ramayana. The video makes ingenious use of this unique art form-“hand shadowgraph” in a, one of its kind advertisement which created an instant emotional connect with the audience with simple use of fingers and blank screen. This video lucidly portrays the visual cornucopia that one can behold in Madhya Pradesh, the state they call the 'Heart of Incredible India', a unique marketing carte-blanc of its kind.



Still from the advertisement of Incredible India Campaign –Hand Shadowgraph

Following is the link to the advertisement:

<http://www.youtube.com/watch?v=8OkKNxorhQc>

An epitome of application of Porter's generic strategy of differentiation, the advertisement grabbed quite a few eyeballs; because of its out of the box avant-garde approach of showcasing MP Tourism. The advertisement designed a set of meaningful differences to distinguish the offerings of MP Tourism and was able to spawn a mass interest both on and offshore.

It proved to be an innovative marketing master class which captured viewer's share of mind as well as that of heart. The restrained brilliance and aesthetic value of Hand Shadowgraphs added flamboyance to the flair of the idea and instantly caught viewer's attention. The apt and beautiful illustrations used in advertisement proved to be the perfect concoction to revive the art on the brink of being obsolete. It also lent some much needed impetus to the declining tourist footfalls by bringing to limelight; the famous tourist destinations of the state and helped their retention in viewer's mind.

When it comes to Madhya Pradesh, a land dedicated to wildlife, to spectacular marble rocks, to royal palaces, to temples, to spiritual journeys to get in touch with your inner-self or to the joyous depiction of life in every mood, then it is probably true to say that 'MP ajab hai, sabse gajab hai'. And the ad showcased just that, by illustrating a number of extraordinary places of the state while narrating various conspicuous facts about them, be it the *wildlife sanctuaries (rare hard ground barasinghas, tigers)*, the *temples of Khajuraho*, the *Great World Heritage of Sanchi's Stupa*, *Mandu's Jahaz Mahal* or *famous chandeliers in Jai Vilas palace (Gwalior)*. They all seemed incredibly amazing, more so because of the sublime way of presenting them.

# Shadowgraphy



Wildlife Sanctuaries



Rani Roopnati Mahal



Jahaz Mahal

Image Source: <http://3.bp.blogspot.com>

Shadowgraphy also called 'ombromanie' is the art of performing a story or show using images made by hand shadows. The unique art form which is a combination of hands and fingers on a blank screen tells you a million stories with complete audio visual effect which may be called "cinema in silhouette", a phantasmagoria of sorts. The art has declined since the late 19th century when electricity became available to homes because light bulbs and electric lamps do not give off good shadows and also because cinema and television were becoming a new form of entertainment. The use of this unique and rare art form in the campaign won over the hearts of viewers. The art, perhaps hidden from and unknown to many, came out of the shadows with this television commercial for Madhya Pradesh Tourism that grabbed eyeballs.

Instead of stock shots of waterfalls or tigers running in the wild, the advertisement used black shadows of Mandu Mahal, the famous Marble rocks and a swinging Mowgli set to actor Raghubir Yadav's rustic voice singing 'MP ajab hai, sabse gajab hai'. Moreover dactylic song lines were crafted round amazing facts like the hanging of ten elephants from a hall roof to test its strength, communicate that there is a castle which with water bodies on either sides looks like a ship more than a castle and many more. Definitely these are awe-inspiring facts; but equally daunting would have been the task to turn them into short and simple and hard hitting poesies.

The advertisement positioned itself successfully and carved an image to occupy a distinctive place in the mind of the tourists and viewers to take the MP brand forward.

The most significant point to be observed in the advertisement is that the message source used in the campaign was not a celebrity and no secondary associations were made to any person and still the advertisement seemed to have an *instant emotional connect* with the viewers. The campaign also proved successful in the brand name research Association Tests [what images come to mind vis-à-vis the picture on display] because of innovative use of beautiful shadowgraphs in the advertisement.



Still from the advertisement depicting Chandeliers at Jaivilas Palace(Gwalior)



# Marketing

The advertisement fulfills the following desired characteristics:

- The ad causes viewers to pay attention
- The ad correctly positions MP Tourism brand in terms of points-of-difference and points-of-parity
- The ad motivates viewers to consider visiting the places
- The ad would have viewer retention because of its creative quotient

The investment required for making the advertisement did not include sky-plummeting costs of celebrities or exotic topsy-turvy foreign lands, rather a paltry sum spent in performance of the art by the artists. The advertisement was conceived by Ogilvy's Pradyumna Chauhan and Mahesh Gharat, and shot by Footcandles productions. It was created completely using silhouettes, with absolutely no cutting-edge technicalities involved and yet went on to be voted as one of the best ads of 2010 within days of going on air. The sheer brilliance of the innovative idea and dazzle of creativity was behind the success and popularity of the advertisement.

