

IMPACT

INNOVATIVE MANAGEMENT PRACTICES
AND CREATIVE THINKING

A JOURNAL FOR MANAGEMENT SCIENCES



EDITORIAL TEAM

Mr. N V Subbaraman
Mr. "Kalki" V Murali
Dr. M G Bhaskar

With greetings from IMPACT!

Management is omnipresent, omnipotent and omniscient. Management is structured in every gene, tissue and nerve, not just in the human physique but in the architecture of every life, be it animals, birds and even in plants. The word 'cosmos', antonym for 'chaos', represents orderliness, the eternally prevailing management systems, that are built within every infinitesimal atom to encompass all-pervading life.

Like any other science, management principles need to be theorized, experimented, tested and proved. The best of management theories are the ones that ensure the same results repetitively given under the same inputs. These theories are born out of the necessities of time, like in pure science. The management systems are the results of ideas, innovations, and inspiring thoughts. At times, they precipitate from dreams, visions and fantasies.

This is precisely what our editorial board of IMPACT (Innovative Management Practices And Creative Thinking) is aiming to provide through this inaugural issue.

IMPACT is an e-journal that aims to bring in new ideas in management sciences to the right audience and to enlighten the minds of the knowledge-seeking millions.

In this first issue, the readers will find interesting, inspiring and educative articles on the art and science of MANAGEMENT, a few articles by eminent thinkers on the subject, a book review, announcements, and so on.

The Editorial Board wishes the readers a great time through this inaugural issue and the issues to follow.

Magazine Designed by

SRIKANTH

ksheersaagars@yahoo.com

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MANAGEMENT IN VALLUVAM

*A bilingual poet,
writer, trainer,
translator, thinker
and speaker from
Chennai,*



Mr Subbaraman has written 36 books. His paper, "Valluvam Inspired Mahatma Gandhi," was approved for presentation in the International Tirukkural Conference held in Washington, USA. His translated works include *Thirukkural*, *Bharathiyar's Kuyilpattu* and *Ramana Maharishi's Aksharamanamalai*. He is connected with the publication of the Management e-journal **IMPACT**.

Former Dy. Zonal Manager, LIC of India

The world in which we live and enjoy living is not to be simply dismissed as 'full of sound and fury signifying nothing' as expressed by Shakespeare through his character King Lear. The great world, with its vast natural resources and human potential, flora and fauna, land and sea, deserts and forests, hills and dales, people with their different cultures and languages, civilizations and behaviors, intellects and intelligence, feelings and emotions, is verily a heaven to enjoy notwithstanding strife and wars, weaknesses and threats, trials and tribulations, struggles and sufferings!

A nation is not simply a geographical entity with earth and water, roads and buildings, but indeed is made up of men and women with their physical, intellectual, emotional and spiritual personalities fully blossomed. Various attributes such as love and compassion, kindness and humanism, valour and fearlessness, hard work and patriotism of the people and their contribution through art and literature of the highest type, language and grammar, culture and civilization make a nation great!

INDIA – A GREAT NATION: With one of the most ancient civilizations of the world, India, with its age-old culture and heritage, has talked about the concept of universal brotherhood and oneness of humanity and in fact has practised these noble concepts. This core philosophy treats the entire universe as one family. India has provided inspiration to several countries of the world to become free. North and South, East and West all over the world look to India for peace and serenity. In that way, Mahakavi Bharathiyar was right when

he declared in ecstasy that India is a great nation in the world!

Ancient Indians had wisdom in all areas of human life and living which is much more than what we witness today – a day marked with advancement in every conceivable field of activities. Chanakya, Vyasa, Kowtilya, Varaha Mihira, Panini and the greats in scores have contributed vastly to the welfare of society.

TAMILNADU – IT'S CONTRIBUTION TO INDIA AND THE WORLD:

With its ancient civilization and rich heritage, Tamil Nadu has contributed in enormous measure to the progress and greatness of India through its language and literature, scientific and technological attainments, economic development and social advancement, patriotic leadership, unassailable laws of good governance, advanced principles in archaeology and architecture, agriculture and engineering, medicines and technology – all lending colour to the glory of India!

TAMIL: One of the most ancient languages, yet

vibrant and dynamic with its inexhaustible thoughts in every realm influencing humanity through its art and literature, has provided guidelines for happy living, just governance, noble behaviour, etc. A classical language with richness of grammar and vastness of literature, scintillating thoughts and inspiring philosophy has contributed splendidly for building up the national character and human values.

THIRUVALLUVAR: He is one



of the greatest thinkers the world has witnessed. Born more than 2000 years ago in Chennai in India, he has given us the art and science of life and living through his magnum opus 'Thirukkural'.

When the values propounded are practised truthfully, it will surely bring the unseen heaven to this very earth. Hardly is

there any subject in the world that has not been dealt with by Thiruvalluvar and this, in fact, has made this work universally acceptable as a common scripture of eternal truths and values. This is probably the only work that has been translated into more than ninety languages of the world, of course, with the exceptions of the Bible and the Quran, which are the valued possessions of the two religions.

Thiruvalluvar has dealt with all topics under the Sun, topics that enliven, ennoble and enthrall the educated, knowledgeable and intelligent the world over.

Various principles of Management propounded by the great Saint Thiruvalluvar – whose philosophy is here taken as VALLUVAM – are worth a study by all students of Management, researchers in Management and practitioners of Management – whatever shade of management it be.

We in IMPACT – Innovative Management Practices And Creative Thinking – through our e- journal named so, would like to serialize in a few of our forthcoming issues this subject heavily drawing from Thirukkural.

Man Management

Financial Management

Time management

Stress management

Relationship Management

Health Management

To start with, we shall just peep into human relations management, and this will be dealt with exhaustively in the next issue.

Those with the basic knowledge of Thirukkural know that it has broadly three cantos viz aram (Virtues), porul (Wealth) and inbam (Nature of Love).

In fact, 'aram' consisting of 380 couplets in 38 chapters, is the guide for virtuous life, and when the guidelines contained in these couplets are followed, human relationships can be ideally managed. Some of the very important chapters that directly contribute to Human Relations Management are:

- 1 Loving –Kindness (Chapter 8 – Anbudaimai)
- 2 Hospitality (Chapter 9 – Virundhombal)
- 3 Sweet Words (Chapter 10 – Iniyavai kural)
- 4 Gratitude (Chapter 11 – Sei nandri arithal)
- 5 Equity (Chapter 12 – Naduvu nilaimai)
- 6 Self-control (Chapter 13 – Adakkam udaimai)
- 7 Good decorum (Chapter 14 – ozukkam udaimai)
- 8 Forgiveness (Chapter 16 – Porai udaimai)
- 9 Avoiding Envy (Chapter 17 – Azukkaaraamai)
- 10 Avoiding Slander (Chapter 19 – Purngkuraamai)

In the forthcoming issues, we shall deal with the subject in detail.