And how can be the adulation of this masterpiece be complete sans a few lines of praise about the deft and subtle performers. With just 10 fingers and a screen as canvas, Amar Sen and Sabyasachi Sen who are friends as well as co-performers, brought to life birds, animals and buildings. Fingers folded and bent like a hook create a image of tiger while another combination produces the silhouette of Khajuraho Temple. Their gamut of tricks contains just one blank screen and 20 fingers. The upside down elephants refers to the chandeliers at Jaivilas Palace durbar hall, Gwalior successfully emphasizing the point that the weight of each of the two chandelier there equals that of 10 elephants. More than anything else, hand shadowgraph is an immensely powerful communication medium. They also train youngsters at their academy who want to learn this ancient art that costs nothing to perform but demands physical and mental adroitness. There are four belts that one must earn, just like in karate. Both the Sens are self-taught and initially only had a book to teach them a few tricks. They needed to understand the principles of drawing, anatomy and behavioral science. The two had spent hours at the zoo and museums to observe shapes and movements. It has taken them 39 years to perfect this art form.

Moving on to the background crew, The Incredible India Campaign has been directed by Vinil Mathew, under the expert supervision of O&M team (Ogilvy & Mather), and was headed by high-profile Executive Chairman & Creative Director (South Asia), Piyush Pandey. The agency swept away *Effie Agency of the Year Award 2011* and bagged gold for the campaign 'MP Ajab Hai, sabse Gajab Hai' of Madhya Pradesh State Tourism under category- Services-others.

Madhya Pradesh Tourism has created a distinctive tone and personality through its communication. While tourism advertising typically has the proclivity to flaunt visuals of tourist destinations, this ad is 'non-tourist' in nature, both from a strategic as well as creative point of view. People will retain in their memory the message conveyed to them through this campaign. The

# Shadowgraphy

viewer's initial attitude towards the campaign was very positive and hence the campaign would have high recall also known as *selective retention*.

The advertisement acted as a brand strengthener of Incredible India campaign, creating awareness and reinforcing the faith of tourists visiting MP, through creative advertising. It tells the story of Madhya Pradesh in a true earthy and folksy way, and in a raw Indian form. An amalgamation of emotions, an dying art and avant-garde innovation, this ad campaign surely can be a path finder for the marketers of the future.

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# Marketing

## Hi ! Handsome

By: T Pranay, PGDM (2011-2013), Symbiosis Institute of Telecom Management

Many of us can easily recall the nationally popular epic, Ramayana on Doordarshan; tall and fair lord Rama fighting against demons with a peculiarly dusky complexion. The same skin colour distribution can be traced in villains of Amar Chitra Katha and even Chacha Chowdhary Comic strips. Black is depicted as the colour of evil and darkness in most of the Asian countries, especially India.

Fanon, the author of the critically acclaimed book Black Skin White Mask said, "For every black there is one destiny that is white."

Although fairness has always been an inseparable part of looking beautiful for women, men were spared of the agony, thanks to the heavy doses of 'Tall, Dark and Handsome' males of Mills & Boon.

But today, the metro sexual man and its' worshippers (read paegents and cosmetic companies) have redefined the perception of looking good for males. The fetish for fair skin, aptly named Snow-white syndrome, is equally affecting the asian males and Indian skin cream market is proving the fact.

A few years ago, Fair and lovely, the world leader in women's fairness cream market, revealed that more than 30% of its consumers were male. Taking a cue from it, Emami, another skin product company, conducted extensive surveys and found a substantial need of male whitening cream in the Indian market.

Most of the men used fairness creams primarily used by the females in the family. Emami swiftly launched "Fair & handsome" and very smartly positioned it as the world's first

male fairness cream. A guy stealing fairness cream from girl's hostel is caught and saved by F&H brand ambassador Shahrukh Khan. The advertisement emphasizes on encouraging males to go and ask for their fairness cream and not to use women's fairness cream. The advertisement received huge response making Emami the pioneering leader of Male fairness cream. Along with this Emami conducted Mr. Handsome contest and many other paegents.



Image Source: <http://www.fairandhandsome.net>

# Hi! Handsome

Later, many competitors jumped into the segment. HUL came up with Menz Active while Vaseline and Nivea also came up with similar products. Sales of such products fuel 440\$ billion in the market but its growth rate (31%) outriders even products like Coke in the country.

The growth rate itself explains Indian male psyche. The advertisement targets the 2nd level of Maslow's hierarchy of needs which denotes self-esteem and confidence. Emami, where positioned the product taunting by not to use female fairness cream. HUL product user emerged as a more confident and esteemed person after applying it. Thus advertisements not only depicting the beauty of a person but also rise in social status thus targeting the BOP segment also.

The sale of fairness cream shows demographic feature also. The south India is major concern of Companies. These are the areas of major buyer. This can be understood by the exclusive introduction of Fair & Handsome in Andhra Pradesh. The company emphasize on applying this cream daily to get quicker results. The advertisement and even their jingles were also dubbed into various regional languages. A study shows the product is very heavily used in tribal areas of Jharkhand and Chhattisgarh also. This shows the reach of advertisement and the proper translation of customer requirement.



Image Source: <http://www.outlookindia.com>

There exist various myths about fairness creams. It is scientifically proven fact that the skin colour is hereditary and cannot be changed. Also various chemical used in such fairness cream may cause dryness and ageing of the skin because of bleaching agent.. Males skin are more exposed to pollution and sunlight and consists of high amount of collagen. Though dark skin means more amount of melanin which in turn protects from various skin diseases. Despite this fact,

fairness cream sales are high

Seeking such growth various other product like Ever-youth introduce Men's Face wash. Now the market is filled with men's skin product and males are not hesitating in picking it up from stores. This is because of positioning of the product. First we have to break the clutter that it is not wrong to take care of your skin. Rest the media and odd over 50 reality shows in television which present a fair male as most socially acceptable. This boost the already seeded feeling of turning and looking into fair. This is very well proven fact as no person accept themselves as dark and handsome rather wheatish in matrimonial sites.

This is not only in India but China and more south Asian countries are big markets of male grooming products. India has bigger market than Saudi Arabia. Pakistan itself registered 14% growth rate in male grooming products especially because of male fairness products. Emami spend heavily in promotion in Bangladesh.



# Marketing

Thus creating a segment and nourishing it with the new innovation is the success and learning of Male fairness market. Its success and its huge market share is itself explaining and the self explanatory eulogy.



Image Source: [www.afreshbrew.co](http://www.afreshbrew.co)

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# Past Paid Media

## Is the Cash-On-Delivery Model bringing in Cash for E-tailing companies?

By: Shreya Muralidhar, PGDM (2011-2013), LBSIM

We are living in a time, where we can have a selection of our favourite shopping items right at our doorstep and we can buy only what we like. Gone are the days, when only people who possessed a credit/debit card or net banking facilities could shop online. The cash on delivery model incorporated by e-commerce companies, where the buyer needs to pay the money only after the order is delivered, has brought smiles to the faces of many consumers. But has it done the same for the e-commerce companies?



Image Source: <http://yebhi.com>

More than 60 per cent of all e-tailing transactions in India are based on COD. While this model has led to the boom in e-commerce in India, it may not be sustainable in the long run. The e-commerce industry was based on a model of negative working capital, wherein the vendor uses the capital provided by the buyer to purchase the goods desired by him. But with the advent of the COD model, the risk exposure for e-commerce companies has become extremely high. Still, the companies can't think of scrapping this model, as it has helped them overcome some of the stigma associated with online buying.

Several e-tailers are not very popular, unlike Flipchart or Snapdeal, who advertise extensively. For the new companies who are trying to capture the market, cash-on-delivery proves to be a boon. It has provided them with an opportunity to build confidence amongst the consumers, who generally fear that their order may not be delivered, if paid for in advance. But the delivery system does have its own limitations. Firstly, chances of reverse logistics are very high. If the customer has a change of mind about the product by the time it is delivered or does not like the "touch and feel" of it, he is free to send it back. As revealed by industry sources, about 30-50 per cent orders where the customer has opted to pay cash on delivery (COD) are returned. Another important problem is money collection and sending it back to the seller. For Indian courier companies, who are as it is not used to the package delivery system, the sudden boom in sales for the e-tailing companies has caught them unaware. On top of it, an additional layer of communication with the customer has only added to the complexity of the process.



Image Source: <http://yebhi.com>

# Marketing

**Online Shopping Behaviours among Internet Users**  
(Base: 17.5 Mn Active Internet Users in 15 Cities Surveyed in I-Cube 2009)



Image Source: According to a report released by IMRB and IAMAI  
<http://www.imediainconnection.in/article/91/Digital/Internet/ecommerce-in-india-statistics-trends-and-insights.html>

Even though the COD option is availed by many, there are still a substantial amount of consumers who would want to complete their transaction at one time by paying online itself. By availing COD, the customer has to wait at home for the delivery person to come, keep cash and change in hand and complete the transaction. Also he/she has to be available at the time of delivery of the product. On

the other hand, online payments make the transaction very convenient.

Though some companies are taking extra care in mitigating these problems caused by COD. Fashion and You, quoted in Economic Times recently, that they were making their logistics partner call the customer before delivering the product to avoid multiple trips due to non payment. If a customer defaults on the order often, he or she is blacklisted by the company.

Such measures can be taken by all the companies to exercise the COD effectively. The companies could also grant the COD option only upto a certain billing amount. The other option which could be exercised is to have the COD option only for a certain range of products like apparels, shoes and electronics and items like books need not use this option. Customers should be educated to use online payment more. They should be lured with discounts if they choose online payment over COD. But these techniques would only work if all the companies decide to introduce them, else the one not imposing any restrictions would have an advantage

**Reasons for Not Shopping Online**  
(Base: 6.1 Mn Active Internet Users who do not purchase online)

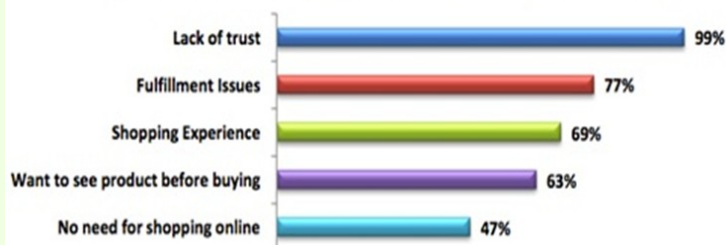


Image Source: According to a report released by IMRB and IAMAI  
<http://www.imediainconnection.in/article/91/Digital/Internet/ecommerce-in-india-statistics-trends-and-insights.html>

The mindsets of the customers have to change and Industry itself has to drive the initiative. Only one who is making money out of COD are the logistics providers. Before COD becomes a loss making activity for the whole industry, measures have to be taken to make it profitable.