Management Humor

A man in a hot air balloon realized he was lost. He reduced altitude and spotted a woman below. He descended a bit more and shouted, "Excuse me, can you help me? I promised a friend I would meet him an hour ago, but I don't know where I am."

The woman below replied, "You're in a hot air balloon hovering approximately 30 feet above the ground. You're between 40 and 41 degrees north latitude and between 59 and 60 degrees west longitude."

"You must be an engineer," said the balloonist. "I am," replied the woman,

"How did you know?"

"Well," answered the balloonist, "everything you told me is, technically correct, but I've no idea what to make of your information, and the fact is I'm still lost. Frankly, you've not been much help at all. If anything, you've delayed my trip."

The woman below responded, "You must be in Management." "I am," replied the balloonist, "but how did you know?"

"Well," said the woman, "you don't know where you are or where you're going. You have risen to where you are due to a large quantity of hot air. You made a

promise which you've no idea how to keep, and you expect people beneath you to solve your problems. The fact is you are in exactly the same position you were in before we met, but now, somehow, it's my fault."

A sales rep, an administration clerk and the manager are walking to lunch when they find an antique oil lamp. They rub it and a Genie comes out in a puff of smoke. The Genie says, "I usually only grant three wishes, so I'll give each of you one wish each."

"Me first! Me first!" says the admin clerk. "I want to be in the Bahamas, driving a speedboat, without a care in the world."

Poof! She's gone.

In astonishment, "Me next! Me next!" says the sales rep. "I want to be in Hawaii, relaxing on the beach with my personal masseuse, an endless supply of Pina Coladas and the love of my life."

Poof! He's gone. "OK, you're up," the Genie says to the manager.

The manager says, "I want those two back in the office after lunch."

Moral of the story:

Always let your boss have the first say.

INSIGHTS
FROM
INSIDE GOOGLE

WORK RULES!

THAT WILL
TRANSFORM
HOW YOU
LIVE AND
LEAD

LASZLO
BOCK

Book Review: Work Rules!: Insights from Inside Google That Will Transform How You Live and Lead

Author: Laszlo Bock

No of Pages: 416

Publisher: Hachette Book Publishing

Price: Rs 599

By **N S Ramanath**
Bangalore



Google is one of the most successful companies of our times. If you are reading this online – and even if you are not – you have probably used one of the Google products in the last half an hour. Maps, Search, Mail, YouTube, or may be, the operating system in your Android phone. Google, it would seem, is everywhere. Many would agree that the primary reason for its enormous success and its apparent omnipresence is its ability to attract top talent. Thousands of employees (its headcount was 53,600 as of December 2014) plan, design, code, test, sell and service to make sure that the company retains its leadership position in search and

capture a bigger share in other segments. How does Google attract, recruit, retain people and get the best out of them?

An insider, Laszlo Bock, who heads Google's people operations has come up with a new book that promises to explain how Google does it. It's not just a Google book. Laszlo goes beyond Google, drawing lessons from psychology, behavioural sciences and experience of other companies and industries. On the first glance, the lessons seem solid, and in line with what you would expect from a company of and for engineers. Make decisions based on data, and not on opinions or

instincts. Even if it makes you nervous, give people more freedom and authority. It's fine to pay two people in the same job completely different amounts.

However, there are two nagging thoughts as you read the book. One, while these lessons do appeal to common sense, the difficulty is in where one draws the line. Paying different amounts is fine, but at some point it will start being perceived as unfair. Giving freedom is great, but how exactly does one strike a balance. Rules that work well for one company, at one stage, might ill serve another company in a different stage of growth. Which brings us to the second nagging thought. Part of the book's appeal comes from the success of Google. It's not clear how much that very success accounts for its ability to attract and retain talent. For research, which Laszlo trusts so much, also suggests that job satisfaction is to a large extent a function of the financial performance of a business.

DEBATE FOR DECADES



Mr. Nandakumar

formerly vice-president in the Indian Express Group of publications for three decades. Presently, he is the founder and director of Vibes Academy.



'Is Management, a Science or an Art?'

is the hot topic, in debate for decades. There are equally strong views favouring both these perceptions. Many prefer to take a compromising stand saying Management is both a science and an art. A few take a mid course, classifying Management as a 'Soft' science!

The author is of a definite opinion that management is a science. Those who subscribe to the contrary view that management is an art invariably cite that it is an art because it deals with managing people. They relate Management to managing people and no more. Managers have to manage people to reach set goals in any business environment, because,

according to them, human behaviour is inconsistent and irrational. Therefore, Management is 'skill' related and hence an art.

This is similar to someone looking at the tip of an iceberg and hastening to classify it as a mere stone. Human issues are just a miniscule part of the management. Managing has hundreds of tentacles and personnel management is just a tiny web in one of its arms. The modern management is system based and not people based. Even this skill of managing people is a science, which we will dwell upon in depth in the latter part of this article.

Management theories are working models and are like any other science thesis. Generally, management is the application of statistical

and mathematical methods and principles to enable decision making in a problem-solving process. These models are not perception-based.

Management principles remove the personal bias, judgment and perception from the decision-making process through tested and proven standard operating procedures to follow. The theories are very reliable as they are devised for optimum decision planning and are linked to economy, engineering and human science. They are the result of careful researches, strategies employing analytical methods, mathematical modelling and statistics.

Like any other science, management is a systematized body of knowledge. It has its

theories, principles and models which are developed by experts in the respective branch of management. These principles are evolved after series of processes like data collection, analysis through statistical applications and tested through controlled case studies.

The conclusions of these management theories are emphatically derived and critically tested for consistent cause-and-effect relationships, and hence they ensure universal applicability. The solutions for any deviation that demand attention and control in any particular situation are built-in in all management models. Hence, all management principles follow the scientific discipline.

Today, management theories yield sustained, repeatable and predictable results. The belief that the results through established management practices are only 'success-by-chance' is highly misplaced.

The management theories like 6Sigma, 5s, 7 Hats, etc. are internationally proved disciplines irrespective of

the differences in economy, culture and other local influences in different countries wherever they are applied. Data mining, structured predictions, simulations, and forecasting are management theories that have proved their universality.

The only grey area, it seems, is with regard to dealing with people. No doubt this requires skill. However, developing skill itself is a science. The management believes in leading people scientifically. Hence, skill itself is not an art but is a product of management science. Even madness has methods. Though for the lay man human behaviour may seem unpredictable, for the management expert, it falls with the realm of predictability. Further, human behaviour can be forced and maneuvered only if it is fully understood. Neuron science is all about predictable human behaviour. Management science takes cognizance of this vulnerability and capabilities of the human psyche and integrates it into its theories and application methodologies. The

theories on soft skill developments are nothing but scientific.