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# BASEL III

## BASEL III : An Indian Outlook !!!

By: Jubin Mohapatra & Shikha Sharma, MBA (2012-2014), DoMS, IIT Roorkee

### Introduction:-

Before embarking on the depiction of Basel III norms and their futuristic impact on the Indian Banks and Economy at large, let's start off with a simple question: What is a **Venture**? It simply means an undertaking which has inherent **Risks** and **Returns**. When some capital is invested in a venture; it is expected to yield some returns or benefits out of it. But the buck does not stop here, as along with returns come the rabble-rousers; the different kinds of risks that plague an investment. Risks entail all potential losses which have detrimental effects on the expected output or the Returns. The risks can be quantified and analysed under many heads namely Market risk, financial risk, Operational risk, Credit risk etc. It is to guard the banks against these risks that the Basel accords were formulated.

### The 3 Basel Accords: Raison D'être:-

Basel Accords were created under the aegis of Basel Committee on Banking Supervision to provide various avenues of safety against the various credit, operational, market and liquidity **Risks** vis-a-vis the liquidation of banks. The first round of deliberations was conducted in 1988 in response to the insolvency fiasco of **Herstatt Bank of Cologne**; which was attended and ratified by the Central Banks of G10 nations. In June 2004 followed the Basel II regulations; which broadened the horizon of Basel I to include banking laws and regulations pertaining to capital adequacy, arbitrage regulation, risk quantification, risk classification and risk sensitive capital allocation. However, Basel II has been sporadically criticised by a section of economists for having magnified the effects of the credit bubble and ergo it has been appended and updated many times on the back of numerous financial turmoils, the sequence of reforms eventually culminating in formulation of Basel III regulations. The accord brought into existence during the year 2010-11 aims to plug the deficiencies which led to the late 2000 banking crises.

### Basel III: An Overview:-

Apart from bank's capital adequacy, stress tolerance and market risk pruning, the third Basel accord also sketches out well defined contours of bank leverage, capital and liquidity requirements. It tries to reconcile the banking regulations with economic robustness to safeguard against the financial frailties. The 5 salient features of the latest accord are as follows

The first dictum tries to better the quality, eminence, consistency, and transparency of the capital base, by segregating the capital of a bank as Tier 1, 2 and 3. Second change strengthens the risk coverage by trying to marginalize the credit risk. Third pillar offers a leverage ratio based



# Finance

system to entrench the Basel II risk frameworks. Fourth point requires building up capital buffers during good times for use during stress and instability. Fifth one involves creation of a novel global liquidity standard; involving calculation of de facto liquidity coverage ratio, called Net Stable Funding ratio. It also limits the bad loans.

## Indian Banking Sector, Basel III and Growth Scenario:-

After Reserve Bank of India pronounced final guidelines for Basel III commencing January 1st, 2013, and to be implemented by March 31st, 2018; speculations have been rife about its potential effects on the Indian GDP growth and whether or not the Indian Banks will be able to meet the cumbersome capital requirements.



Graph showing spiralling Indian GDP , and Basel III might further accentuate the degrowth.

Image Source: [www.tradingeconomics.com](http://www.tradingeconomics.com) , Indian Central Statistical Organisation

So is the Indian Banking Fraternity ready for implementation of Basel III? Will it invigorate the economic and banking standards or will it worsen the already plummeting growth rate as well?

Just like every leap of faith, this step also has both pros and cons. The downside begins with requirement of a massive capital raising by Indian banks, in the tune of **Rs 1.67 trillion** over the next five years to cater to their growth necessities and boost up their held capital. This figure is churned out from the new Basel III norms requiring a minimum 5.5 per cent in common equity stock by March 31, 2015 against 3.6 per cent now. Moreover creating a capital buffer by March 31, 2018 entails dilution of equity up to 2.5 percent. It has also hiked the minimum overall capital adequacy to 11.5 per cent as opposed to the current level of 9 percent. For now the private sector banks like ICICI, YES, Kotak Mahindra etc seem to be in a comfortable position to meet the guidelines as compared to the public sector peers like SBI who need large chunks of funding to mop up the required capital for compliance with Basel III.

Because of such a massive capital structure overhaul the Indian banks will have to go for stringent loan disbursements which won't be helpful for the Indian industrial sector which is in dire need of banking support to fortify its position. Further the banks are expected to go harsh on loan defaulters and tidy up the sectors of economy where NPAs are proliferating rapidly like the

The potential trade off between preventive safeguards and languishing economic growth has been making rounds in the economic debate mills of the country. And the cascaded effects of still to be tamed inflation, oil price hike, a free-falling Rupee and sluggish industrial expansion have only escalated the concerns.

# BASEL III

critical Power sector and MSME sector; among others. Henceforth, any rate cuts expected from the chests of RBI will aid in boosting up the capital buffers of banks rather than accelerating the economic progress. All these factors might end up in a medium term reduction in growth rates of around .05 to .15 percent as per OECD studies and will most certainly have an adverse impact on the presently effervescent Indian economy. With that being said, let's take a look at the vibrant side of things, the bigger picture.