In sports, music and other competitive endeavours today, we notice that records are being consistently broken. This is not to say that in olden days participants lacked deliverance capabilities. But today we improved results because results are achieved by employing scientific training modules. In skill development, the management of training and coaching is evolving to higher levels, perennially improving the level of achievements.

Therefore, the argument that management is an art because it is a skill that leads people towards optimal deliverance needs reconsideration.

Let me conclude that management is not a matter of hunch and native ability; its elements can be organized systematically, it can be learned and successfully employed by anyone with normal human endowment.

Hence, it is a pure science.

VENTURE CAPITAL

10 questions to ask before you go to a VC – or even if you don't

A Master of Financial Management from Sri Sathya Sai Institute of Higher Learning, Puttaparthi, **Mr Ramnath** is a well-known freelance journalist from Bangalore. He was earlier connected with the Economic Times and Forbes India.



Peter Drucker, the guru of management gurus, is famous for asking his clients – usually, CEOs and top executives of large corporations – a very basic question: 'What business are you in?'

One would assume that people running these large and longstanding businesses would know what they are into. Yet, like the proverbial expert who misses the obvious, these veterans often lose sight of the basics. They fail to ask fundamental questions at enormous costs to the companies they run.

As Drucker wrote in *The Practice of Management*: "That the question is so rarely asked at least in a clear and sharp form and so rarely given adequate study and thought, is perhaps the most important single cause

of business failure."

The questions listed below – drawn from watching start-up pitches, listening to advice venture capitalists (VCs) give to start-ups and reading training material crafted by those who have been on both sides of the table – are the basic questions that demand adequate study & thought.

Entrepreneurs in need of funding often face these questions from VCs. But you don't need to be looking for funds to ask these questions. It doesn't matter what stage of growth your company is in, it doesn't matter what size it is, or where it is based. Asking these questions and attempting to answer them with honesty will help any business that wants to be in the game.

1. What problem am I trying to solve?

Businesses, big or small, exist to solve a problem. For example, there is so much information on the net – all haphazard, unorganised and constantly updated – that it's a pain to get what I want. Google tries to solve that problem. Another example. School students sometimes suddenly need pencils, erasers, papers, notebooks etc. Facing a teacher without these can be an unpleasant experience. That's a problem. The stationary shops near schools exist to solve this problem. One way to arrive at an answer is to ask "If I don't exist, what would my customers do?"

2. Who are my customers?

Drucker says the purpose of a business is to create a customer. It's useful to think

of customers in two ways. Bottom up and Top down. Start by thinking about one individual who has the problem you are trying to solve. And then expand from that point. In the stationery shop example, start with one student (build a use case around him), and expand to his classmates, schoolmates, school children in the city, in the district and so on. In the top-down approach, you start with the total available market (all school children in, let's say, a town), serviceable available market (how many outlets can I have, given my constraints), target market (who am I targeting right now?)

3. What is my solution?

Try to describe your solution in one, simple sentence. Then, substantiate that by describing how exactly you are solving the problem described under question 1. If you have listed more than one problem, explain how the solution works and its key features; solve each one of them. If needed, use a visual aid – a flowchart, or a diagram – to explain how

the solution works.

4. What is my secret sauce?

The one key advantage that your business has that others don't. For Google, it is its search algorithm that gives the most relevant results. For the stationary shop near school, it could be the lowest price in the vicinity (and its ability to sustain that advantage over a period of time), or it could be the better choice of goods it offers or its credit policy. In short, it could be technology, expertise or patent. You can also, borrowing from Warren Buffett, think of it in terms of the moat that surrounds your castle. The bigger the moat, the better it is for your business.

5. How big can I grow?

You can consciously decide not to scale up. Your business can be a niche. You can decide to have just one shop, and run it well and profitably. You wouldn't need VCs, and neither will VCs, who expect large returns, be interested in you. However, scaling up is also a valid path. Refer to the earlier question on customers and describe

Venture capital



what you would do after capturing the target market. Which customer segment would you target next, solving what problem, using what solution?

6. How will I reach my customers?

To answer this question, it's useful to think in terms of different levels of customer engagement. Ask these questions: How will I increase the awareness about my product/solution? How will I persuade my customers to buy my product/solution? How will I deliver it to them? And how will I manage the relationship post-sales?

7. Who are in my team?

The difference between a successful business and a failed business is often its people. Venture Capitalists love saying that they don't invest in an idea, but in people. While answering this question, focus on the

key five or six people in your team, the contribution they make, the relevant experience they bring and how their skills and backgrounds mitigate the risks that your business is exposed to.

8. How much can I make, and at what cost?

This is where you talk hard numbers. What are the revenue streams, and how much will each bring in. What's your cost structure and how does it behave? Will it grow in proportion to sales; or are there economies of scale? If the

breakeven is far, how will you fund it?

9. What are the risks? And what am I doing about it?

Murphy's Law: If something can go wrong it will. Best businesses anticipate what could go wrong, and fix that before it breaks. What can go wrong? It can be something in the market, or in the business model, or because of specific constraints you might be facing? How will you address each one of them?

10. What are my plans for the next one year?

While answering this

question, in addition to specific plans you might have, try mapping the steps to answers for question number 5 (growth) and question number 6 (managing risks). Make sure the plans are SMART – specific, measurable, attainable, realistic and time-bound.

Finally, try to summarise these into a five-point list that describes why your business is good and worth investing in. Even if you are not planning to go to a VC, these questions are worth asking.

MANAGEMENT HUMOUR

A man brought a very limp dog into the veterinary clinic. As he laid the dog on the table, the doctor pulled out his stethoscope, placing the receptor on the dog's chest. After a moment or two, the vet shook his head sadly and said, "I'm sorry, but your dog has passed away." "What?" screamed the man. "How can you tell? You haven't done any testing on him or anything. I want another opinion!" With that, the vet turned and left the room. In a few moments, he returned with a Labrador retriever. The Retriever went right to work, sniffing and prodding, checking the poor dead dog out thoroughly. After a considerable amount of sniffing, the Retriever sadly shook his head and said, "Bark".

The veterinarian then took the Labrador out and returned in a few moments with a cat, which also checked out the poor dog on the table. As had his predecessors, the cat sadly shook his head and said, "Meow." He then jumped off the table and ran out of the room. The veterinarian handed the man a bill for \$600. The dog's owner went berserk. "\$600! Just to tell me my dog is dead? This is outrageous!"

The vet shook his head sadly and explained. "If you had taken my word for it, it would have been \$50, but with the Lab work and the cat scan...."

CRISIS MANAGEMENT



Dr. K. Balasubramanian – Founder and CEO of Vision Unlimited. He is a PhD in Psychology & Post Graduate Diploma in Training & Development. His name has been appearing in the popular people of Tamil Nadu Directory for the past 25 years.

Coping with uncertain times can leave anyone feeling vulnerable and edgy, and we are no exception. In the last few months, many have expressed their feelings of uncertainty and fearfulness about the future. It is natural to be concerned when things around us are shifting and changing rapidly, such as the activity we have recently with the stock markets, gasoline prices, and housing foreclosures.

Fortunately, we don't have to live in a state of panic when life throws us a curve. The wonderful thing about human beings is that we are resilient and resourceful. This means that, even if we don't like change, we are able to adapt to new situations and find new ways to deal with them.

The first advice about dealing with change is to breathe. It is such a simple

technique but one that is tried and true. The old practice of counting to 5 or 10 while breathing deeply really does work because it fills our system with extra oxygen and drops our stress level quickly. By giving ourselves a moment to breathe deeply and absorb a change in this way, we'll handle change more easily and gracefully.

It is equally important to call upon our sense of humour. When times are tough, a bit of laughter can help to lighten the load. Let us seek out reasons to laugh, and if we have difficulty finding them, look for them in funny movies, comic television shows, or comedy routines by our favourite comedian. Scientific studies have shown that laughter is healing for both the body and mind and, as far as I know, nobody has died from laughter.

Close friends and loved ones are another good support when times are tough. The people we are closest to, can become our best support system. Building and maintaining solid and supportive relationships can make all the difference in how we weather tough times and sudden changes.



Friends, I hope that these tools for coping with life's twists and turns will help you roll with the punches when times are difficult or uncertain.

Remember to check out your Health, Wealth and Happiness frequently to remain happy...

THE SILVER LINING IN OUR THINKING (DEVELOPING A POSITIVE MENTAL ATTITUDE)

Mr Clifford Martis, former Executive Director Life Insurance Corporation of India, served for three and a half decades in Administration, Housing Finance and Investment. He is a prolific writer in English, Kannada and Hindi on various social subjects, humor, management, etc. His articles are being published in Women's Era, Alive, Yogaskshema, Vinoda, etc.



It is said that our attitude determines our altitude. In our words, our position in life is determined by our attitude. Qualities like hard work, ambition, possessing knowledge, etc. are required to achieve success in life. But of all these qualities, a positive mental attitude is the most essential aspect. It is possible for us to cultivate a positive attitude by practising certain things and by developing certain habits that are discussed in this write-up.

What is attitude? Attitude means the way we look at life in general. Do we look at life as something to live and enjoy or some punishment which has to be borne somehow till death liberates us from bondage? What is our disposition towards our job and our work? Do we

have a cheerful attitude or a morose, gloomy attitude? What is our reaction when there are disappointment or failure or a missed opportunity? There is a story about a person who was leaving for an important business trip. He missed his connecting plane. Instead of getting angry or upset, he seemed to be happy and he made plans to spend the time visiting the new city. His idea was simple. I have missed the plane. Nothing can be done about it now. If I worry or get upset, it will only make matters worse. So, let me make the best use of the time at my disposal. I have heard that this is a beautiful city. But I never had sufficient time to see it. Today I've got the opportunity!

Different persons have

different attitudes. Two different persons may look at the same thing in a bright or a dull way. There is a touching story about two prisoners who looked out of the small prison window. One saw mud. The other saw stars! A person who fails in an exam may despair and give up further studies. Some people even think of committing suicide and we do read about such cases in the papers. But another person may make up his mind to try again with extra effort and with a determination to succeed.

Let us see how interestingly attitude comes out with flying colours when various keys to success are examined. Let us give numbers to the letters of the alphabet. A is 1, B is 2, C is 3 and so on till you come

to Z which will be 26. Now let us see what values various keys to success get by this method.

Ambition

$$1+13+2+9+20+9+15+14=83$$

Ability

$$1+2+9+14+9+20+25=80$$

Attitude

$$1+20+20+9+20+21+4+5=100$$

Consider other aspects which people may consider as useful in achieving success. Money (72), luck (47), work (67). Can you please find out the marks for 'Knowledge'? Even 'knowledge' falls short by three points.

Is there logic in the idea of positive mental attitude or is it only a figment of our imagination? I think that there is clear logic in having a positive attitude. In life, both happy and sad events take place. We do not know what really will happen – whether a happy event or a sad event. This being the case, why should we expect an unhappy event to happen and feel sad and go on worrying? Why should we not expect a happy event and be happy? When the time comes, whatever has to happen will happen. If it is a

good thing, fine. If it is a bad thing, we can try to face it and see what to do about it. In any case there is no need for us to go on imagining that bad things will happen and worry all the time.

If we worry and make ourselves miserable and actually a bad event happens, then we will suffer doubly, up to the happening of the event and on the happening of it. On the other hand, if we are optimistic and the event turns out to be good, we enjoy twofold. Even if the event is bad, we will become unhappy only after its happening. We would have been happy at least till the happening of the event.

Therefore, it would be sensible to expect or imagine happy events to take place and be in a happy, cheerful mood.

There is a psychological aspect also. It has to do with our subconscious mind. We do not do our actions only through the prompting of the conscious mind. Many of our actions depend on our subconscious mind. If we go on imagining good things, then our subconscious mind will start acting in such a

way that good things will follow.



Take an example. If I am going to take an exam or appear for an interview, I can either imagine that I will succeed and be happy or I can worry about failing, as many of us do often. Now, succeeding or failing will depend ultimately on my preparation and may be a few other minor factors. But my worrying before the exam will unnecessarily complicate the situation. My imagination that I am going to fail and worrying about it will make my mind let me down at the crucial moment. My mind is likely to fail me in facing even simple questions. On the other hand, if I go on imagining success, then I will be in a bright frame of mind, and there is every likelihood that I will remember matters well and that I will be able to answer better.

Is attitude something with which we are born or is it something that can be cultivated and developed by us? Are there methods by which we can develop a healthy, bright, positive attitude towards life and its various aspects? There is a fine quotation: You are what you think you are. Many writers and psychologists have written that a person can definitely shape his thinking by learning some useful methods.

How can we develop a positive attitude? Attitude is not something which some other person can give us. We have to develop it ourselves through conscious effort. Others may show us some ways or give some tips. But ultimately our attitude is our own making. Many writers like Dale Carnegie, Norman Vincent Peale, Napoleon Hill and others have written fine books on this subject. In his wonderful book, 'You can Win,' Shiv Khera gives some practical suggestions for building a positive attitude. These and a few other tips are discussed below:

1 Always look for the positive aspect of things. A

glass is filled with water up to the middle level. What shall we say 'The glass is half empty or the glass is half full'? We must make a conscious effort always try to see the brighter aspects of all events that take place.