As far as capital adequacy is concerned, Indian banks are better placed than most of the foreign foils, to make a transition to the stricter capital regime. The existing RBI norms are more stringent than the international Basel III standards, which mean that the equity capital ratio and capital adequacy ratio of rated Indian banks are pegged well above the required margins of 9% and 14% respectively. More over recently the international credit rating agency Moody's and its Indian subsidiary ICRA have gone on records stating that the conservative return on equity and higher cost of capital on loans adopted by Indian banks will actually be seen in a positive light after the implementation of Basel III and it will be credit positive for the developing economy of the subcontinent.

Moreover the leverage ratio under Basel III needs to be 3% to check derivative counterfeits and takes up cudgels against off the balance sheet trading .But the same ratio for Indian banks lies between 4.3 to 4.5% thus providing a hefty cushion and making it further easier and rudimentary to implement Basel III. Moving on to the liquidity coverage

ratio required to provide cash flow for stress period of upto 30 days , here also Indian banks are well endowed as liquidity requirements of Basel III can be comfortably offset from two major sources namely; Cash Reserve Ratio-CRR (4.75%) and Statutory Liquidity Ratio – SLR (24%).

Name of the Bank	Assets as on 31.3.2011
The Ratnakar Bank	3,230
Nainital Bank Ltd.	3,292
The Catholic Syrian Bank Ltd.	9,829
The Lakshmi Vilas Bank Ltd.	13,301
The Dhanlaxmi Bank Ltd.	14,268
City Union Bank Ltd.	14,592
Tamilnad Mercantile bank Ltd.	16,117
The Karur Vysya Bank	28,225
The Karnataka Bank Ltd.	31,693
The South Indian Bank Ltd.	32,820

Smaller Banks like the afore mentioned , with limited assets will find it difficult to conform to Basel III norms , resulting in dearth of loan disbursal to the smaller industries.

The biggest yet intangible benefit will come in form of HEDGING against cyclic fluctuation in business market. When the economy is zesty and rollicking, carried away by the booms, banks throw caution to the winds and disburse large amounts of loans , thus accumulating unbridled defaulting risks. During a downturn as seen in case of housing bubble of US , these contraventions impede the very fabric of the banking system hurtling it into a spiral of abyss. The creation of additional capital buffers under Basel III would put some shackles on the unfettered bank-lending as sufficient amount of capital has to be preserved now. This restrain will smoothen the large swings when the business cycles go berserk, thus acting as a shield.

Image Source: <http://www.thehindubusinessline.com> , Article 2205002.ece

## Conclusion:-

There is a famous quote: “Whatever was on the left-hand side (liabilities) was not right and whatever was on the right-hand side (assets) was not left.” This comment came in the context of Lehman Brothers, who foundered so shoddily that their assets were not even worth a fraction of their book value and their entire capital base was worn out. It simply exposed the decay that had crept into the financial machinery, as a result of loose lending, subprime mortgages, shadow financial institutions, speculations, large NPAs and insufficient liquidity buffers, which planted the seeds of the great downturn. In this light, Basel III can prove to be an earnest and triumphant attempt to avoid crises like the late 2000s. Given their secure position in contrast with the tumultuous west, coupled with rising diplomatic and economic clout of India in world map, Indian banks are ever so ready to perk up their banking regulations by embracing Basel III. The famous adage “make hay when the sun shines” is paramount in the case of Indian Banking fraternity. Coup -de- Grace!!!

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# Media on the Cloud

## Media on the Cloud

By: Bhavi Patel, PRM 32 (2011-2013), IRMA

Nowadays, economic pressures are mounting on everyone. And this is altering the way a lot of people and a lot of industries do business. And the same applies to the media and entertainment sector as well. It seems as if we are living in an “Attention Economy” and the media and entertainment industry is constantly vying for a larger and larger share of the consumer attention. The consumers and the customers have become more demanding than ever before and their attention spans have nosedived like never before too. Their loyalty has gone down too. Even advertising, which was one of the prime sources of revenue for the media and entertainment industry once, isn't what is used to be once today. The media businesses today cannot just raise their prices and sell of their advertisement slots to raise their bottomline. Neither can it cut back on its expenses just like that to achieve the objectives.



Image Source: <http://cloudcomputingcompaniesnow.com>

In today's world, the focus has shifted from physical supply chains to digital supply chains. But just reacting well to the change is not sufficient and won't make an industry survive. The industry CEOs are changing their business models as rapidly as the industry is changing. But how will the media industry keep up with the ever-accelerating rate of innovation in the new economic environment? How will the companies maintain their edge over the new entrants and create those typical entry and exit barriers? Are there any cloud consumption

models that can be followed by the media companies to succeed? Should the media companies be leaders or followers?

Today media companies are responding with new and better ways to enhance their digital supply chains using the trend called cloud computing. This has helped them to quickly and efficiently deliver the proper content to the fine grained target customers. Today, the media companies are looking towards cloud computing in order to enhance and strengthen their digital supply chains. This helps them add specific media processing services while still managing to reduce their operating expenses. However, whether cloud computing can help reduce capital expenditure cannot be said with as much certainty. Reduction in capital expenditure with cloud computing is less likely for large and mature companies than it is for small and medium companies. The small and medium media companies are bound to be more eager to outsource their content storage as well as the processing of their content, than the large companies would be. The large companies would definitely have efficient customized enterprise systems working in



# Operations

their organizations that won't be replaced by the generic or composite services of the cloud. Also most large media companies have decentralized pools of storage in multiple physical data centres presenting complexities of access and offering several other limitations. Also a lot of content would be in the analog format which the cloud would find difficult to handle.