2 Let us learn to count our blessings and not troubles. When something not so pleasant happens, let us think of the many happy things that have happened to us. If we feel dull about our job and our salary, let us think about the large number of people whose salary is much lower than ours or those who do not have a job at all.

3 Let us learn to build self-esteem. Let us always remember that we are what we are and what we can do about ourselves. If ever we feel inferior, let us remember what Eleanor

Roosevelt said, "Nobody can make you feel inferior without your permission." In this connection, we should learn not only to appreciate and praise others but also to accept praise gracefully whenever someone appreciates our work. Humility is a good virtue, but it does not require us to unnecessarily underestimate ourselves and carry guilt feelings.

4 Let us learn to keep negative influences away.

Negative people – that is people who are always pessimistic, always criticizing and never doing anything to improve things. Let us try to cultivate the friendship of happy, cheerful & positive-minded people who spread happiness and good cheer.

Let us examine whether smoking, drinks and other such habits are a drag on our work and our lives. If we find that these things are really creating havoc in our lives, then let us make up our minds to give up such things. In this connection, we should learn what is meant by assertiveness and practise it.

5 Let us learn to like the things that need to be done. For example, we have to do certain things in order to succeed. If I want to succeed in my Computer course, I must work hard. Let me learn to love working hard because it will bring me success. Some people want to do things which they like. That's fine. But if you know that certain things are necessary for your success, then you must learn to like such things.

6 Let us learn to remember the happy things that have happened to us and to forget the sad or unpleasant things. Life is full of happy and sad events. If a sad event takes place and if we go on brooding about, it will do no good to anyone. Nothing can change something which has already taken place. If I missed the bus in the morning and was unable to do something important that I had to do, nothing can be done by my worrying about it. It is true that we should learn lessons from failure and try to improve. But it is one thing to learn some good lesson from a failure and it is quite a

different thing to go on worrying about it. Just think. Can you or I change anything that has already occurred?

If, therefore, we make it a habit to forget failures and unpleasant things, it will help us building a positive attitude. It will give us time to remember the happy things. Remembering the pleasant events, especially when we are tense about an exam or an interview or about any other important matter, is called anchoring.

7 Let us decide to start each day with a positive thought.

Let us simply say, again and again and as many times as possible

DAY-BY-DAY IN EVERY WAY I AM GETTING BETTER AND BETTER.

These suggestions are of great help but one has to put them into practice with sincere, conscious effort. Our minds are likely to let us down and we may find ourselves thinking of negative aspects again. Therefore, we must practise

these methods regularly, consciously and sincerely. After some time, the idea of positive thinking will become a habit. Once it becomes a habit, it will take over our thinking.



Some of us may be the worrying or pessimistic type of persons. In that case, we must make special efforts to develop a positive mental attitude. Such persons must try to adopt some methods that are aimed at changing habits. In order to adopt new habits, we should acquire newer habits. If we are used to a certain route for our morning walk, we should consciously change the route. If we are used to wearing the left shoe first, we should wear the right one first. These steps, when done consciously, will remind us of our desire to change our habits and will help us to change our worrying nature.

PORTFOLIO MANAGEMENT



Mr. K Suresh

President & CEO India Cements Capital Ltd. Director India Cements Investment Services Ltd. has more than 28 years of experience in Finance, Securities Market, Accounts, Internal Audit and Marketing.

What is Portfolio?

Portfolio refers to invest in a group of securities rather than to invest in a single security.

“Don’t Put all your eggs in one basket”

Portfolio help in reducing risk without sacrificing return.

Portfolio Management is the process of creation and maintenance of investment portfolio.

Portfolio management is a complex process which tries to make investment activity more rewarding and less risky.

Major tasks involved with Portfolio Management

- Taking decisions about investment mix and policy
- Matching investments to objectives

- Asset allocation for individuals & institution
- Balancing risk against performance

Phases of Portfolio



Management

Portfolio management is a process of many activities that aimed to optimizing the investment. Five phases can be identified in the process:

- ▶ Security Analysis.
- ▶ Portfolio Analysis.
- ▶ Portfolio Selection.
- ▶ Portfolio revision.
- ▶ Portfolio evaluation.

Each phase is essential and the success of each phase depends on the efficiency in carrying out each phase.

Security Analysis

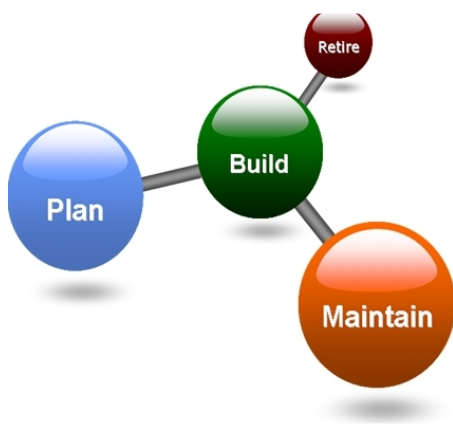
Security analysis is the initial phase of the portfolio management process. There are many types of securities available in the market, including equity shares, preference shares, debentures and bonds. It forms the initial phase of the portfolio management process and involves the evaluation and analysis of risk return features of individual securities. The basic approach for investing in securities is to sell the overpriced securities and purchase under priced securities. The security analysis comprises Fundamental Analysis and technical Analysis.

Portfolio Analysis

A portfolio refers to a group of securities that are kept together as an investment. Investors make investment in various securities to diversify the investment to make it risk-averse. A large number of portfolios can be created by using the

securities from a desired set of securities obtained from an initial phase of security analysis.

By selecting the different sets of securities and varying the amount of investments in each security, various portfolios are designed. After identifying the range of possible portfolios, the risk-return characteristics are measured and expressed quantitatively. It involves the mathematical calculation of return and risk of each portfolio.



Portfolio Selection

During this phase, portfolio is selected on the basis of input from previous phase Portfolio Analysis. The main target of the portfolio selection is to build a portfolio that offer highest returns at a given risk. The portfolios that yield good returns at a level of risk are



called efficient portfolios. The set of efficient portfolios is formed and from this set of efficient portfolios, the optimal portfolio is chosen for investment. The optimal portfolio is determined in an objective and disciplined way by using the analytical tools and conceptual framework provided by Markowitz's portfolio theory.

Portfolio Revision

After selecting the optimal portfolio, the investor is required to monitor it constantly to ensure that the portfolio remains optimal with passage of time. Due to dynamic changes in the economy and financial markets, the attractive securities may cease to provide profitable returns. These market changes result in new

securities that promises high returns at low risks. In such conditions, the investor needs to do portfolio revision by buying new securities and selling the existing securities. As a result of portfolio revision, the mix and proportion of securities in the portfolio changes.