However, no media company can find it affordable or economic to incur more capital expenses merely to accommodate seasonal needs or for having resources that won't be fully utilized.

The best opportunities for the media companies to take to the cloud exist when the content storage, media processing and distribution services are located close to each other or in the same location. Just as economies of scale become available to media companies seeking to reduce their cost per gigabyte, processing services economies of scale are available when the range and intensity of content services are co-located within the content itself.

Processing services are not standalone services. Supposing that large sized video files have to be transcoded. Then it would not be simply transcode the files and get on as this won't be a very cost effective option. But if the other content processing services are co-located with the transcoding facilities, then the communication costs become a much smaller proportion of the overall cost.

The media companies would thus need to prepare themselves to make their journey to the cloud, so that proper advantage can be taken of this new trend of media clouds. Today only a few media clouds exist in the country, but gradually they are sure to become the paths of the highest returns giving the companies the edge of time to market and the ability to distribute more B2B and B2C content to consumers with the least possible investment and thus a much better return on investment figure.



Image Source: <http://t3.gstatic.com>

Cloud computing indeed represents many opportunities for the media and entertainment industry. It can give the companies a competitive advantage by giving them the ability to get their content to multichannel, three or even four screen markets faster than ever before while reducing the costs manifold. But in order to increase the adoption of the cloud, it will be necessary to build a level of trust and confidence in the cloud. After all public clouds have made it to the news often in the past two years with major outages. Security and performance issues cannot be controlled by the media companies in public clouds. Instances of stolen content and stolen identities are case of loss of control on part of the content provider and there is nothing wrong with the technique or trends of the cloud as it is. But if used properly with appropriate security features, the cloud offers benefits no other technique can.

—O—

# Future of Operation Management

## Future of Operation Management in M&E

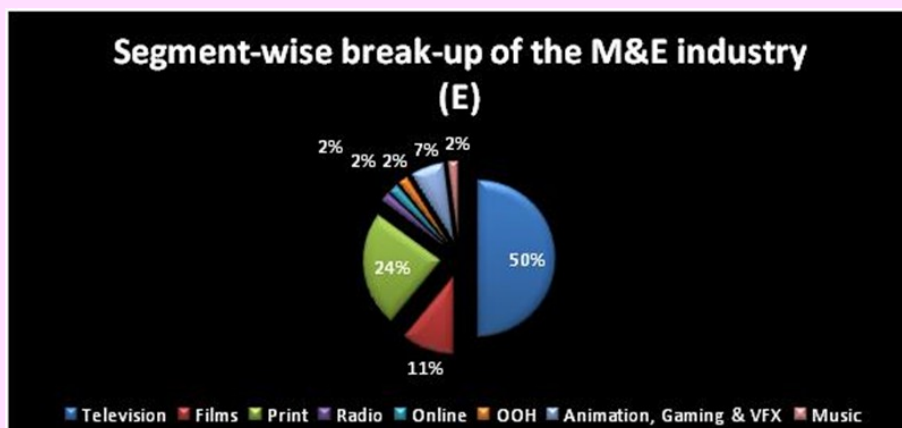
By: Biplab Mahanti, MBA (2011-2013), SJMSOM, IIT Bombay

### Current Situation:

In the awakening of people's concern towards environmental management as a The media and entertainment (M&E) sector is one of the fastest growing industries in India, mainly driven by India's healthy economy, rising middle class, higher incomes and increased consumerism. In the last few years there has been an exponential growth in the number of television channels and also private FM radio operators. The financial year 2010-11 was a dynamic year for the M&E industry with growth across most segments within this sector on the back of a positive industry sentiment and growing media consumption. Further, in order to provide an enhanced customer experience and to monetize content, the industry is undertaking several initiatives like regional content and distribution platforms (digital, non-digital and mobile). New technologies such as 3G, broadband and mobile infrastructure are also helping in pushing the growth rate.

Today, India has perhaps one of the most liberal foreign investment regimes amongst the emerging economies with a favorable foreign direct investment (FDI) environment. The M&E industry has significantly benefited from this liberal regime and most segments of the industry today allow overseas investment. Recently, the government revised FDI limit on FM radio at 26% against the earlier 20%. Films, television and other segments are already open to overseas investment. All these factors have given an impetus to the M&E industry, and are likely to contribute to the growth of this industry in the future as well. The sector comes under the purview of the Ministry of Information and Broadcasting, which is responsible for formulation and administration of laws relating to media and entertainment? The M&E industry consists of following segments - film, television, advertising, prints media and music among others.