Portfolio Evaluation

This phase involves the regular analysis and assessment of portfolio performances in terms of risk and returns over a period of time. During this phase, the returns are measured quantitatively along with risk born over a period of time by a portfolio. The performance of the portfolio is compared with the objective norms. Moreover, this procedure assists in identifying the weaknesses in the investment processes.

Management Humor

The American and the Japanese corporate offices for a large multinational corporation decided to engage in a competitive boat race. Both teams practised hard and long to reach their peak performance.

On the big day they felt ready. The Japanese team won by a mile. Afterward, the American team was discouraged by the loss. Morale sagged. Corporate management decided that the reason for the crushing defeat had to be found, so a consulting firm was hired to investigate the problem and recommended corrective action.

The consultant's finding: The Japanese team had eight people rowing and one person steering; the American team had one person rowing and eight people steering.

After a year of study and millions spent analyzing the problem, the firm concluded that too many people were steering and not enough were rowing on the American team.

So, as race day neared again the following year, the American team's management structure was completely reorganized. The new structure: four

steering managers, three area steering managers and a new performance review system for the person rowing the boat to provide work incentive.

The next year, the Japanese won by two miles. Humiliated, the American office laid-off the rower for poor performance and gave the managers a bonus for discovering the problem.

This guy gets a parrot but it's got a bad attitude and foul vocabulary. He tries everything to change the bird's attitude and clean up its talk but nothing works. Finally, in a moment of desperation, he puts the parrot in the freezer. For a few moments he hears the bird squawking, kicking and screaming and then, suddenly, all is quiet. He opens the freezer door. The parrot steps out and says, "I'm sorry that I offended you with my language and actions. I ask for your forgiveness. The guy's astounded at the bird's change in attitude and was about to ask what changed him when the parrot continued, "By the way, may I ask – what did the chicken do?"

Start with a cage containing five

monkeys. Inside the cage, hang a banana on a string and place a set of stairs under it. Before long, a monkey will go to the stairs and start to climb towards the banana. As soon as he touches the stairs, spray all of the other monkeys with cold water. After a while, another monkey makes an attempt with the same result – all the other monkeys are sprayed with cold water. Pretty soon, when another monkey tries to climb the stairs, the other monkeys will try to prevent it.

Now, put away the cold water. Remove one monkey from the cage and replace it with a new one. The new monkey sees the banana and wants to climb the stairs. To his surprise and horror, all of the other monkeys attack him. After another attempt and attack, he knows that if he tries to climb the stairs, he will be assaulted.

Next, remove another of the original five monkeys and replace it with a new one. The newcomer goes to the stairs and is attacked. The previous newcomer takes part in the punishment with enthusiasm! Likewise, replace a third original monkey with a new one, then a fourth, then the fifth. Every time the newest monkey takes to the stairs, he is attacked. Most of the monkeys that are beating him have no idea why they were not permitted to climb the stairs or why they are participating in the beating of the

newest monkey.

After replacing all the original monkeys, none of the remaining monkeys have ever been sprayed with cold water. Nevertheless, no monkey ever again approaches the stairs to try for the banana.

Why not?

Because as far as they know, that's the way it's always been done around here.

And that, my friends, is how company policy begins.

A project manager, hardware engineer and software engineer were in a car heading down a hill when the brakes failed. The driver managed to get it stopped by using the gears and a convenient dirt track.

All three jumped out and after peering under the car the hardware engineer said, "I see what the problem is and with this handy roll of duct tape I think I can fix it good enough to get us to the next town". The project manager quickly interrupted, "No, no, no. Before we do anything we need to decide on a vision for our future, figure out a plan and assign individual deliverables". At which point the software engineer said, "You know what, I think we should push the car back up to the top of the hill and see if it happens again".

MANAGEMENT JARGONS

Words

&

Phrases

(1) Accommodate concerns

1 Make room for opinions 2 Make an allowance for a preference 3 Tolerate a different point of view

"We will try to accommodate your concerns"

(2) Accountability

1 Responsibility for the progress of a project or the progress of the firm 2 A lack of progress may not lead to any disciplinary action

"We are going to build in accountability"

(3) Address

1 To provide words on a topic which may have little or no meaning

"He will address us on the topic"

(4) Aggressive quote

1 A low bid to produce a good or provide a service

"We can get it with an aggressive quote"

(5) Ambush marketing

1 To tie a firm's name to its competitors advertising

"They are using ambush marketing by naming the stadium ..."

(6) Anecdotal information

1 Scattered stories and or reports
2 First information from the field
3 Not scientific or definitive

"Your use of our product provides anecdotal information to us"

(7) Arrows to fire

1 Points to mention and/or tactics to take

"He ran out of arrows to fire"

(8) At some juncture

1 Some unspecified point in time in the future

"At some juncture we will decide"

(9) At this point

1 Now

"At this point we have begun"

(10) Band aid

1 A quick temporary fix which when the fix works, is frequently ignored because of the higher expense to permanently fix the problem.

"Can we put a band aid on the problem"

(11) Bandwidth

1 Capacity 2 Maximum amount

"We do not have the bandwidth to accommodate your request"

(12) Bearish on

1 Against 2 To assert a belief that something will decrease

"I'm bearish on the economy"

(13) Believe in

1 Behind an idea or in favour of something

"I believe in our marketing"

(14) Benign report

1 A harmless document when it could have been detrimental to the firm

"The benign report is not a problem"

(15) Bounce an idea off someone

1 To get someone's initial impression of an idea they have not heard before

"Can we bounce an idea off someone today"

(16) Break it down

1 Provide details

"He will break it down for you"

(17) Bring them along

1 Give a slow introduction over time 2 Incrementally spoon feed small amounts of possibly misleading information until the whole concept is accepted 3 Withhold distasteful information

"We must be careful to bring them along"

(18) Brush fire

1 Out of control 2 Growing wildly

"Let's stop these reports before they grow into a brush fire"

(19) Budget

1 Projected dollar amounts estimated ahead of time for a project 2 the company's overall costs and revenues 3 Any estimate before or after any or all facts are known.

"Let's revise our budget after the project starts"

(20) Bullish on

1 In favour of 2 To assert a belief

that something will increase

"I'm bullish on our sales"

(21) Bushit

1 Great lies told by a great authority 2 Overly exaggerated claims of validity about a heterogeneous collection 3 Giving assurance with a quick smile and a chuckle 4 Claiming new information is true because it is common knowledge

"I know better than to believe his bushit"

(22) Business case

1 A multiple year estimate of a future projects costs and revenues

"Can we make a business case for your project"

(23) Buy in

1 Agreement 2 Commitment

"We need manufacturing's buy in before we go ahead with this"

Calm market

(24) A steady price

"We are experiencing a calm market"

(25) Cash burn rate

1 How quickly liquid assets are being spent 2 The number of dollars of cash flow being lost each month or quarter

"Let's get our cash burn rate under control"

(26) Cash flow benefits

1 Either increase in revenue or a decrease in costs 2 A decrease in costs caused by a more efficient production method 3 A production method that requires

fewer employees and/or less plant and equipment

"Your idea has some interesting cash flow benefits"

(27) Clamp down

1 To reduce 2 To slow to near zero 3 To spend very little

"We must clamp down our expenses"

(28) CNBC

1 Conservative National Bushit Conference 2 Nonstop radically conservative propaganda

"I am watching CNBC because they think they are right."

(29) Commitment

1 The act of standing behind a policy whose value ends when the policy is concluded

"We made a commitment to this"

(30) Company policy

1 A written or verbal statement of a firm's stance on a topic

"Ours is a very good company policy on that"

(31) Compelling case

1 A winning argument 2 Overwhelmingly persuasive

"You make a very compelling case"

(32) Competitive analysis

1 An investigation to find out if others are already doing the same thing

"We need a competitive analysis before we begin"

(33) Confidence in the future

1 Assurance that a plan of action

will work out 2 To imply prior knowledge of future events

"We have confidence in the future"

(34) Consolidation

1 The firing of employees and/or the reduction of plant and equipment

"Our consolidation will close one store"

(35) Cost containment

1 The firing of employees and/or the reduction of plant and equipment

"Cost containment will lead to a profit"

(36) Cost management

1 The firing of employees and/or the reduction of plant and equipment

"We need to exercise some cost management"

(37) Create value

1 Make a better product or service 2 To increase a customer's perception of something's usefulness

"This will create value for our customers"

(38) Crisis management

1 To control and limit the impact of major unforeseen problems 2 A management style that only acts after a crisis has occurred

"We need to exercise better crisis management"

(39) Corporate culture

1 Acceptable behavior at a company

"It's within the bounds of our corporate culture"

Great management lessons from Dhirubhai Ambani

Arun Kumar S.Davay - Founder and CEO, Mind Matters

A Passionate Teacher and A Professional Trainer is an MBA Professional with several years Industry experience in HR, Marketing, Auditing and Finance. Faculty for MBA in various Premier Business Schools. Member of ISTD (Indian Society for Training and Development)



Dhirubhaism No 1: Roll up your sleeves and help.

You and your team share the same DNA.

Reliance, during Vimal's heady days, had organized a fashion show at the Convention Hall, at Ashoka Hotel in New Delhi.

As usual, every seat in the hall was taken, and there were an equal number of impatient guests outside, waiting to be seated. I was of course completely besieged, trying to handle the ensuing confusion, chaos and protests, when to my amazement and relief, I saw Dhirubhai at the door trying to pacify the guests.

Dhirubhai at that time was already a name to reckon with and a VIP himself, but that did not stop him from rolling up his sleeves and diving in to rescue a

situation that had gone out of control. Most bosses in his place would have driven up in their swank cars at the last moment and given the manager a piece of their minds. Not Dhirubhai.

When things went wrong, he was the first person to sense that the circumstances would have been beyond his team's control, rather than it being a slip on their part, as he trusted their capabilities implicitly. His first instinct was always to join his men in putting out the fire and not crucifying them for it. Sounds too good a boss to be true, doesn't he? But then, that was Dhirubhai.

Dhirubhaism No 2: Be a safety net for your team.

There used to be a time when our agency Mudra was the target of some

extremely vicious propaganda by our peers, when on an almost daily basis my business ethics were put on trial. I, on my part, putting on a brave front, never raised this subject during any of my meetings with Dhirubhai.

But one day, during a particularly nasty spell, he gently asked me if I needed any help in combating it. That did it. That was all the help that I needed. Overwhelmed by his concern and compassion, I told him I could cope, but the knowledge that he knew and cared for what I was going through, and that he was there for me if I ever needed him, worked wonders for my confidence.

I went back a much taller man fully armed to face whatever came my way. By

letting us know that he was always aware of the trials we underwent and that he was by our side through it all, he gave us the courage we never knew we had.

Dhirubhaism No 3: The silent benefactor.

This was another of his remarkable traits. When he helped someone, he never ever breathed a word about it to anyone else. There have been none among us who haven't known his kindness, yet he never went around broadcasting it.

He never used charity as a platform to gain publicity. Sometimes, he would even go to the extent of not letting the recipient know who the donor was. Such was the extent of his generosity. "Expect the unexpected" just might have been coined for him.

Dhirubhaism No 4: Dream big, but dream with your eyes open.

His phenomenal achievement showed India that limitations were only in the mind. And that nothing was truly unattainable for those who dreamed big.

Whenever I tried to point

out to him that a task seemed too big to be accomplished, he would reply: "No is no answer!" Not only did he dream big, he taught all of us to do so too. His one-line brief to me when we began Mudra was: "Make Vimal's advertising the benchmark for fashion advertising in the country."

At that time, we were just a tiny, fledgling agency, tucked away in Ahmedabad, struggling to put a team in place. When we presented the seemingly insurmountable to him, his favourite response was always: "It's difficult but not impossible!" And he was right. We did go on to achieve the impossible.

Both in its size and scope, Vimal's fashion shows were unprecedented in the country. Grand showroom openings, stunning experiments in print and poster work all combined to give the brand a truly benchmark image. But way back in 1980, no one would have believed it could have ever been possible, except Dhirubhai.

But though he dreamed big, he was able to clearly

distinguish between perception and reality, and his favourite phrase, "dream with your eyes open," underlined this.

He never let preset norms govern his vision, yet he worked night and day familiarizing himself with every little nitty-gritty that constituted his dreams constantly sifting the wheat from the chaff. This is how, as he put it, even though he dreamed, none of his dreams turned into nightmares. And this is what gave him the courage to move from one orbit to the next despite tremendous odds.

Dhirubhai was indeed a man of many parts, as is evident. I am sure there are many people who display some of the traits mentioned above, in their working styles as well, but Dhirubhai was one of those rare people who demonstrated all of them, all the time.

Dhirubhaism No 5: Leave the professional alone!

Much as people would like to believe, most owners (even managers and clients), though eager to hire the best professionals in the

field, do so and then use them as extensions of their own personality. Every time I come across this, which is much too often, I am reminded of how Dhirubhai's management techniques used to be (and still remain) so refreshingly different.

For instance, way back in the late 1970s when we decided to open an agency of our own, he asked me to name it. I carried a short list of three names, two Westernised and one Indian. It was a very different world back then. Everything Anglicised was considered "upmarket."