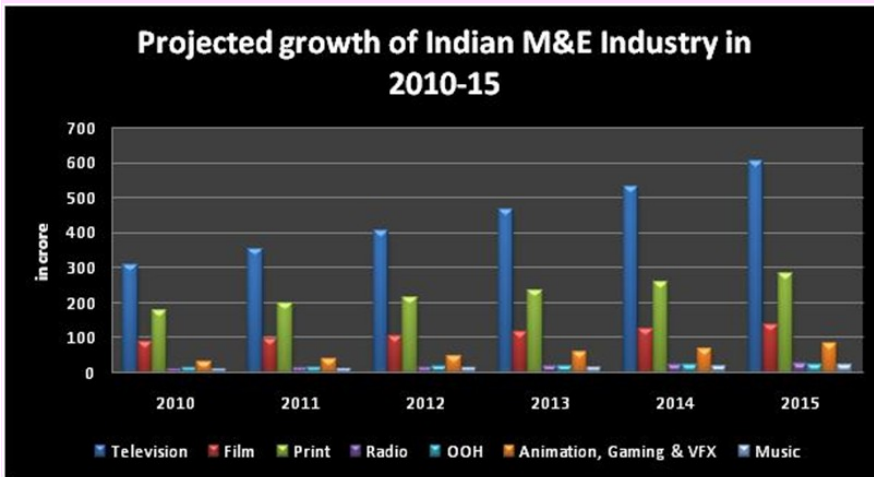
The Indian M&E industry grew from Rs 58,700 crore in 2009 to Rs 65,200 crore in 2010, registering a growth of 11%, mainly on the back of positive industry sentiment and growing media consumption.



# Operations

## Sector wise growth trajectory:

- M&E is having the following sectors presently.
- Out of Home (OOH)
- Publishing Industry
- Radio & Music Sector
- Animation and VFX



Media sectors regarded as “sunset” industries in mature markets are flourishing in India, presenting global media companies with exciting opportunities to counter declining revenues. For example, the newspaper industry, which is facing declining readership in many international markets because of digital media, continues to thrive in India, driven by increasing literacy rates,

consumer spending and the growth of regional markets and specialty newspapers. Newspapers account for 42% of all advertising spend in India, the most of any medium. India’s favourable regulatory environment and recent reforms are creating investment opportunities in a number of M&E sectors. Entry restrictions for foreign companies have been relaxed and foreign direct investment (FDI) caps have been recently increased in key sectors, including direct-to-home (DTH) and radio. The mandatory digitization of the country’s TV distribution infrastructure has spurred growth of digital cable and DTH and created a need for these companies to fund expansion. And the third round of radio license auctions (phase III), expected in the near future, will see radio networks adding around 700 radio stations across the country. And then there are India’s diverse content markets. The majority of India’s urban consumption comes from non-metro cities (so-called Tier 2 and Tier 3 towns) — regional markets with distinct cultures, languages and content preferences.

**Key Points:** Here are few points from operational point of view:

- Localize content
- Assess pricing and distribution channels:
- Understand regional nuances:
- Financial risk mitigation

# Future of Operation Management

**Digitization of distribution:** The digitization of the Indian M&E industry's distribution channels is a key growth driver, helping to increase industry revenues, curb piracy and reduce costs. The Indian film industry is implementing a large rollout of digital cinema, currently at more than 1,800 digital screens. This has reduced piracy and substantially increased the scale and reach of theatrical releases across the country — a game-changing phenomenon whereby 60% of box-office collections are realized in the first week of a movie's release.

## **Television distribution:**

**Digitization of the last mile:** The Government's mandate for a compulsory nationwide shift to a digital infrastructure by March 2015 is leading to aggressive expansion by digital cable and DTH operators.

**Consolidation in the cable industry:** Cable operators need to make significant investments in digitizing their distribution infrastructure to meet the Government deadline for mandatory digitization.

## **Newspapers:**

**Diversification beyond print:** Growth aspirations fueled by capital availability have led publishers to enter into other media and forge partnerships with TV channels. Newspaper companies are entering into other businesses such as internet, TV, education, events and experiential marketing, radio and out-of-home advertising

**Growing Hindi and regional print markets:** The Indian print industry has witnessed a continued shift toward regional and Hindi markets due to rising literacy rates and increasing disposable incomes in non-metros, as well as advertiser interest in targeting these segments. Between 1999 and 2009, the share of English-language newspapers in print advertising declined from 39% to 32%.<sup>56</sup> The Hindi and regional markets are expected to grow faster than the English-language market

**Low cover prices:** Indian newspapers have extremely low cover prices, with leading dailies being sold at less than US\$0.10, and typically packaged with a second free newspaper. Subscription revenues remain negligible for most newspapers, with distribution costs recovered through advertising sales.

**India is becoming a popular destination for media services outsourcing:** Globally, media companies are outsourcing print media services such as layout design, classified and display design, graphics and data compilation to India, seeking to take advantage of low costs and a qualified English-speaking talent pool.<sup>59</sup>

**Newsprint and distribution costs:** The print industry's key areas of concern remain the costs of newsprint and distribution. Newsprint, which forms the largest element of cost, fluctuates significantly based on several uncontrollable factors. Distribution cost is linked to petroleum prices and labor costs, both of which have seen significant increases over the last few years.



# Operations

Streamlined operations have improved profitability: Newspapers have streamlined their operations by outsourcing non-core functions (including printing)

**Films:** Digitization is providing scale and reducing piracy: Digital prints cost 80% less than conventional film prints, allowing producers to reach five times the number of screens at the same cost. This has significantly improved realization, as 60% of box-office collections are now earned within the first week of a movie's release.<sup>77</sup> Digital cinema allows companies to control exactly where movies are showing and how many times they are shown. It also expands the reach of releases, from large cities to remote towns and villages across India.

**Online ticketing:** Ticketing companies are simplifying the ticket-booking experience through online and mobile platforms. These platforms provide greater transparency in ticketing sales and increase ticketing revenues — earlier a marginal contributor to overall revenue. Indian ticketing companies allow teams to sell premium tickets and create innovative bundles with merchandise and travel packages

## **Some new aspects:**

The industry is expecting for simplification of the burdensome tax laws and resolution of some of the long standing tax controversies impacting the sector, some action in the broadcasting sector, where uncertainty surrounding tax deduction at source (TDS) on several payments and higher withholding tax at 20% in the absence of permanent account number (PAN) is expected. Further, taxation of foreign telecasting companies (FTCs) also continues to be a bone of contention between these companies and the tax office, need to be looked. Moreover, the government should grant relief from levy and collection of service tax on subscription charges received by cable operators and DTH operators since these charges are already subject to entertainment tax.

Moreover, sustained growth in advertising as well as consumer spending together with infrastructure development, which is the biggest roadblock to the growth of digital consumption, the industry is likely to see double-digit growth.

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## Spinal Injury Awareness Day

Nina Foundation, an NGO established for the cause of spreading awareness, optimism and hope of good health for people with spinal cord injury by offering innovative rehabilitation services has initiated the Spinal Injury Awareness Day. WeSchool has been its Academic Partner since 2009.



Dr. Ketna Mehta, founder and trustee of the Nina Foundation, said, "There is tremendous scope for a world-class rehabilitation centre for Spinal Injury in Mumbai to serve the needs of 1.5 million people with spinal injury in India. There is also scope for rehab insurance as the cost of living with spinal injury is very high. This innovative celebration of Spinal Injury Day has now gathered momentum in a very short time and has been endorsed by several reputed national institutions in the disability sector."

A Medical Camp for socio-economically challenged members with Spinal Injury from far flung areas including Kashmir was held in the morning with a team of renowned doctors & specialists.

WeSchool believes that for Management education to be holistic, it should groom leaders who have a global perspective, yet are thoroughly aware of community issues and sensitivities. Such an approach is vital for fostering a strong community feeling and an Inclusive society.

WeSchool's involvement in MUNIJAN (Mumbai University New Initiative for Joint Action Now) for sustainable development, SIFE- project for Empowering the third gender and PRAYAAS 2011, an initiative to train women entrepreneurs who hitherto lived in the family shadow, Mumbai

Bhushan are some of the manifestations of our social responsibility by involving the youth.



# Call For Articles

We invite articles for the July, 2012 edition of Samvad.

The Theme for the next month: July 2012 - **Corporate Social Responsibility**

The articles can be from Finance, Marketing, Human Resources & Operations domains.

## Submission Guidelines:

- Word limit: 1000 words or a maximum of 4 pages with relevant images.
- Cover page should include your name, institute name, course details & contact no.
- The references for the images used in the article should be mentioned clearly and explicitly below the images
- Send in your article in .doc or .docx format, Font size: 12, Font: Constantia, Line spacing: 1.05' to **samvad.we@gmail.com**.
- Please name your file as: <YourName>\_<title>\_<MBAvertical e.g. Marketing/Finance/BMS>
- Subject line: <YourName>\_<InstituteName>\_<Year>
- Ensure that there is no plagiarism and all references are clearly mentioned.
- Like our Fb pg: [Samvad: WeSchool Students Magazine](#)
- Deadline for submission of entries: **28th July, 2012.**

## Team Samvad



### From right to left :

- Stita Pragyna Misra (Editor)
- Prof. Jalpa Thakker (Mentor)
- Prof. Chitrlekha Kumar (Mentor)  
(Not-in-pic)
- Rakesh Marar ( Chief Designer)

For any queries, please mail us at  
**samvad.we@gmail.com**

### Ideas and contributions by:

Hardikkumar Sanghvi; Shapnaa Sridharan;



# If

*If you can keep your head when all about you  
Are losing theirs and blaming it on you,  
If you can trust yourself when all men doubt you,  
But make allowance for their doubting too;  
If you can wait and not be tired by waiting,  
Or being lied about, don't deal in lies,  
Or being hated, don't give way to hating,  
And yet don't look too good, nor talk too wise:*

*If you can dream - and not make dreams your master;  
If you can think - and not make thoughts your aim;  
If you can meet with Triumph and Disaster  
And treat those two impostors just the same;  
If you can bear to hear the truth you've spoken  
Twisted by knaves to make a trap for fools,  
Or watch the things you gave your life to, broken,  
And stoop and build 'em up with worn-out tools:*

*If you can make one heap of all your winnings  
And risk it on one turn of pitch-and-toss,  
And lose, and start again at your beginnings  
And never breathe a word about your loss;  
If you can force your heart and nerve and sinew  
To serve your turn long after they are gone,  
And so hold on when there is nothing in you  
Except the Will which says to them: 'Hold on!'*

*If you can talk with crowds and keep your virtue,  
' Or walk with Kings - nor lose the common touch,  
if neither foes nor loving friends can hurt you,  
If all men count with you, but none too much;  
If you can fill the unforgiving minute  
With sixty seconds' worth of distance run,  
Yours is the Earth and everything that's in it,  
And - which is more - you'll be a Man, my son.*

Rudyard Kipling