There were hardly any agencies with Indian names barring my own ex-agency Shilpi and a few others like Ulka and Sistas. He looked at the list and asked me what my choice was. I said "Mudra": it was the only name that suited my personality. And the spirit of the agency that I was to head.

I was very Indian and an Anglicised name on my visiting card would seem pretentious and contrived. No further questions were



asked. No suggestions offered, just a plain and simple "Go ahead and do it." That was just the beginning.

He continued to give me total freedom -- no supervision, no policing -- in all my decisions thereafter. In fact, the only direction that he gave me, just once, was this: "Produce your best."

His utter trust in me was what pushed me to never, ever let him down. I guess the simplest strategies are often the hardest to adopt. That was the secret of the Dhirubhai legend. It was not out of a book. It was a skillful blend of head and heart.

Dhirubhaism No 6: Change your orbit, constantly!

To understand this

statement, let me explain Dhirubhai's "orbit theory."

He would often explain that we are all born into an orbit. It is up to us to progress to the next. We could choose to live and die in the orbit that we are born in. But that would be a criminal waste of potential. When we push ourselves into the next orbit, we benefit not only ourselves but everyone connected with us as well.

Take India's push for development. There was once a time our country's growth rate was just 4 per cent, sarcastically referred to as the "Hindu growth rate." Look at us today, galloping along at a healthy 7-8 per cent.

This is no miracle. It is the product of a handful of

determined orbit changers like Dhirubhai, all of whose efforts have benefited a larger sphere in their respective fields.

In a small way, I too have experienced the thrill of changing orbits with Mudra. In the 1980s, we leapt from the orbit of a small Ahmedabad ad agency to become the country's third largest ad agency -- in just under a decade.

However, when you change orbits, you will create friction. The good news is that your enemies from your previous orbit will never be able to reach you in your new one. By the time resentment builds up in your new orbit, you should move to the next level. And so on.

Changing orbits is the key to our progress as a nation.

Dhirubhaism No 7: The arm-around-the-shoulder leader

I have never seen any other empire builder nor the CEO of any big organisation do this (why, I never adopted this myself!).

It was Dhirubhai's very own signature style. Whenever I

went to meet him and if on that day, all the time that he could spare me was a short walk up to his car, he would instantly put his arm around me and proceed to discuss the issues at hand as we walked.

With that one simple gesture, he managed to achieve many things. I was put at ease instantaneously. I was made to feel like an equal who was loved and important enough to be considered close to him. And I would walk away from that meeting feeling so good about myself and the work I was doing!

This tendency that he had, to draw people towards him, manifested itself in countless ways. This was just one of them. He would never, ever exude an air of aloofness and exclusivity. He was always inviting people into sharing their thoughts and ideas, rather than shutting them out.

On hindsight I think, it must have required phenomenal generosity of spirit to be that inclusive. Yes, this was one of the things that was uniquely Dhirubhai -- that warm arm around my

shoulder that did much more than words in letting me know that I belonged, that I had his trust, and that I had him on my side!

Dhirubhaism No 8: The Dhirubhai theory of Supply creating Demand

He was not an MBA. Neither was he an economist. But yet he took traditional market theory and stood it on its head. And succeeded.

Yes, at a time when everyone in India would build capacities only after a careful study of market expectations, he went full steam ahead and created giants of manufacturing plants with unbelievable capacities. (Initial cap of Reliance Patalganga was 10,000 tonnes of PFY way back in 1980, while the market in India for it was approx. 6000 tonnes).

No doubt his instinct was backed by years and years of reading, studying market trends, careful listening and his own honed capacity to forecast, but yet despite all this preparation, it required undeniable guts to pioneer such a revolutionary move.

The consequence was that the market blossomed to

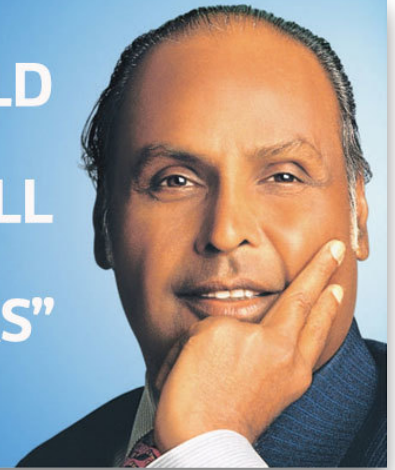
absorb supply, the consumer benefited with prices crashing down, the players increased and our economic landscape changed for the better. The Patalganga plant was in no time humming at maximum capacity and as a result of the plant's economies of scale, Dhirubhai's conversion cost of the yarn in 1994 came down to 18 cents per pound, as compared to Western Europe's 34 cents, North America's 29 cents and the Far East's 23 cents and Reliance was exporting the yarn back to the US!

A more recent example was that of Mukesh Ambani taking this vision forward with Reliance Infocomm (which is now handled by Anil Ambani). In India's mobile telephony timeline, there will always be a very clear 'before Infocomm and after Infocomm' segmentation. The numbers say it all. In January 2003, the mobile subscriber base was 13 million, about 16 months later, shortly after the launch, it had reached 30 million.

In March 2006, it has touched 90 million ! Yes,

“IF YOU DON'T BUILD YOUR DREAM, SOMEONE ELSE WILL HIRE YOU TO HELP THEM BUILD THEIRS”

-Dhirubhai Ambani



this was yet another unusual skill of Dhirubhai's – his uncanny knack of knowing exactly how the market is going to behave.

Dhirubhaism No 9: Money is not a product by itself, it is a by-product, so don't chase it

This was a belief by which Dhirubhai lived all his life. For instance when he briefed me about setting up Mudra, his instruction was clear: 'Produce the best textile advertising in the country,' he said.

He did not breathe a word about profits, nor about becoming the richest ad agency in the country. Great advertising was the goal that he set for me. A by-product is something that you don't set out to produce. It is the spin-off when you create something larger.

When you turn logs into lumber, sawdust is your by-product and a pretty lucrative one it can be too! It is a very simple analogy but extremely effective in driving the point home. Work toward a goal beyond your bank balance.

Success in attaining that goal will eventually ring in the cash. For instance, if you work towards creating a name for yourself and earning a good reputation, then money is a logical outcome.

People will pay for your product or service if it is good. But if you get your priorities slightly mixed up, not only will the money you make remain just a quick buck, it would in all likelihood blacklist you for good. Sounds too simplistic for belief? Well, look around you and you will know exactly how true it is.

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INNOVATIVE MANAGEMENT PRACTICES
AND CREATIVE THINKING

A JOURNAL FOR MANAGEMENT SCIENCES

Periodicity: Monthly

Subscription:

Single copy: Rs 100/- each issue

Annual: Rs 1000/- for 12 issues

Subscriptions may be paid by Cheque/DD drawn in
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